By Mr. EVANS of Montana: Memorial of the State Legislature of the State of Montana, urging Congress to enact such legislation as will permit the owners of land in the upper Milk River irrigation districts to enter into contracts permitting payments for the St. Marys diversion charges to be made in 40 years and to allow deduction on nonproductive land; to the Committee on Irrigation and Reclamation.

Also, memorial of the State Legislature of the State of Montana, requesting of Congress the enactment of such legislation as may be necessary to protect the livestock industry; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ROY G. FITZGERALD: A bill (H. R. 17318) for the relief of Luther W. Guerin; to the Committee on Claims.

By Mr. UNDERWOOD: A bill (H. R. 17319) granting an increase of pension to Henrietta M. Lewis; to the Committee on Invalid Pensions.

By Mr. SCHNEIDER: A bill (H. R. 17320) granting a pension to Samantha Vose; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 17321) granting a pension to John Gillis; 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:

13568. By Mr. BACON: Petition of the Merchants' Association of New York, in opposition to any restriction or limitation to the free movement of products between the United States and its Philippine possessions; to the Committee on Ways and Means.

13569. By Mr. COLTON: Petition of six citizens of Gunnison, Utah, urging the enactment of legislation to protect the people of the Nation's Capital in their enjoyment of Sunday as a day of rest in seven, as provided in the Lankford bill (H. R. 78) or similar measures; to the Committee on the District of Columbia.

13570. By Mr. CRAIL: Petition of Los Angeles County Council of the United Veterans of the Republic, favoring the cruiser bill; to the Committee on Naval Affairs.

13571. By Mr. LANKFORD: Petition of 60 members of the Women's Christian Temperance Union of Peru, Ohio, urging the enactment of legislation to protect the people of the Nation's Capital in their enjoyment of Sunday as a day of rest in seven, as provided in the Lankford bill (H. R. 78), or similar measures; to the Committee on the District of Columbia.

13572. Also, petition of the pastor and 100 members of the Church of the Master, Peru, Ohio, urging the enactment of legislation to protect the people of the Nation's Capital in their enjoyment of Sunday as a day of rest in seven, as provided in the Lankford bill (H. R. 78), or similar measures; to the Committee on the District of Columbia.

13573. Also, petition of 84 members of the Main Street Methodist Episcopal Church, Kokomo, Ind., urging the enactment of legislation to protect the people of the Nation's Capital in their enjoyment of Sunday as a day of rest in seven, as provided in the Lankford bill (H. R. 78), or similar measures; to the Committee on the District of Columbia.

13574. By Mr. HOWARD of Nebraska: Petition signed by Hon. Harry N. Wallace, Hartington, Nebr., and 102 other citizens of Cedar County, pleading for the passage of House bill 14676, granting pensions and increase of pensions to certain soldiers, sailors, and nurses of the war with Spain, the Philippine insurrection, or the China relief expedition, and for other purposes; to the Committee on Pensions.

13575. By Mr. HUDSON: Petition of citizens of Flint, Mich., urging that no change be made in the present tariff on hides and leather; to the Committee on Ways and Means.

13576. Also, petition of citizens of the sixth district of Michigan, protesting against the passage of House bill 78, known as the compulsory Sunday observance law; to the Committee on the District of Columbia.

13577. By Mr. O'CONNELL: Petition of the International Association of Machinists, Washington, D. C., favoring the passage of Senate bill 3116, the 44-hour week bill; to the Committee on the Civil Service.

13578. Also, petition of the Amalgamated Paper Co., of Brooklyn, N. Y., favoring the passage of the LaGuardia bill (H. R. 10287); to the Committee on the Judiciary.

13579. Also, petition of the Bristol-Myers Co., New York, favoring the passage of the LaGuardia bill (H. R. 10287); to the Committee on the Judiciary.

13580. Also, petition of the Toy Manufacturers of the United States of America, favoring the passage of the LaGuardia bill (H. R. 10287); to the Committee on the Judiciary.

13581. Also, petition of the Corset and Brassiere Association of New York, favoring the passage of the LaGuardia bill (H. R. 10287); to the Committee on the Judiciary.

13582. By Mr. PRATT: Memoralizing a colleague from New York, Hon. Thaddeus C. Sweet; to the Committee on the Library.

13583. By Mr. WIGGLESWORTH: Petition of Catholic Daughters of America, relating to the national-origins clause of the immigration act; to the Committee on Immigration and Naturalization.

SENATE

SATURDAY, *March 2, 1929*

(Legislative day of Monday, February 25, 1929)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Edwards	King	Shortridge
Barkley	Fess	McKellar	Simmons
Bayard	Fletcher	McMaster	Smith
Bingham	Frazier	McNary	Smoot
Black	George	Mayfield	Steck
Blaine	Gerry	Metcalf	Steiwer
Blease	Glass	Moses	Stephens
Borah	Glenn	Neely	Swanson
Bratton	Goff	Norbeck	Thomas, Idaho
Brookhart	Gould	Norris	Thomas, Okla.
Broussard	Greene	Nye	Trammell
Bruce	Hale	Oddie	Tydings
Burton	Harris	Overman	Tyson
Capper	Harrison	Pine	Vandenberg
Caraway	Hastings	Pittman	Wagner
Copeland	Hawes	Ransdell	Walsh, Mass.
Couzens	Hayden	Reed, Pa.	Walsh, Mont.
Curtis	Heflin	Robinson, Ark.	Warren
Dale	Johnson	Robinson, Ind.	Waterman
Deneen	Jones	Sackett	Watson
Dill	Kendrick	Schall	Wheeler
Edge	Keyes	Sheppard	

Mr. BLAINE. My colleague [Mr. LA FOLLETTE] is unavoidably absent. I ask that this announcement may stand for the day.

Mr. JONES. I desire to announce that the Senator from Minnesota [Mr. SHIPSTEAD], the Senator from Colorado [Mr. PHIPPS], and the Senator from New Mexico [Mr. LARRAZOLO] are detained from the Senate by illness. I will let this announcement stand for the day.

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

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the Legislature of the State of Montana, which was referred to the Committee on Post Offices and Post Roads:

House Joint Resolution 1

A concurrent resolution memorializing Congress to pass and the President to approve at this session House Resolution 14665, by COLTON, as amended

Whereas there is now pending before the Seventieth Congress, second session, House Resolution 14665, by COLTON, as amended, entitled "A bill to amend the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,' approved July 11, 1916, as amended and supplemented, and for other purposes"; and

Whereas the purpose of said House Resolution 14665 as amended, is to authorize the appropriation, out of any money in the Treasury not otherwise appropriated, for the construction of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations:

The sum of $3,500,000 for the fiscal year ending June 30, 1929;

The sum of $3,500,000 for the fiscal year ending June 30, 1930;

The sum of $3,500,000 for the fiscal year ending June 30, 1931; and

Whereas the State of Montana has 1,183 miles on 56 routes on their forest highways of which 178 miles are improved, 146 graded, and 858 miles unimproved, the estimated cost of completing the total forest highway system in Montana to a standard adequate for traffic and to compare with State and Federal aid style of construction is $13,418,892, while our present annual appropriation in Montana for forest highway construction is but $350,000; and

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Whereas the State highway commission has sufficient revenue to complete the graveling of the uncompleted Federal-aid roads in the State in eight years, but this measure does not contemplate taking in the forestry mileage on that system so at the present rate of appropriations it will take about 30 years to finish the total forestry mileage; and

Whereas a large percentage of this forest highway is in mountainous sections where the construction cost will be from $15,000 to $20,000 per mile and the connections between Montana and Idaho will be particularly costly and take many years to finish; and

Whereas the speedy completion of the forest roads in the Northwestern States is really of national importance and the road situation in western Montana presents exceptional difficulties, the cost of completing the forestry mileage in six counties alone being $7,180,000; and

Whereas the total acreage of the national forests in Montana is 15,919,690 or about 17 per cent of the total area of the State and this territory contains about half of the road-building difficulties in Montana and it is in the northwestern area of Montana that interstate travel is blocked until the Belton-Glacier Road is completed: Now, therefore, be it

Resolved, That the Legislature of the State of Montana, the governor concurring, hereby recommends the prompt passage of House Resolution 14665, by COLTON, as amended, at this session of Congress, in order that the construction of roads as therein provided may be undertaken at once, and their completion expedited.

Approved by J. E. Erickson, governor, February 13, 1929.

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

Senate Joint Memorial 7

A resolution memorializing the Congress of the United States requesting the passage of necessary legislation providing for an increase of the tariff on flaxseed and flaxseed products

To the honorable Senate and House of Representatives in the Congress of the United States:

Your memorialists, the members of the Twenty-first Legislative Assembly of the State of Montana, respectfully request: That—

Whereas flax is one of the important crops of our Northwestern States and is grown quite generally in Montana and to the extent of its planting tends to replace a similar acreage of wheat of which a greater acreage is now planted than is to the best interests of the producers; and

Whereas this country does not now produce a surplus of flaxseed, an increased tariff on this commodity should immediately result in a larger acreage being planted and an improvement in price to the producer together with a measure of relief to the wheat-growing situation: Now, therefore, be it

Resolved, That it is the sense of this Twenty-first Legislative Assembly of the State of Montana that the Congress of the United States place a duty on flaxseed of 1½ cents per pound in lieu of the present rate of 40 cents per bushel of 56 pounds and also a proportionate duty upon flaxseed products; and be it further

Resolved, That a copy of this memorial be transmitted by the secretary of state for Montana to the Senate and House of Representatives of the United States, to each of the Senators and Representatives of the State of Montana in Congress, also to the Tariff Commission and the Ways and Means Committee of the National Congress with the request that they and each of them exert every effort within their power to bring about the enactment of the tariff legislation herein expressed.

Approved by J. E. Erickson, governor, February 22, 1929.

Mr. BROOKHART presented a memorial of the national executive committee of the Private Soldiers' and Sailors' Legion, which was ordered to lie on the table and to be printed in the RECORD, as follows:

PRIVATE SOLDIERS' AND SAILORS' LEGION
OF THE UNITED STATES OF AMERICA,
Washington, D. C., February 26, 1929.

A memorial to the honorable the United States Senate:

The national executive committee of the Private Soldiers' and Sailors' Legion at its annual meeting, held at national headquarters, Washington, D. C., February 22, 1929, adopted the following memorial and directed that it be placed before the Congress with a request that it be given earnest consideration:

In May, 1924, Congress enacted the adjusted compensation act for ex-service men who made up the armed forces of the United States during the World War. This action was a specific acknowledgment that the Government was under financial obligation to these veterans for services loyally and faithfully rendered.

However, in admitting this debt, Congress directed that its payment be deferred for a period of 20 years, with an additional proviso that after two years the holder of an adjusted-compensation certificate might secure a loan representing a fractional part of the face value of the certificate at the time the loan was made.

Records of the United States Veterans' Bureau disclose that under the terms of the adjusted compensation act nearly 3,500,000 certificates have been issued, with a face value of $3,453,142,107.

The Veterans' Bureau has made loans aggregating approximately $100,000,000 to certified holders. It is estimated that probably an equal sum has been loaned on certificates by banks.

The fact that so many certificate holders have been compelled to hypothecate their certificates for small advances indicates so many ex-service men would not, in effect, sacrifice the full benefit of the grant to meet a temporary emergency.

It is probable that in a great majority of instances loans made against certificates will not be repaid, for the good and sufficient reason that the borrowers are not able to liquidate their indebtedness to the Veterans' Bureau and to banks. To the extent that default is made will the intent of Congress be defeated, since a substantial portion of the bonus will be dissipated in interest charges, that will continue until the expiration date of the certificates and be deducted therefrom before payment is made to certificate holders.

The face value of certificates outstanding represents a solemn obligation entered into in good faith by the Government, and it must eventually be paid in full.

It is the deliberate conviction of the Private Soldiers' and Sailors' Legion that the Government, as a duty it owes the national defenders, should at the earliest available date call in these certificates for payment, and we go on record as urging upon Congress the enactment of the necessary legislation to that end.

We take this stand because of the heavy sacrifices that must inevitably confront tens of thousands of ex-soldiers who have borrowed against their certificates and are unable to liquidate their loans. We are also mindful of the necessities of hundreds of thousands of these veterans who need assistance now and not 15 years hence.

Certainly the Government is better able to carry this acknowledged indebtedness than are the ex-service men, the majority of whom have no financial reserves and whose needs are immediate and imperative.

In the settlement of the indebtedness of European governments our Government has been exceedingly generous, deducting from obligations made to us in good faith hundreds of millions of dollars.

Billions of dollars have been advanced to other governments since the armistice, being justified by the desire of our people that other peoples shall be economically restored and enabled to recover from losses sustained during the war.

From the Treasury of our Government have flown out other hundreds of millions of dollars to great corporations, which made enormous profits during the war, the refunds being in large part excess profits made during a period when the ex-service men were serving the Government for $30 a month.

The adjusted compensation was intended to partially compensate these former soldiers for sacrifice they cheerfully made, when noncombatants were receiving enormously high profits and wages for their contributions to the national defense.

Is there any justice in compelling ex-service men to be patient debtors, while others who have less claim on the Government have been, and are being, treated with unwonted generosity?

We think not. On the contrary, we say in all sincerity that the claims of the former soldiers are entitled to prior consideration.

Therefore we earnestly urge that Congress immediately enact legislation directing the Veterans' Bureau to liquidate and cancel all adjusted compensation certificates as rapidly as the Treasury can make the necessary financial arrangements. To this end, we suggest that Treasury certificates, or adjusted compensation bonds in the amount needed, to cancel the entire obligation be authorized by Congress, to be redeemable when and as it is deemed desirable by the Treasury Department.

In offering this memorial to Congress, this organization is speaking in behalf of its entire membership, and also in behalf of millions of former service men who never have been satisfied with the deferred-payment plan, and accepted it reluctantly and protestingly.

Respectfully submitted.

NATIONAL EXECUTIVE COMMITTEE, PRIVATE SOLDIERS' AND SAILORS' LEGION,
MARVIN GATES SPERRY, *National President*,
[SEAL.] G. J. BRESKELL, *National Secretary*.

Mr. KENDRICK presented the following joint memorial of the Legislature of the State of Wyoming, which was referred to the Committee on Irrigation and Reclamation.

TWENTIETH LEGISLATURE, STATE OF WYOMING,
IN THE SENATE.

Enrolled Joint Memorial 3

An act memorializing the Congress of the United States to make restitution to the State of Wyoming of the moneys heretofore and hereafter to be paid into the reclamation fund by reason of the development of the mineral resources of this State

Be it enacted by the Legislature of the State of Wyoming:

Whereas there has been placed in the reclamation fund under the supervision and direction of the Interior Department of the United States of America in the last 15 years approximately $28,000,000 aris-

ing from Federal oil royalties upon petroleum and minerals produced in the State of Wyoming; and

Whereas during the entire lifetime of this State there has been expended in the State on development, construction, and operation for reclamation projects in this State approximately $17,000,000; and

Whereas there is now a great and pressing need for the construction of additional reclamation projects in this State; and

Whereas said reclamation fund has been built up very largely through the depletion of the natural resources of this State, and the said natural resources are being continually and rapidly depleted without any possibility of their replacement or renewal; and

Whereas the amount of money accruing annually to the United States reclamation fund from Wyoming oil royalties is rapidly decreasing year by year to such an extent that the amount of money allocated to the reclamation fund from oil royalties during the year of 1928 was only $1,543,372.49, a fraction of the amount allocated during preceding years; and

Whereas by recently approved plans the Congress of the United States has made possible the construction of an immense irrigation project upon and adjacent to the Colorado River, and has thereby delayed the probability of construction of other new reclamation projects; and

Whereas this State has no funds or means of obtaining funds for the construction of her own irrigation projects unless the Government of the United States can be prevailed upon to return to the State of Wyoming for the construction of irrigation projects within the State its just and equitable share of the moneys heretofore and now being paid to the Federal Government by reason of the development and depletion of the natural resources of the State; and

Whereas the assessed valuation of the State of Wyoming in the 15-year period from 1912 to 1927 increased from $182,028,280 to $461,685,564, or over a quarter of a billion dollars, and said increase in assessed valuation was in a large measure due to the development of industries engaged in mining, producing, and depleting the natural resources of the State and increasing the said reclamation fund herein mentioned; and

Whereas it is the sense of the legislature that the State of Wyoming is rightfully entitled to have returned to it, and spent within its borders on development of reclamation projects, a sum of money equivalent to the amount heretofore paid into said reclamation fund from the development and depletion of our natural resources, and that in equity and justice this State is entitled to the return of such amount of money and the return of all future amounts of money accruing from such sources: Now, therefore, be it

Resolved by the senate of the twentieth State legislature (the house of representatives concurring), That the Congress of the United States of America be, and the same is hereby, memorialized as follows, to wit:

By appropriate legislation to return to this State, for the purpose of construction, operation, and maintenance of certain reclamation projects heretofore approved by the engineers of the Reclamation Service, or others that may be hereafter approved, a sum of money equivalent to the difference between the amount heretofore paid into the said reclamation fund by reason of the development of the petroleum industry in this State, and such amount of money as has heretofore been spent on reclamation projects in this State; and that Congress shall agree, by appropriate legislation, to return to this State, for use and expenditure by the proper officials of the State government, all money hereafter accruing to said reclamation fund by reason of such mineral development in and depletion of the natural resources of this State; and be it further

Resolved, That certified copies of this memorial be addressed and sent to Senator FRANCIS E. WARREN, Senator JOHN B. KENDRICK, and Hon. CHARLES E. WINTER, Representative in Congress from the State of Wyoming.

MARVIN L. BISHOP, Jr.,
Speaker of the House.
FRANK O. HORTON,
President of the Senate.

Approved at 10.45 a. m., February 25, 1929.

FRANK C. EMERSON, *Governor.*

Mr. BLAINE presented a joint resolution of the Legislature of the State of Wisconsin, favoring the early completion of the Great Lakes-St. Lawrence waterway project and the prompt negotiation and ratification of a treaty with Canada on the subject, which was referred to the Committee on Foreign Relations.

(See joint resolution printed in full when presented by the Vice President on the 1st instant, page 4815 of the RECORD.)

Mr. BLAINE also presented a joint resolution of the Legislature of the State of Wisconsin, favoring the prompt enactment of legislation either repealing the national-origins clause of the immigration act of 1924 or indefinitely postponing the time of its taking effect, which was referred to the Committee on Immigration.

(See joint resolution printed in full when presented by the Vice President on the 1st instant, page 4816 of the RECORD.)

Mr. BINGHAM presented a petition of members of the Swedish Congregational Church of Bridgeport, Conn., praying for the passage of the so-called Nye resolution to postpone the operation of the national origins provision of the existing immigration law and also for the ultimate repeal of that provision, which was referred to the Committee on Immigration.

SINCLAIR ROYALTY OIL CONTRACT, SALT CREEK OIL FIELD, WYOMING

Mr. NYE, from the Committee on Public Lands and Surveys, submitted a report (No. 1662, pt. 2), pursuant to Senate Resolution 202, relative to the Sinclair royalty oil contract, Salt Creek oil field, Wyoming.

CODIFICATION OF THE NAVIGATION LAWS

Mr. JONES. Mr. President, I have in my hand, in the form of a bill, a codification of the shipping and navigation laws, which has been prepared by John S. Woodruff, one of the most faithful and industrious men on the Shipping Board. He had this ready some little time ago, but was working on the revision of the laws. He worked day and night on this codification, and I think it had much to do with his untimely death. I desire to have the bill printed, so that it may be available for the public generally during the summer.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JONES introduced a bill (S. 5902) to codify the shipping and navigation laws of the United States, and for other purposes, which was read twice by its title and referred to the Committee on Commerce.

BILL INTRODUCED—MONUMENT TO DANIEL BOONE

Mr. BARKLEY introduced a bill (S. 5903) to provide for the erection of a monument to Daniel Boone and his company of pioneers at Fort Boonesboro, Ky., which was read twice by its title and referred to the Committee on the Library.

REPORT ON INDIAN FUNDS (S. DOC. NO. 263)

Mr. FRAZIER. I ask unanimous consent to have printed with an illustration as a Senate document the report of the amount of the funds of Indians, the investment thereof, the rate of interest thereon as of June 30, 1928, together with comments pertinent to the uses made of such funds, which was laid before the Senate on yesterday in a communication from the Comptroller General of the United States.

The PRESIDENT pro tempore. Without objection, it is so ordered.

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 bill (S. 5332) to enable the mothers and widows of the deceased soldiers, sailors, and marines of the American forces now interred in the cemeteries of Europe to make a pilgrimage to these cemeteries.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4244) for the relief of Joseph Lee.

The message further announced that the House had passed the bill (S. 5127) to carry into effect the twelfth article of the treaty between the United States and the Loyal Shawnee Indians proclaimed October 14, 1868, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 9054) to amend section 118 of the Judicial Code to provide for the appointment of law clerks to United States circuit judges, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16878) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 349) to supplement the naturalization laws, and for other purposes.

The message further announced that the House had returned to the Senate, in compliance with its request, the bill (S. 2127) for the relief of William S. Welch, trustee of the estate of the Joliet Forge Co., Joliet, Ill., bankrupt.

The message also announced that the House declined to return to the Senate, in compliance with its request, the bill (S. 5715) for the relief of J. F. B. Wilder.

The message further communicated to the Senate the intelligence of the death of Hon. ROYAL H. WELLER, late a Representative from the State of New York, and transmitted the resolutions of the House thereon.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 399) providing more economical and improved methods for the publication and distribution of the Code of Laws of the United States and of the District of Columbia, and supplements, and it was signed by the Vice President.

ENTRY OF CERTAIN ALIENS TO THE UNITED STATES

Mr. WAGNER obtained the floor.

Mr. JOHNSON. Mr. President, will the Senator yield to me for a privileged matter that I may call up a conference report concerning which there will be no debate, I assume; and if there is, I will not press it?

Mr. WAGNER. I am willing to yield for that purpose.

Mr. JOHNSON. On yesterday I presented the conference report upon what is called the Blease bill, which was introduced in relation to the immigration law. It is the bill (S. 5094) making it a felony with penalty for certain aliens to enter the United States of America under certain conditions in violation of law. The House has accepted it, and it is now before us. The bill is one presented and approved by the department. I ask that the Senate agree to the conference report.

Mr. HEFLIN. Mr. President, I hope the Senator can do that a little later in the day. I would like to look into it.

Mr. JOHNSON. Very well. May I suggest to the Senator that he will find the conference report in the RECORD of yesterday's proceedings at page 4891. It was presented and printed in order that if any Senator wished to read it he might do so. I shall call it up later in the day.

PRESERVATION OF ORDER IN THE SENATE

Mr. WAGNER. Mr. President——

Mr. COPELAND. Mr. President, will my colleague yield for a moment?

Mr. WAGNER. Certainly.

Mr. COPELAND. I was required for eight hours yesterday to observe the rules of the Senate, and one of those rules provides that order shall be maintained. I am going to insist all day to-day and until the close of this Congress that order shall be maintained. I ask the Presiding Officer to be good enough to have Senators take their seats and keep quiet in order that we may hear the proceedings of the business of the Senate.

The VICE PRESIDENT. The Senate will be in order.

CENTENARY OF BIRTH OF CARL SCHURZ

Mr. WAGNER. Mr. President, thousands were born on March 2, 1829. On the one hundredth anniversary of that day the United States Senate pauses in its deliberations to pay homage to only one of that great multitude—the unforgettable Carl Schurz. Why do we pay this tribute? Why these commemorative exercises? What wonders did this man work that the oldest and the youngest of the great Republics—the United States and Germany—both unite in a common expression to honor his memory?

As I recall the successive episodes of that great career—the war against monarchy, the battle against slavery, the crusade against imperialism, the unremitting fight for civil-service reform, for honest elections, for integrity in public office, for good morals in politics—I cease to wonder that we celebrate this day. Now in retrospect the full size of that great figure looms up out of the past. Another and more subtle question occurs to me: What springs of genius did this extraordinary man tap? What reserves of moral energy did he draw upon that he should have so readily and so rapidly won his way to leadership and made himself the object of the admiration and affection of the American people?

We measure men not only by the heights they reach, but by the handicaps they overcome in the climb. Carl Schurz's greatness signalized by his elevation to the Cabinet, the highest post of honor permitted him under the Constitution, is augmented by the consideration that he started life in a peasant family under an absolute monarchist Government, 3,000 miles from the stage whereon he was destined to play a leading rôle.

It would be a presumption to narrate in this Chamber the story of Carl Schurz's life. It is too well known. The short time that has elapsed since his death has already transmuted that story into legend and given it the dignity of tradition, but it is altogether proper that we should study the meaning and significance of that tradition.

To Carl Schurz America was never a geographic term. He never thought of America as a choice segment of the earth's surface. To him it represented a concept, an ideal land where freedom reigned and opportunity was the heritage of all.

It was on a damp, foggy day in the autumn of 1852 that, sitting on a bench in Hyde Park, Carl Schurz decided to go to America. He had rebelled against the absolutism and the national disunion of his fatherland, and had lost. He had lived the hollow life of the refugee and had wearied of it.

Let me read to you his own words how he came to that decision:

> I felt an irresistible impulse not only to find for myself a well-regulated activity, but also to do something really and truly valuable for the general good. But where, and how? The fatherland was closed to me. England was to me a foreign country, and would always remain so. Where, then? To America, I said to myself. The ideals of which I have dreamed and for which I have fought I shall find there, if not fully realized, but hopefully struggling for full realization. In that struggle I shall perhaps be able to take some part. It is a new world, a free world, a world of great ideas and aims. In that world there is perhaps for me a new home. Where there is liberty there is my fatherland. I formed my resolution on the spot. I would remain only a short time longer in England to make some necessary preparations, and then—off to America!

When he arrived Schurz was in a certain sense a foreigner. In a higher sense he had been a resident of his ideal America ever since his youthful heart had rebelled against the oppression of monarchical government. For his ideal America he had fought in Germany and he wrought for her in France, and thought of her in England, and when he came to the United States he continued to live in that land of his aspirations, the land of freedom and opportunity. When he led his regiment in battle to secure freedom for the black man or reorganized a governmental bureau in order to provide opportunity for the red man; when he counseled sympathy for the war-torn South; when in this very Chamber he insisted that the popular voice expressed in an election must be protected from dishonesty and fraud; when he deserted his party because its presidential candidate was not above suspicion; when he devoted his heart and soul to each of these causes, he was still obeying that same impulse which had sent the young zealot to America in search of fertile lands in which to sow his democratic ideas.

His heart was that of a rebel, his mind that of a constructive statesman. He rebelled against slavery. He rebelled against the spoils system and the party strait-jacket. But he rebelled only when a principle was at stake. Many a man has never deserted his party! Schurz never betrayed his principles!

Schurz, the most distinguished member of the German forty-eighters, brought with him a great quality of which he made a gift to the American people, his practical idealism. He summed up his political philosophy in his own unexcelled phrase:

> My country right or wrong. If right, to be kept right; if wrong, to be set right.

During the dark and trying days when wise men differed how best to bring regeneration to the South, it was well for the United States to have a man high in its counsels who always shifted the ground of debate from partisanship to policy, from expediency to everlasting principle. I make the prediction that history will credit his inspiration with the development of progressive liberalism in this country.

Another aspect in Carl Schurz's record is meaningful not so much for what he did but for what he was permitted to do. No one can underestimate the part which the tolerance and generosity of the American people played in his eventful life. He came from a foreign land a grown man, ignorant of our language and unfamiliar with our institutions. When he knocked we bade him enter and made him welcome. He offered his services and we accepted them, and thereby added another inspiring illustration of America's cardinal institution, that all who wish may join her colors without regard to race or creed or origin. I intend no invidious distinction when I say that it could not have happened under any other flag but ours.

General Schurz, Editor Schurz, Senator, Secretary, to whatever title he bore he brought added distinction. His life was a dramatic poem, his death the swan song of an epoch. We do well to honor him here in this very Chamber, still redolent of his memory, still resonant with his voice.

CARL SCHURZ—LOVER OF LIBERTY

Mr. BLAINE. Mr. President, of all the gifted men who have come to our shores in the past 100 years none has contributed in such marked degree to the building and upholding of our political ideals as has Carl Schurz—lover of liberty. To no other title has he greater claim, for love of liberty was the motive that guided all his actions. Let Schurz speak for himself:

> Oh, my friends, you can not imagine what electric thrill the word "liberty" sends through the heart of a man whose head is borne down by the leaden weight of oppression. You perhaps have never measured the incalculable value of the treasures you possess. Do not, I implore you, do not jeopardize them in a wanton race of ambition and greediness. Do not, like a spendthrift, squander your noble inheritance, vainly

imagining that it is inexhaustible. Liberty is valued most when lost, but then it is too late, and I tell you your institutions do not stand as firmly as the pillars of heaven. You are wielding yet the formidable mace of self-government. Lift it high and throw it down with a crushing blow upon the head of the serpent.

The world first heard of him, a boy of 20, bearing arms in the fight against oppression in 1848 and a little later it thrilled to the story of his daring rescue of his friend Kinkel from the military prison at Spandau. From his exile in England his thoughts turned to America. He revolted at the idea of becoming a professional refugee—Schurz was no parlor liberal—he demanded action—and as his hopes of an immediate revolution in Germany waned, his desire to find a field for his efforts grew. He decided that if he could not become a citizen of a free Germany, he could become a citizen of free America.

At the age of 23, with his young wife of 18, he reached this country September 17, 1852. He wrote his friend Kinkel:

As long as there is no upheaval of affairs in Europe it is my firm resolve to regard this country not as a transient or accidental abode but as the field for my usefulness. * * * I find that the question of liberty is in its essence the same everywhere, however different its form. * * * My interest in the political contests of this country is so strong, so spontaneous, that I am profoundly stirred. More self-control is required for me to keep aloof than to participate in them.

The question of free or slave territory was then entering its last bitter stage, and Schurz firmly believed that not until slavery was abolished in this country would the United States be a world influence in the liberal cause. So with the zest of youth he threw himself into the struggle.

Relatives had preceded him to Wisconsin and it is probably their accounts of its lakes and wooded hills and fertile fields that influenced him to settle at Watertown, Wis., although he made a tour of the country before coming to a decision.

His letters show how intimately he entered into the life of the little town. He was president of an insurance company and had a real-estate business. He became a member of the city council and was appointed commissioner of public improvement, a position which he thought the most important of the municipal offices. The governor appointed him a notary public and he established a German newspaper now edited by one of his disciples, Otto R. Krueger, of Watertown. Mrs. Schurz opened the first kindergarten in the United States and Schurz was made a regent of the State university which a half century later created the Carl Schurz memorial professorship in his honor. The State has further acknowledged its indebtedness by the compilation of a volume of intimate letters, and a biography, written by Dr. Joseph Schafer, superintendent of the State Historical Society of Wisconsin, is in the process of publication. In these volumes may be found much new material that throws a flood of light on Schurz's course as a champion of liberty.

In view of his contacts it is no surprise to find him, in 1856, an active force and a powerful factor among the Germans who had settled in great numbers in the eastern part of the State. His German birth combined with his superior education and qualities of leadership soon made him a great influence in the State and gave him a voice in its affairs. Nor was his influence confined to those of German birth, for he wrote to his friend Kinkel:

A German who, as they declare, speaks English better than they do and also has the advantage over their native politicians of possessing a passable knowledge of European conditions naturally attracts their attention.

Schurz was fully conscious of the possibilities attendant upon his settling in such a community for he confided to his friend:

The German element is powerful in that State and they are striving for political recognition. They only lack leaders who are not bound by the restraints of money getting. There is the place where I can find a sure, gradually expanding field for my work without truckling to the nativistic [Know-Nothing] elements, and there I hope in time to gain influence that may also become useful to our cause. [By "cause" he meant the revolutionary movement in Germany.]

When Schurz made his entry into Wisconsin politics, the Know-Nothing movement was determined to deprive the foreign-born population of any political power, a policy which, naturally, forced the German element to support the Democratic Party. But on the question of free soil the northern and southern Democrats and Know-Nothings split. Schurz believed that the new Republican Party, which opposed the extension of slavery and which was being formed out of fragments of the other parties, could win over to its side many of the free-soil Democrats and it was on that theory and in support of that principle that he gave his whole-hearted support to the election of Frémont. In every community where a group of Germans could be brought together he spoke to them in their own language, and it is largely due to his conversion of thousands of Democrats that the Republican candidate, Frémont, carried the State by a majority of 15,000. In recognition of his efforts he was nominated for the office of lieutenant governor the following year—an honor which he missed by 107 votes. He was further chagrined when he was defeated for the nomination for the governorship in 1859. So were some of the Germans, and they threatened to bolt on the grounds that the Know-Nothings were the cause of his rejection. But in the face of these rebuffs, Schurz was able to see that principle was a bigger thing than personal recognition and urged his friends to stand by the ticket with the result that the Republican candidates, including his opponent, were elected.

The German element was justified in its desire to see Schurz receive the nomination as a reward for his efforts, for, in addition to his earlier efforts in 1858, he had succeeded in winning an election for the first time for the Republican Party in the city of Milwaukee. His campaign was made on an issue against corruption and he thought the election was a triumph of "moral independence over moral servitude, or manhood over servile partisanship." In a speech celebrating the victory he announced the principle that "it is the duty of the citizen to discipline parties by making his support contingent upon their moral rectitude."

In 1860 he was nominated for delegate at large from Wisconsin to the National Republican Convention held in Chicago May 15. As characteristic of him, a week later he wrote Abraham Lincoln:

As a man of honor and faithful to the wishes of my constituents, I stood by Governor Seward for the nomination. If I am able I shall do the work of a hundred men for Abraham Lincoln's election. * * * I shall carry into this struggle all the zeal and ardor and enthusiasm of which my nature is capable.

Since the Republican Party, due to his efforts, had pledged itself in its platform to maintain the rights of foreigners, Schurz had every confidence that the Germans who had been firmly attached to the Democratic party could be won by thousands to the Republican banner. His speeches, prior to this time, had made him known throughout the country as a champion of liberty, and after the convention he began a continuous speaking campaign in New York, Pennsylvania, Ohio, Illinois, and Indiana. His printed speeches were distributed all over the country by hundreds of thousands and he gained for himself the distinction of being called "that tremendous Dutchman."

He had successively brought the city of Milwaukee, the State of Wisconsin, and then the States of the Northwest into the Republican Party; perhaps no one man had contributed more to its growth. Because of that fact he felt under no bond to that party when it deviated from the path of what he thought was right and just. In this connection President Cleveland said of him on a former occasion:

In recognition of the affirmation that ours is a government by party, he did not disparage political organization, or hold himself aloof from party affiliation. He assumed party relationship as an arrangement for united effort in the accomplishment of purposes which his judgment approved; but he never conceded to party allegiance the infallible guidance of political thought, nor the unquestioned dictatorship of political conduct. He believed there was a higher law for both, and the din of party could not deafen his ears to the still small voice of conscience. Thus it happened that when party commands were most imperious and when punishment for party disobedience was most loudly threatened, he defiantly proclaimed under the sanction of conscience, untrammelled political thought and unfettered political action; and thus in the propaganda of political individualism he became a leader, and taught by precept and example the meaning and intent of independent voting.

* * * But no intelligently patriotic citizen can be blind to the fact * * * that the political independence declared and illustrated by Carl Schurz has become a defense and safeguard of the people against the evils that result from the unchallenged growth of irresponsive party management.

Political independence was his virtue. He never regarded a political party as an end. His independence is best expressed in his own words when he said:

As a member of a party I do not cease to be a citizen. Under all circumstances the duties which I owe as a citizen to my country are superior to the duties which I can possibly owe to any party. When I go as a delegate to a party convention, I consult with others as to what may be best for party action. When as a voter I go to the polls, I consult my own conscience about what is best for the country's welfare. And if I conscientiously find that what the party demands is not for the good of the country, then it is not only my right but my duty as a citizen to vote against it.

In this Chamber, while a Member of the Senate, he denounced the imperialistic doctrine of President Grant as "a most absurd, most audacious, and most un-Republican doctrine."

He entreated the Senate and adjured the American people "by the love which they bear to their country, by the inheritance of peace and good government which they desire to leave to their children, and by the hopes of liberty-loving mankind which are centered upon this Republic" to keep our hands off the Republics to the south of us.

I have briefly sketched the life, the influence, and the philosophy of this immigrant boy.

If we were to take a lesson from the life and work of Carl Schurz, we would hear less of the modern Know-Nothing and his empty and sham pretenses.

If this century were to draw from the abundance of Carl Schurz's liberalism, a certain nativistic degeneracy would not seek to deprive America of the infusion of blood from his great race and from other great races of Europe.

Carl Schurz left his indelible impress on the social and political thought of my State. He was our heritage. Wisconsin has been attached to his political philosophy for almost three-quarters of a century. This fact accounts for the early leadership of my State in progressive and liberal thought.

But Schurz had his copatriots, tens of thousands of them of his own blood and other tens of thousands of the blood of other nationalities.

He was a crusader for liberty, a scholar, a patriot, and a philosopher.

He believed the watchword of true patriotism to be, "Our country, when right to be kept right; when wrong to be put right."

PENSIONS AND INCREASE OF PENSIONS

Mr. ROBINSON of Indiana. I present a conference report on House bill 16878, an omnibus pension bill. It is a complete agreement between the two bodies. I ask unanimous consent for its immediate consideration.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16878) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 6, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the language proposed in the Senate engrossed amendment insert the following:

Page 4, paragraph 3:

"The name of Mary C. Von Ezdorf, widow of Rudolph H. Von Ezdorf, late assistant surgeon, United States Public Health Service, and pay her a pension at the rate of $50 per month."

And the Senate agree to the same.

ARTHUR R. ROBINSON,
PETER NORBECK,
DANIEL F. STECK,
Managers on the part of the Senate.
HAROLD KNUTSON,
J. M. ROBSION,
WILLIAM C. HAMMER,
Managers on the part of the House.

The VICE PRESIDENT. The question is on agreeing to the report.

The report was agreed to.

TREATY WITH LOYAL SHAWNEE INDIANS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 5127) to carry into effect the twelfth article of the treaty between the United States and the Loyal Shawnee Indians proclaimed October 14, 1868, which was on page 2, line 10, to strike out all after "provided," down to and including the word "States," in line 21, and to insert:

That there shall be paid to the duly authorized attorneys of said respective Loyal Shawnee Indians, their duly proven and established heirs, or their attorneys in fact, 5 per cent of the amount due on the respective claims of said Indians against the Government, when said Indians' right to receive payment is established: *And provided further,* That before payment of the amount due said Loyal Shawnee Indian or his heirs or assigns or to their duly authorized attorneys, receipt shall be executed by or on behalf of said Indian claimants, or their legal representative, acknowledging payment of their claim against the United States, which receipt shall be approved by the Commissioner of Indian Affairs.

Mr. THOMAS of Oklahoma. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

FIRST DEFICIENCY APPROPRIATIONS

Mr. WARREN. Mr. President, I have here certain conference reports which I desire to present. I first send to the table a conference report, being a complete agreement, on the first deficiency appropriation bill, and move the adoption of the report.

Mr. ODDIE. Mr. President, I should like to ask the Senator from Wyoming a question.

Mr. WARREN. I should like first to have the report read, so that Senators may know what it is.

Mr. McKELLAR. Mr. President, I will have something to say about the report.

The conference report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15848) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1929, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal year ending June 30, 1929, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 12 and 13.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 14, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, and 30, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"House Office Building: Toward carrying out the provisions of the act entitled 'An act to provide for the acquisition of a site and the construction thereon of a fireproof office building or buildings for the House of Representatives,' approved January 10, 1929, including not to exceed $900,000 for acquisition of a site, expenses of removal of buildings and other structures located upon the site acquired, printing and binding, and miscellaneous expenses, $2,100,000, to remain available until expended."

And the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ": *Provided,* That no part of the foregoing appropriation shall be used to pay any refund of an income or profits tax pursuant to a claim allowed after the enactment of this act in excess of $20,000 (other than payments in cases in which a suit in court or a proceeding before the Board of Tax Appeals has been or shall be instituted or payments in cases determined upon precedents established in decisions of courts or the Board of Tax Appeals) unless a hearing has been held before a committee or official of the Bureau of Internal Revenue; and the decision of the Commissioner of Internal Revenue in any such refund allowance in excess of $20,000 shall be a public record"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"BUREAU OF PROHIBITION

"For an additional amount for enforcement of the national prohibition act, including the same objects specified under this head in the act making appropriations for the Treasury Department for the fiscal year 1930, fiscal years 1929 and 1930, $1,719,654, of which not exceeding $50,000 may be expended for the collection and dissemination of information and appeal for law observance and law enforcement, including cost of printing and other necessary expenses in connection therewith."

And the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "For

the purposes of a thorough inquiry into the problem of the enforcement of prohibition under the provisions of the eighteenth amendment of the Constitution and laws enacted in pursuance thereof, together with the enforcement of other laws, $250,000, or as much thereof as may be required, to be expended under authority and by direction of the President of the United States, who shall report the result of such investigation to the Congress together with his recommendations with respect thereto. Said sum to be available for the fiscal years of 1929 and 1930 for each and every object of expenditure connected with such purposes notwithstanding the provisions of any other act"; and the Senate agree to the same.

F. E. WARREN,
CHARLES CURTIS,
HENRY W. KEYES,
LEE S. OVERMAN,
CARTER GLASS,
Managers on the part of the Senate.

WILL R. WOOD,
LOUIS C. CRAMTON,
JOSEPH W. BYRNS,
Managers on the part of the House.

ELIZABETH QUINERLY CUMMINGS

Mr. McKELLAR obtained the floor.

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

Mr. McKELLAR. I yield.

Mr. OVERMAN. When the calendar was called last night I could not be here on account of illness, and two bills in which I am interested were objected to by the Senator from Utah [Mr. KING]. He has withdrawn his objection, and I ask unanimous consent that they may be taken up. They will lead to no discussion at all.

Mr. WARREN. Mr. President, what has become of the conference report that was temporarily laid aside?

Mr. OVERMAN. The consideration of these bills will take but a moment.

Mr. WARREN. Let us take them up in regular order.

Mr. OVERMAN. They could have been passed by this time.

The PRESIDING OFFICER (Mr. FESS in the chair). Is there objection to the request of the Senator from North Carolina?

There being no objection, the bill (H. R. 16089) for the relief of Elizabeth Quinerly Cummings was considered as in Committee of the Whole.

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

HUGH DORTCH

Mr. OVERMAN. I now ask for the consideration of House bill 16090.

The bill (H. R. 16090) for the relief of Hugh Dortch was considered as in Committee of the Whole by unanimous consent.

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

REAPPORTIONMENT OF REPRESENTATIVES IN CONGRESS

Mr. WALSH of Massachusetts. Mr. President, in view of the fact that the bill for the reapportionment of Representatives in the Congress will not be acted upon before the adjournment of the present session of the Congress, but will be before the Senate in the next Congress, I request that correspondence which I have had, containing memoranda on the mathematical aspects of the different methods of reapportionment, submitted by the National Academy of Sciences and Edward B. Huntington, professor of mathematics, Harvard University, be inserted in the CONGRESSIONAL RECORD.

Mr. VANDENBERG. Mr. President, in the same connection I ask that my correspondence with Professor Huntington may accompany that submitted by my friend the Senator from Massachusetts.

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

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

CAMBRIDGE, MASS., *February 28, 1929.*

Hon. ARTHUR H. VANDENBERG,
United States Senate, Washington, D. C.

MY DEAR SENATOR VANDENBERG: May I inquire whether you are correctly reported on page 4244 of the CONGRESSIONAL RECORD for Monday, February 25, 1929, where you are quoted as saying that "the advisory committee to the Director of the Census recommends that the system of major fractions be employed"?

The published report of the advisory committee recommends the method of equal proportions.

The published report of the advisory committee was first printed in the Journal of the American Statistical Association for December, 1921, and was reprinted in the CONGRESSIONAL RECORD for April 7, 1926, and in the hearings before the House Committee on the Census for 1927, and in the hearings before the House Committee on the Census for 1928.

This unanimous report was signed by Profs. C. W. Doten, E. F. Gay, W. C. Mitchell, E. R. A. Seligman, A. A. Young, and the late Mr. W. S. Rossiter, and concludes in favor of the method of equal proportions.

On February 21, 1928, Professor Willcox suggested to the House Committee on the Census (hearings, p. 89) that the matter be again considered by the advisory committee, but as far as I know no action was taken by the committee.

If the advisory committee has taken any action which repudiates their published report, should not this fact be made a matter of public record?

Very sincerely yours,

EDWARD V. HUNTINGTON,
Professor of Mechanics, Harvard University.

MARCH 2, 1929.

Prof. EDWARD V. HUNTINGTON,
48 Highland Street, Cambridge, Mass.

MY DEAR PROFESSOR: This will reply to your letter of February 28. I am correctly quoted in the CONGRESSIONAL RECORD for Monday, February 25, 1929. My authority for the statement I made is the following paragraph from a letter dated February 4, 1929, and addressed to me by Professor Willcox: "May I add as confirming your position that last May when the advisory committee to the Director of the Census was in session at the time of the House debate on apportionment, I took the matter up with them and all agreed that in a bill for ministerial apportionment like that now before the Senate, the method of major fractions should be prescribed. Of course, they took no vote, so this statement can not be confirmed in the committee report."

I know that you are in basic disagreement with Professor Willcox as to apportionment methods. But I assume you will consent that I am entitled to rely upon his statements of abstract fact. You will notice in the same debate from which you quote that I subsequently interrupted Senator BLACK and asked him if he would permit me to quote my authority, but he declined. It was my intention at that particular point to do the particular thing which you now suggest, namely, to make this fact a matter of public record.

I am glad that you have read these debates. You will see what has happened. Reapportionment again has been defeated in the Senate. * * * The handiest "excuse" was the academic quarrel over a mathematical method for handling remainders. Thus the tail again has wagged the dog. Based on the 1920 census, the difference between "major fractions" and "equal proportions" involves just 3 seats out of 435. Thus we confront the contemporary spectacle that the mathematical destiny of 3 seats is permitted to overshadow and outrage the constitutional destiny of 432 seats.

I think this situation has been pathetically unfortunate, and I deeply regret that so much artificial emphasis should have been put upon a comparatively minor consideration. * * *

The basic problem is not mathematical at all, but rather it is a problem in correct constitutional interpretations. I take the position that the Constitution intends that equal representation in the Senate shall balance authority as between large States and small States; and by the same token, that authority in the House of Representatives shall be apportioned to population without considering whether this population resides in a large State or in a small State. In other words, I contend as a constitutional axiom that a given individual or group of individuals should have as nearly as may be the same weight in choosing Representatives for the House whether they happen to live in the large States or in the small States. Doctor Willcox declares that the method of major fractions is the only method in the long run that secures this end. (House Hearings, February 21, 1928, p. 67.) Supporting this view is the testimony of such men as Prof. Frederic A. Ogg, of the department of political science of the University of Wisconsin; Prof. Thomas H. Reed, of the department of political science of the University of Michigan; Prof. Charles K. Burdick, dean of the Cornell University Law School; Prof. J. S. Hall, dean of the University of Chicago Law School; Prof. Max Farrand, former professor of American history at Yale, and now director of research in the Huntington Library at Pasadena, Calif.

When I originally approached this problem of reapportionment I did so with an open mind. My ultimate conclusions were reached with an eye to results rather than mere futility of argument. The House of Representatives decided for itself to recommend major fractions. There is constitutional warrant for major fractions. Therefore I stood for major fractions and so did the Senate Committee on Commerce. Then came the unfortunate detour. Quarreling over mathematics the Senate once more permitted the basic constitutional mandate to be given another anesthetic.

The contest will be renewed in the approaching extra session. The reapportionment bill will be reintroduced into the Senate on the first

day of the extra session. I am suggesting to the members of the Committee on Commerce to study the problem of fractions in the interim before Congress again meets. I have no pride of opinion regarding this comparatively minor phase of the problem. In fact, I will frankly say to you that I consider it so utterly secondary to the main objective that I am perfectly willing to treat it from the standpoint of expediency and to take whichever method will best win a Senate and House majority. But I do hope that when next a reapportionment measure is reported and a mathematical process thus accepted that there will cease to be external debate over this phase of the problem which encourages continued internal division * * *.

I beg your indulgence for the length of this communication. But it indicates how highly I value your good opinions and how much I appreciate your interest in this problem.

With warm personal regards and best wishes, I am,

Cordially and faithfully,

A. H. VANDENBERG.

CAMBRIDGE, MASS., *January 31, 1929.*

Hon. DAVID I. WALSH,

United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: I thank you heartily for your letter of January 26. I am very glad that you have communicated with the National Academy of Sciences in regard to the mathematics of the reapportionment bill.

I inclose a copy of what I think is the simplest explanation of the method of equal proportions which has yet been given.

Very sincerely yours,

EDWARD V. HUNTINGTON,
Professor of Mechanics, Harvard University.

[Inclosure]

MEMORANDUM ON THE METHOD OF EQUAL PROPORTIONS

The Constitution requires that the number of Representatives assigned to each State shall be proportional to the population of that State; and the exact amount of representation to which each State would be entitled in a theoretically perfect apportionment can be calculated at once by the simple rules of arithmetic. But the result of this calculation will not ordinarily be a whole number. Since it is not feasible to give a State, say, 3.14 Representatives, a mathematical problem is presented as to the true meaning of proportionality under these conditions. The history of this problem divides itself into two sharply contrasted periods.

In the earlier period, up to 1921, no adequate mathematical information was available, and Congress was obliged to experiment with various cut-and-try processes of computation, none of which had any scientific foundation.

In the modern period, beginning with 1921, a series of papers (the latest of which appeared in the transactions of the American Mathematical Society for January, 1928) has provided for the first time a satisfactory insight into the real nature of the problem. These papers have not only clarified the statement of the problem, but have provided the first simple and accurate test of a good apportionment; the resulting method is known as the method of equal proportions, which it is the purpose of this memorandum to explain.

In any practical case some disparities among the States are unavoidable. The problem is to make these disparities as small as possible. Now the most natural way to measure the disparity between two States is to consider the population per Representative (that is, the size of the congressional district) in each State, and compare the two. Thus:

If the congressional district in one State is, say, 10 per cent larger than the congressional district in another State, then the "disparity" between the two States is said to be 10 per cent.

Examples 1 and 2 will make the process clear.

The method of equal proportions distributes the seats among the several States in such a way that any transfer of a seat from any State to any other State will be found to increase, rather than decrease, the disparity between the two States. In other words, an apportionment made according to the method of equal proportions is one which can not be "improved" by any shift in the assignment.

Example 3 is a simple numerical illustration of the application of this test.

This method was promptly approved by the Advisory Committee of the Census, which held extensive hearings on the subject in 1921, at the request of Senator Sutherland, and published an elaborate report, which was unanimous. The method has since been indorsed by a general consensus of scientific opinion, and the technical details of the computation are well understood by the Bureau of the Census.

The contrast between the modern method of equal proportions and all the older methods is striking. In the older methods, the discussion was all about the technical details of the computation and little or no attention was paid to the fairness of the final result. The modern theory does away altogether with the endless disputes about "divisors" and "remainders" and "fractions" and proceeds at once to the direct comparison between the States. It is the only method which puts every State as nearly as possible on a parity with every other State as the Constitution requires.

EXAMPLE 1.—*How to measure the "disparity" between two States*

[The populations are given in round numbers to make the arithmetic easy; but State A may be thought of as Nebraska and State B as Oregon]

State	Population	Representatives	Congressional district
A	1,500,000	5	300,000
B	960,000	4	240,000
Dividing the greater by the less		$\frac{300,000}{240,000}=1.25$	
Disparity		25 per cent.	

This means simply that the congressional district in one State exceeds the congressional district in the other State by 25 per cent.

EXAMPLE 2.—*How to measure the "disparity" between two States*

[In this example the populations are the same as in Example 1, but the assignment of Representatives has been changed from 5 and 4 to 6 and 3]

State	Population	Representatives	Congressional district
A	1,500,000	6	250,000
B	960,000	3	320,000
Dividing the greater by the less		$\frac{320,000}{250,000}=1.28.$	
Disparity		28 per cent.	

In this case the congressional district in one State exceeds the congressional district in the other State by 28 per cent.

EXAMPLE 3.—*Which assignment is the better?*

[This example is a comparison of the assignments proposed in examples 1 and 2]

State	Population	First proposal	Second proposal
A	1,500,000	5	6
B	960,000	4	3
Disparity		*Per cent* 25	*Per cent* 28

Here the first proposal is obviously the more equitable.

EXAMPLE 4.—*An actual case under the 1920 census*

State	Population, 1920	Method		
		Harmonic mean	Equal proportions	Major fractions
New York	10,380,589	41	42	43
Rhode Island	604,397	3	2	2
Vermont	352,428	2	2	1
Disparity—		*Per cent*	*Per cent*	*Per cent*
Between New York and Rhode Island		26	22	
Between New York and Vermont			40	46

CRITICISM OF THE METHOD OF MAJOR FRACTIONS

The method of major fractions used in 1911 was the last of the cut-and-try methods employed by Congress in the period before the modern theory became available. This is the method which the opponents of the method of equal proportions desire to retain.

The official description of the method of major fractions in the report of the House Committee on the Census (accompanying H. R. 11725) confines itself to the technical details of the computation and gives no clue whatever to the fairness or unfairness of the result.

Thus the arbitrary series of numbers, 1½, 2½, 3½, etc., by which the population of each State is divided has no discernible connection with the constitutional requirement of proportionality. Again, the so-called "full quota," which is included in the process, bears no relation to the true "ratio of population to Representatives" and is not in any sense the "standard size" of a congressional district.

The character of the actual result obtained by this process can be made clear, however, by a further consideration of the fundamental idea of the disparity between two States.

The disparity between two States as defined above is a relative difference, expressible at pleasure either in terms of the "congressional district" or in terms of the "individual share" (that is, the number of Representatives per inhabitant).

The opponents of the method of equal proportion contend, however, that the absolute difference should be used instead of the relative difference. There are two objections to this plan.

First, if the absolute difference is used, it becomes a difficult and complicated question to decide whether this difference shall be expressed in terms of the congressional district or in terms of the individual share. Although one of these ratios is merely the inverse of the other, yet, as the modern theory has shown, they lead to two distinct methods of apportionment, one called the method of the harmonic mean (HM) and the other the method of major fractions (MF). There is no mathematical reason for preferring one of these methods to the other.

Second, the absolute difference is not an appropriate quantity to use as a numerical measure of departure from proportionality, since it depends on the absolute size, instead of the relative size, of the two States compared; its use in this problem would be contrary to established scientific principles.

Neither of these objections applies to the method of equal proportions.

Finally, the modern theory has shown that whenever a transfer of a seat from one State to another is proposed, method MF tends to favor the larger and method HM the smaller of the two States, while the method of equal proportions occupies a neutral position between these conflicting methods and has no bias in favor of either the larger or the smaller States. It should be noted in this connection that any State, large or small (omitting the few very small States and the one largest of all), may suffer a loss of either method MF or method HM is adopted; moreover, there are possible distributions of population for which the effect of a wrong choice of method would extend to over half the States in the Union.

COMPARISON OF VARIOUS METHODS OF MEASURING THE DISPARITY BETWEEN TWO STATES (AN ACTUAL CASE UNDER THE 1920 CENSUS)

Referring to the actual case shown in example 4 above, the assignment of seats according to the method of equal proportions is 42 to New York, 2 to Rhode Island, and 2 to Vermont. Method HM would transfer one seat from New York to Rhode Island, while method MF would transfer one seat from Vermont to New York. The effect of each of these transfer is shown in the following tables:

EXAMPLE 5.—*Disparity between New York and Rhode Island*

State	Population, 1920	Method HM	Method EP	Remarks
New York	10,380,589	41	42	
Rhode Island	604,397	3	2	
Relative difference of congressional districts.		26 per cent.	22 per cent.	A correct measure of disparity.
Relative difference of individual shares.		26 per cent.	22 per cent.	Do.
Absolute difference of congressional districts.		51,719	55,041	An unscientific measure.
Absolute difference of individual shares.		.000,001,014	.000,000,737	Do.

This example shows that according to 3 out of 4 of the proposed ways of measuring departure from proportionality method HM is worse than method EP. To defend method HM it would be necessary to hold that the "absolute difference between the congressional districts," which is known to be an unscientific measure of disparity, is the only one to be used.

EXAMPLE 6.—*Disparity between New York and Vermont*

State	Population, 1920	Method EP	Method MF	Remarks
New York	10,380,589	42	43	
Vermont	352,428	2	1	
Relative difference of congressional districts.		40 per cent.	46 per cent.	A correct measure of disparity.
Relative difference of individual shares.		40 per cent.	46 per cent.	Do.
Absolute difference of congressional districts.		70,943	111,019	An unscientific measure.
Absolute difference of individual shares.		0.000001629	0.000001305	Do.

This example shows that according to three out of four of the proposed ways of measuring departure from proportionality, method MF is worse than method EP. To defend the method MF, it would be necessary to hold that the "absolute difference between the individual shares," which is known to be an unscientific measure of disparity, is the only one to be used.

As to the technical details of the computation, all these methods are on the same level of complexity; but as to the actual results obtained, the method of equal proportions is by far the simplest.

E. V. HUNTINGTON.

HARVARD UNIVERSITY, *February 2, 1929.*

[Copy of a letter to the Republican leader of the House of Representatives concerning reapportionment]

CAMBRIDGE, MASS., *February 8, 1929.*

Hon. JOHN Q. TILSON,
House of Representatives, Washington, D. C.

DEAR SIR: I have read with great interest your article in the New York Times for Sunday, February 3, and heartily approve your desire to reapportion the House, at its present size, under the provisions of the Constitution.

If, however, the theory of representation which you set forth so very clearly in paragraph 3 is sound, then the provisions of the pending bill (H. R. 11725) are not only mathematically but also constitutionally wrong. The method of major fractions, prescribed in the bill, stands in flat contradiction to the theory which you state.

Without going into any questions of constitutional interpretation, I wish to call your attention to two undisputed facts of a purely mathematical nature.

1. The method of major fractions does not insure that a majority of the House will represent a majority of the people.

As a matter of fact the theory that "a majority of the House ought to represent a majority of the people, regardless of State lines," is mathematically self-contradictory, and can not be met by any method of apportionment.

2. The method of major fractions does not insure, even approximately, that each Member of the House shall speak for an equal number of people.

The requirement that each Member of the House shall represent as nearly as possible an equal number of people has always and rightly been regarded as a fair and reasonable test of a good apportionment; but on any known basis of measurement (relative or absolute) the method of equal proportions will meet this requirement more nearly than the method of major fractions.

Quite aside from any questions of constitutional interpretation, it is an established mathematical fact that the method of major fractions makes no attempt whatever to equalize the congressional districts among the several States.

3. The unanimous report of the advisory committee of the census (1921) concludes as follows: "The method of equal proportions, consistent as it is with the literal meaning of the words of the Constitution, is logically superior to the method of major fractions."

Would it not seem strange if this well-considered opinion were totally ignored by Congress at the very moment when it is engaged in selecting a definite mathematical formula to be embodied in permanent legislation?

Very sincerely yours,

EDWARD V. HUNTINGTON,
Department of Mathematics, Harvard University,
Past Vice President of the American Mathematical Society.

NATIONAL ACADEMY OF SCIENCES,
Washington, D. C., February 7, 1929.

Senator DAVID I. WALSH,
United States Senate, Washington.

DEAR SENATOR WALSH: In reply to your letter of January 26, 1929, I take pleasure, by direction of the president of the academy, in transmitting a statement recently prepared by a committee of the National Academy of Sciences regarding the purely mathematical aspects of the different methods of reapportionment.

Very respectfully,

DAVID WHITE, *Home Secretary.*

REPORT TO THE PRESIDENT OF THE NATIONAL ACADEMY OF SCIENCES

The committee appointed by you, in response to the request of the Speaker of the House of Representatives for information regarding the mathematical aspects of the problem of reapportionment, submits the following report:

The Constitution provides that "Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed." * * * "But each State shall have at least one Representative."

If fractional voting were permitted in the House of Representatives the exact number of Representatives with whole votes, and the size of the fractional vote for an additional Representative, to which each State would be entitled in a theoretically perfect apportionment could be readily calculated. It would only be necessary to work out the following proportion: The number of votes for any particular State is to the total number of votes for all States as the population of the particular State is to the total population of all States.

If, however, this simple proportionality were calculated it would result in nearly all cases that the number of Representatives for each particular State would consist of a whole number and a fraction, as, for example, 7.3. Fractional voting is not permitted. Therefore it is

necessary to reach a solution of the apportionment problem in whole numbers. This fact alters the mathematical nature of the problem fundamentally. Even when the exact number of votes, including fractions, belonging theoretically to each State is precisely known, this knowledge is not of itself sufficient to determine the proper number of Representatives to be apportioned to that State. The proper apportionment of integral numbers of Representatives to a particular State may differ by several units from the number obtained by simple proportion. This is true regardless of which of the several known methods of apportionment described below is adopted.

The problem of apportionment which has been thus described is a problem in applied mathematics. It should be understood that frequently a problem in applied mathematics may have no unique solution, for the reason that the data initially given do not completely characterize the solution mathematically. In such cases a solution must be chosen for other than mathematical reasons among those which are mathematically possible.

There are five methods of apportionment now known which are unambiguous (that is, lead to a workable solution), and should be considered at this time.

These five methods are—

Method of smallest divisors.
Method of the harmonic mean.
Method of equal proportions.
Method of major fractions.
Method of greatest divisors.

In the present state of knowledge your committee regards these as the only methods of apportionment avoiding the so-called Alabama paradox which require consideration at this time. Their effectiveness is based upon a mathematical test which will be described below. Another method of approach to the apportionment problem may be based upon the adjustment by some method of curve fitting (as, for example, the methods of least squares) of representation to the population of the country as a whole, but in the opinion of your committee the methods of this type so far proposed, which do not lead to solutions among the five listed above, fail.

After full consideration of these various methods your committee is of the opinion that, on mathematical grounds, the method of equal proportions is the method to be preferred. Each of the other four methods listed is, however, consistent with itself and unambiguous.

The essential mathematical characteristics of the five methods are as follows:

Let the population of a State A and the number of Representatives assigned to it according to a selected method of apportionment be a, and let B and b represent the corresponding numbers for a second State. Under an ideal apportionment the population A/a, B/b of the congressional districts in the two States should be equal, as well as the numbers a/A, b/B of Representatives per person in each State. In practice it is impossible to bring this desirable result about for all pairs of States.

In the opinion of this committee the best test of a desirable apportionment so far proposed is the following:

"An apportionment of Representatives to the various States, when the total number of Representatives is fixed, is mathematically satisfactory if for every pair of States the discrepancy between the numbers A/a and B/b can not be decreased by assigning one more Representative to the State A and one fewer to the State B or vice versa, or if the two numbers a/A and b/B have the same property.

"For the purposes of discussion let A/a be larger than B/b so that the State A is underrepresented as compared with B. If the 'discrepancy' between A/a and B/b is defined to be the percentage discrepancy, that is, the difference A/a—B/b divided by the smaller B/b of the two numbers A/a, B/b and if the discrepancy between b/B and a/A is measured in the same way, the test above leads to an apportionment which satisfies the test when applied to either the pair A/a, B/b, or the pair a/A, b/B. The method so determined has been called the 'method of equal proportions.'"

If the test is applied only to the pair a/A, b/B, and if the discrepancy between these numbers is interpreted to be the absolute difference b/B—a/A, another method of apportionment called the "method of major fractions" is uniquely determined. If, on the other hand, the test is applied only to the absolute difference of the pair A/a, B/b, a third method, called the "method of the harmonic mean," is similarly defined.

It has been shown that there are two further methods of apportionment determined by the test set down above when applied to the differences b—aB/A, bA/B—a. These are called, respectively, the "method of smallest divisors," and the "method of greatest divisors."

The methods thus briefly characterized mathematically are the five methods in the list above. Each method in the list favors the larger States as compared with the methods which precede it. This means in the case of the second and fourth methods, for example, that if for two unequal States A, B, the fourth method assigns more Representatives to A and fewer to B than the second method, then the State A is the larger of A and B.

The method of the harmonic mean and the method of major fractions are symmetrically situated on the list. Mathematically there is no reason for choosing between them. A similar symmetry exists for the methods of smallest and greatest divisors for which the defining discrepancies seem, however, more artificial than those for any one of the other three methods.

The method of equal proportions is preferred by the committee because it satisfies the test proposed above when applied either to sizes of congressional districts or to numbers of Representatives per person, and because it occupies mathematically a neutral position with respect to emphasis on larger and smaller States.

G. A. BLISS.
E. W. BROWN.
L. P. EISENHART.
RAYMOND PEARL, *Chairman.*

FEBRUARY 4, 1929.

CAMBRIDGE, MASS., *February 11, 1929.*

Senator DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: In your letter of January 26 you indicated that you were requesting the National Academy of Sciences for information in regard to the mathematical facts about methods of apportionment, in accordance with the suggestions which I made in Science for December 14, 1928.

As I am keenly interested in the scientific aspects of this problem, I should esteem it a great personal favor if you would be kind enough to ask your secretary to send me a copy of your correspondence with the academy on this subject.

With great respect, I am, very sincerely yours,

EDWARD V. HUNTINGTON,
Professor of Mechanics, Harvard University.

If you happen to see an article by Professor Willcox in the current issue of Science, you may be interested in a reply thereto, which I inclose herewith.

In regard to the danger involved in reopening the question of method, I have just been informed by a responsible leader of the House of Representatives that if the Senate should substitute the method of equal proportions for the method of major fractions, he is quite sure that there would be no difficulty whatever in agreeing to this amendment in the House.

REPLY TO PROFESSOR WILLCOX

In his article in Science for February 8, 1929, pages 163–165, Prof. W. F. Willcox simply repeats erroneous mathematical statements the falsity of which had already been called to his attention. (See Science, December 14, 1928.)

Professor Willcox contends that the choice between "equal proportions" and "major fractions" is a political and not a mathematical problem. His arguments, however, are mathematical, and involve gross misstatements of the mathematical facts.

For example, the statement on page 164 that a certain series of quotients "would sum up to 435" is false. Again, on page 165, the statement that the "method of minimum range" is the same as the "method of the harmonic mean" is false. And again, his whole description of the method of equal proportions is grotesque.

It appears to be only by evasive and misleading arguments like these that the method of major fractions can be defended.

It is small wonder that he thinks it "undesirable" to request "a report on the mathematical facts" from any competent body of scholars.

EDWARD V. HUNTINGTON,
Harvard University.

HARVARD UNIVERSITY,
DEPARTMENT OF GOVERNMENT,
Cambridge, Mass., February 26, 1929.

Senator DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR WALSH: I am informed that the bill for the reapportionment of Members of the House is pending before the Senate for action and that a controversy has arisen as to the proper method of computing the quota of Representatives to be assigned to each State. Some time ago that subject was carefully studied by a number of eminent mathematicians, including the leading members of the department of mathematics at Harvard University, and they came to the conclusion that the so-called method of equal proportions is the method of apportionment which best satisfies the requirements of the Constitution. Since that is the fact, it seems a pity that any other rule of apportionment should be written into the law, particularly the rule recommended by Professor Willcox of Cornell. If the Senate wishes to put political expediency first, the largest States would be better served by the so-called rule of rejected fractions which was employed from 1790 to 1840, since under that rule the larger States would get the most Representa-

tives. Professor Willcox's method neither has the advantage of giving the largest States the greatest possible number of Representatives nor of satisfying a mathematical test, consistent with the constitutional requirement that Members be apportioned among the States according to their respective numbers.

Very truly yours,

A. N. HOLCOMBE, *Chairman.*

ORDER FOR EXECUTIVE SESSION

Mr. HARRISON. Mr. President, I desire to ask the Senator from Kansas [Mr. CURTIS] if it is not possible at a certain time early in the day for us to go into executive session merely for the consideration of unobjected nominations?

Mr. CURTIS. It was my intention, as soon as the conference reports on the two appropriation bills were acted upon, to ask unanimous consent that the Senate proceed to the consideration of executive business, to consider unobjected nominations on the Executive Calendar, and I submit that request now.

Mr. HARRISON. Could we not now fix a time when we may go into executive session merely for the consideration of unobjected nominations? It would not take long, and then those would be out of the way.

Mr. CURTIS. I think we had better make the agreement as I have suggested it.

The PRESIDING OFFICER. Is there objection?

Mr. NYE. Mr. President, I should like to make an inquiry of the Senator from Kansas. The Committee on Public Lands and Surveys has reported a resolution providing that the committee may continue to operate under Senate Resolution 202, and I want to get action on that.

Mr. CURTIS. There will be plenty of time to take that up to-day. There are only two conference reports pending and one to come over, and there will be plenty of time.

Mr. NYE. I have no objection to the agreement proposed.

The PRESIDING OFFICER. Is there objection to the request submitted by the Senator from Kansas? The Chair hears none, and it is so ordered.

RETIREMENT OF EMERGENCY OFFICERS

Mr. BINGHAM. Mr. President, there has been on the calendar for some time a bill to amend the so-called Tyson-Fitzgerald Act for the relief of emergency officers and their retirement. I have just received a letter from General Hines, Chief of the Veterans' Bureau, which will be of interest to emergency officers of the World War seeking retirement. I ask that it may be printed in the RECORD.

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

MARCH 1, 1929.

Hon. HIRAM BINGHAM,
United States Senate, Washington, D. C.

MY DEAR SENATOR BINGHAM: Reference is made to the bureau's administration of the emergency officers' retirement act and to the pending amendment to that act, which you recently introduced.

In connection with your proposed amendment, it is believed that information regarding the present status of the administration of the act will be of value to you, and it is thought you should have such information in your possession.

There have been received to date 8,498 applications, and of this number the Emergency Officers' Retirement Board has recommended retirement with pay in 2,756; retirement without pay in 427, and has determined that 2,759 of those who have applied are not entitled to retirement benefits. A review by reason of the Attorney General's opinions of January 18, 1929, is now in process of the 2,759 cases in which unfavorable decisions had previously been rendered, and it is anticipated that favorable decisions will issue in a large number of these cases.

It will be noted from the above figures that the Retirement Board has acted on 5,942 claims, leaving a balance of approximately 2,500 claims awaiting action, and it is believed that with the exception of those cases in which it will be necessary to obtain additional evidence, such as report from the War Department, medical examination, etc., that action upon the remaining claims will be completed by or about April 15, 1929.

Very truly yours,

FRANK T. HINES, *Director.*

WILLIAM S. WELCH

Mr. KING. Mr. President, I wish to withdraw the motion previously made by me to reconsider the votes whereby the bill (S. 2127) for the relief of William S. Welch, trustee of the estate of the Joliet Forge Co., Joliet, Ill., bankrupt, was ordered to a third reading, read the third time, and passed.

PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts and joint resolutions:

On March 1, 1929:

S. 1338. An act for the relief of James E. Jenkins;

S. 2291. An act for the relief of certain seamen and any and all persons entitled to receive a part or all of money now held by the Government of the United States on a purchase contract of steamship *Orion*, who are judgment creditors of the Black Star Line (Inc.) for wages earned;

S. 3001. An act to revise the north, northeast, and east boundaries of the Yellowstone National Park, in the States of Montana and Wyoming, and for other purposes;

S. 3198. An act to amend the act of March 3, 1915, granting double pension for disability from aviation duty, Navy or Marine Corps, by inserting the word "Army," so as to read: "Army, Navy, and Marine Corps";

S. 4125. An act to amend chapter 15 of the Code of Law for the District of Columbia, and for other purposes;

S. 4234. An act authorizing the purchase of certain lands by John P. Whiddon;

S. 4517. An act authorizing the appropriation of tribal funds of Indians residing on the Klamath Reservation, Oreg., to pay expenses of the general council and business committee, and for other purposes;

S. 4604. An act for the relief of James L. McCulloch;

S. 4778. An act authorizing the Moundsville Bridge Co. to construct a bridge across the Ohio River at or near the city of Moundsville, W. Va.;

S. 5090. An act for the relief of Lewis H. Easterly;

S. 5221. An act for the relief of Cary Dawson;

S. 5255. An act for the relief of present and former postmasters and acting postmasters, and for other purposes;

S. 5326. An act for the relief of Jessie L. Kinsey;

S. 5270. An act to authorize the Secretary of War to donate a bronze cannon to the city of Phoenix, Ariz.;

S. 5453. An act authorizing the payment of Government life insurance to Etta Pearce Fulper;

S. 5514. An act for the relief of E. Gellerman, doing business under the name of the Lutz-Berg Motor Co. at Denver, Colo.;

S. 5684. An act to amend the War Finance Corporation act approved April 5, 1918, as amended, to provide for the liquidation of the assets and the winding up of the affairs of the War Finance Corporation after April 4, 1929, and for other purposes;

S. 5766. An act for the relief of Andrew T. Bailey;

S. 5776. An act for the relief of Wynona A. Dixon;

S. J. Res. 58. Joint resolution to relieve Elizabeth Robins Pennell from necessity of providing a surety on her bond for the benefit of the United States as residuary legatee and remainderman under the will of Joseph Pennell; and

S. J. Res. 196. Joint resolution authorizing and requesting the President of the United States to take steps in an effort to protect citizens of the United States in their equitable titles to land embraced in territory to be transferred from the State of Oklahoma to the State of Texas and from the State of Texas to the State of Oklahoma as per decree of the Supreme Court of the United States in the case of Oklahoma *v.* Texas (1926, 272 U. S. 21, p. 38) and from the State of New Mexico to the State of Texas and from the State of Texas to the State of New Mexico as per decree of the Supreme Court of the United States in the case of New Mexico against Texas (vol. 276, p. 557, U. S. Sup. C. Repts.), and to give the consent of Congress to said States to enter into a compact with each other and with the United States relating to such subject matter.

On March 2, 1929:

S. 2901. An act to amend the national prohibition act, as amended and supplemented; and

S. J. Res. 117. Joint resolution authorizing an investigation and survey for the purpose of ascertaining the practicability and the approximate cost of constructing and maintaining additional locks and other facilities at the Panama Canal, and for the purpose of ascertaining the practicability and probable cost of constructing and maintaining an interoceanic ship canal across the Republic of Nicaragua.

FIRST DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15848) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1929, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal year ending June 30, 1929, and for other purposes.

Mr. McKELLAR. Mr. President, in the first deficiency appropriation bill on page 16 there is this provision:

Refunding taxes illegally collected: For an additional amount for refunding taxes illegally or erroneously collected, as provided by law, including the payment of claims for the fiscal year 1929 and prior years,

$75,000,000: *Provided*, That a report shall be made to Congress by internal-revenue districts, and alphabetically arranged, of all disbursements hereunder in excess of $500 as required by section 3 of the act of May 29, 1928 (45 Stat. 996), including the names of all persons and corporations to whom such payments are made, together with the amount paid to each.

When the Senate had this bill under consideration, it added this further proviso:

Provided, That no part of the funds herein appropriated for tax refunds, where the claim is in excess of $10,000 shall be paid out except upon hearings before any committee or officer in the department conducting same, which hearings shall be open to the public, and the decision shall be a public document.

It will be recalled that this amendment went to conference with the so-called prohibition amendment, and the House for a long time refused to concur because of these two provisions in the bill.

Recently another arrangement has been made, and the House agreed to concur, and in lieu of that last proviso the conference committee has reported the following:

Provided, That no part of the foregoing appropriation shall be used to pay any refund of an income or profits tax pursuant to a claim allowed after the enactment of this act in excess of $20,000 (other than payments in cases in which a suit in court or a proceeding before the Board of Tax Appeals has been or shall be instituted or payments in cases determined upon precedents established in decisions of courts or the Board of Tax Appeals) unless a hearing has been held before a committee or official of the Bureau of Internal Revenue; and the decision of the Commissioner of Internal Revenue in any such refund allowance in excess of $20,000 shall be a public record.

Mr. President, I want to say that the provision which was in the original deficiency bill, put there by the Senate, was inserted virtually by the unanimous vote of the Senate. As I recollect, there were no votes cast against it.

I think the Senate is overwhelmingly in favor of a provision of that kind in this bill. I do not intend to criticize the Senate conferees at all; I think our Senate conferees tried to get the best kind of a provision that they could; but instead of getting a good provision, the conferees have emasculated the provision which the Senate adopted. This provision is virtually utterly worthless, and I now intend to show why it is utterly worthless.

Mr. HEFLIN. Mr. President——

Mr. McKELLAR. I yield to the Senator.

Mr. HEFLIN. I suggest to the Senator that it looks as if the Senate conferees abandoned the Senate position in favor of the House position.

Mr. McKELLAR. I am not going to criticize the members of the conference on the part of the Senate.

Mr. GLASS. The Senator has no right to do so.

Mr. McKELLAR. I am not going to do it, but I am going to say this——

Mr. HEFLIN. In effect, I take it, that that is what happened.

Mr. McKELLAR. If the Senator will bear with me just a moment, I will explain what happened.

During the eight years when Andrew W. Mellon has been Secretary of the Treasury, over three and a half billion dollars have been paid out by him under a secret refund system. Mr. Mellon says he has nothing to do with paying the refunds, the Commissioner of Internal Revenue, Mr. Blair, says he has nothing personally to do with it, the Assistant Secretary, Mr. Bond, having charge of it, says he has nothing to do with it. Well, who does it? They say that some clerk pays out these enormous sums. Think of it, Senators; $3,500,000,000 paid out in eight years, and this body has no knowledge of the details and the body at the other end of the Capitol has no such knowledge. When they ask about it, they are told it is none of the Congress's business. What is Congress's business, according to their view of it? It is to furnish the money, and that is all.

What are these refunds for? Nobody knows. Who gets them? They publish the names of those who get them; and, by the way, it took us years to get a provision of that kind through, just to get the names. It took years of work on the part of the Senate of the United States to obtain even the names of those to whom these great refunds were paid.

Mr. President, we have appropriated for the ensuing year $130,000,000 for tax refunds. This is the most important matter that has come before the Congress or any Congress for many years. Why, we talked about the oil scandal when some $400,000,000 worth of oil was stolen from the Government, fraudulently taken from the Government, and yet here is the Secretary of the Treasury secretly paying out in tax refunds every year more than the $400,000,000 which was involved in the oil scandal.

Mr. WARREN. Mr. President——

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

Mr. McKELLAR. I yield.

Mr. WARREN. Judging from the statements of the Senator he is charging the Secretary of the Treasury and the Commissioner of Internal Revenue with being guilty of wrong practices in paying out millions of dollars of money in secrecy. Is that what the Senator charges?

Mr. McKELLAR. No; that is not my statement.

Mr. WARREN. What does his wild flight mean, then? Have they paid out that money secretly?

Mr. McKELLAR. I charge that the Secretary of the Treasury in a secret system is paying back to taxpayers secretly, according to his own testimony, not knowing himself——

Mr. WARREN. Paying back that which does not belong to the taxpayers? Is that what the Senator charges?

Mr. McKELLAR. That which in many cases does not belong to them.

I say, if those funds belong to those taxpayers they would not be afraid to come out in the open and ask for them; and the Secretary of the Treasury, if it were done fairly and honestly and justly, would not be afraid to come out in the open and say that it was being properly done.

Mr. WARREN. It seems the Secretary of the Treasury is saying one thing and the Senator from Tennessee is saying another thing. I suppose we can take our choice as to which one we would believe, and whether the Secretary of the Treasury has corruptly paid out money or whether he has not!

Mr. McKELLAR. If the Senator will take his own time to defend the Secretary of the Treasury, it will be much more pleasing to me.

Mr. WARREN. The Senator had better restrain his temper.

Mr. McKELLAR. Three billion five hundred million dollars of the people's money has been paid out; and do you know what is said? It is said, for instance, that the United States Steel Corporation, which was paid back secretly for the year 1917 the enormous sum of $57,000,000, received it back because of a mistake. Who is there that is so simple-minded as to believe that the United States Steel Corporation in 1917 made a mistake of $57,000,000 in its own tax return? I do not think anyone believes it.

Mr. SMOOT. Mr. President——

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

Mr. SMOOT. The United States Steel Corporation did not make the mistake. It was a jeopardy assessment that was placed there by the department itself.

Mr. McKELLAR. It was a jeopardy assessment?

Mr. SMOOT. It was.

Mr. McKELLAR. How does the Senator get his information? Where does he get it?

Mr. SMOOT. The Senator from Tennessee knows it as well as the Senator from Utah.

Mr. McKELLAR. Oh, no. There is no proof of it. They declined to give any facts about it.

Mr. SMOOT. It was a jeopardy assessment placed upon them, as jeopardy assessments were placed upon thousands of taxpayers, when they did not know whether the proper amount was $57,000,000 or $100,000,000 or $500,000 or $500 or $50. The jeopardy assessments were placed there knowing in most cases that they were more than the taxpayer would eventually have to pay.

Mr. McKELLAR. The Senator from Utah does not know a thing in the world about what he is saying. That is absolutely not true.

Mr. SMOOT. I say it is true.

Mr. McKELLAR. I do not mean to say the statement of the Senator is untrue, but I mean to say that his statement of facts is wholly incorrect.

Mr. SMOOT. I say it is correct.

Mr. McKELLAR. The truth of the business is that on their assessment of the United States Steel Corporation, $27,000,000 was paid back for the year 1917 on the return which the Steel Corporation itself made. Thirty-three million dollars more was paid back in the way of depletions, whatever they are. That is nearly $60,000,000 in all that was paid back to the Steel Corporation secretly for the one year. It is said that if there was a mistake the Steel Corporation ought to get the advantage of it, and that is true. But if it was a mistake, why should not the Congress have the facts? The facts have not been given to the Congress. They conceal the facts from the Congress. They decline to let the Congress have the information. When an

amendment is offered to a bill to provide for information, what happens to it? Mr. Mellon writes a letter to his friends in the House and to his friends in the Senate and they get busy and emasculate the provision. We can get no hearings to develop what occurs in his department.

Let me refer again to the Steel Corporation. For 1917 the enormous sum, as I said, of $27,000,000, $16,000,000 in principal and $11,000,000 in interest, is allowed them in the way of a refund. In 1917 the Steel Corporation sold the most of its wares to the Government of the United States. It put its taxes into its price in making those sales. The people had to pay them and yet notwithstanding that the Steel Corporation received the amount of those taxes through its sales of steel to the Government of the United States, now 10 years after those sales it receives back those taxes with interest.

Mr. President, let us take the tobacco case. We got some information about the tobacco case and the Steel Corporation case by accident. We got the facts in those cases because a Member of the House happened to say something about them he ought not to have said, but we got some of the facts about those two cases anyway. One of the big tobacco companies—they call it the "X" Tobacco Co., whatever that means—received $5,000,000 refund—and why? Simply because the Commissioner of Internal Revenue in his judgment thought they had paid too much. It was purely a matter of discretion lodged in him by the Congress, and he made that decision and allowed a $5,000,000 refund. Who knows whether it was right or not? Will they give us information about it? No; but they come and ask us to pay it.

What other claimants against the Government come and ask for money to be paid out secretly in that way? No other claimant presents claims in that way. They come openly and give their reasons. They speak openly and their claims are submitted openly and are passed upon openly. But here these great corporations that want enormous tax refunds come secretly and go to a clerk in the department and get their claims through in these enormous sums. The moment they pay their taxes, that moment they make a claim for refund. The tax-refund business is getting to be one of the greatest businesses in the country. They have a horde of tax attorneys now engaged in that business.

Mr. President, this is the second amendment that has been emasculated in conference. It will be approved by the Senate when it is offered, but when it gets into conference it is emasculated. It is fixed so it can do no good. It is fixed so the Congress can not find out anything about the facts. It is fixed so that it is immaterial. It is absolutely made nugatory in conference every time, and we are presented with the question of agreeing to nugatory provisions about it or the deficiency bill will not pass.

Mr. President, I yield again for the private conversations which are going on in the Chamber.

Mr. BRATTON. Mr. President, I think the Senator is entitled to a hearing, and I appeal for order in the Chamber.

The PRESIDING OFFICER. The point of order is well taken. The Senate is not in order. Let there be order.

Mr. McKELLAR. I understand that President-elect Hoover is going to reappoint Mr. Mellon as Secretary of the Treasury. Some say Mr. Hoover will send his name in here next Monday for confirmation. Others say he will not take that risk, that he is going simply to hold him over, that he does not have to reappoint him. He does not want to assume the discredit of reappointing him. Some say he will be appointed for a while until Hoover can ease out from under him. I do not know what course Hoover is going to take. I am not in his confidence. But I want to say if Mr. Hoover sends Mr. Mellon's name in here as the nominee for the office of Secretary of the Treasury, there is one vote that is going to be cast against him. I am going to vote against him because I do not believe that he is qualified under the law to be Secretary of the Treasury.

In the first place, I believe Mr. Mellon is an inefficient Secretary of the Treasury. I think he has shown that he is an inefficient Secretary of the Treasury. Any Secretary under whose administration $3,500,000,000 of mistakes occur in eight years ought to be discharged for incompetency and inefficiency. No other Secretary of the Treasury has ever made such mistakes. No other Secretary of the Treasury has ever paid back one-tenth, nay, even one-fiftieth part, probably not one-hundredth part of the revenues he has collected. It is inexcusable. Why, instead of taxes being collected openly and fairly, as the law provides, we find that the Secretary of the Treasury is imposing these taxes and collecting them with one hand and putting them in the pockets of the Government, and then paying them back with the other hand.

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

Mr. McKELLAR. I yield.

Mr. REED of Pennsylvania. Has it occurred to the Senator that most of those refunds were of taxes collected during the war years of 1917 and 1918?

Mr. McKELLAR. I think that is the fact, but we have no knowledge of it. The Senate has no knowledge of it. I am glad the Senator mentioned it. When those taxes were imposed in 1917 against the Steel Co. and the Tobacco Co., the only two companies as to whose taxes we have any facts before us, those two companies paid the taxes imposed. They got prices for their wares based upon those taxes which they then paid, and now 10 years afterwards, when they have collected from the people sufficient profits to cover the taxes that were then imposed, they come back here serenely and calmly and secretly making claims for refunds, and one of them we find is to get a refund of $58,000,000 for one year of taxes paid 10 years ago.

Who paid it out? "Mr. Mellon, did you pay it out?" "No; I have nothing to do with those things." "Mr. Commissioner of Internal Revenue, did you pay it out?" "Oh, no; I do not have time to do it." "Mr. Assistant Secretary Bond, you have this matter in charge; did you pay it out?" "Oh, no; I never bother about such trifling matters."

The sum of $3,500,000,000 of the people's money is refunded, and not a man in the department has ever said that he had anything to do with refunding those claims. It is done secretly; we do not know how it is done; we do not know what the reasons are; we do not know what the claims are; we know nothing about it; and yet we are called upon twice a year to appropriate the money. We have been appropriating about $300,000,000 a year for several years. This year one amount was $130,000,000, and here is $75,000,000 more, aggregating $205,000,000. Of course, we shall have another deficiency. The expenditure for this purpose will probably again amount to $300,000,000.

"How many more claims are there, Mr. Secretary?" "I do not know." "How many more are there, Mr. Commissioner?" "I do not know." "What are these claims about, Mr. Secretary and Mr. Commissioner?" "We do not know, and you are not permitted to find out; we refer you to the law."

I have a letter from these gentlemen stating that they are prohibited by law from telling a Representative or a Senator what these claims are for, for what the claims money is going to be used.

I am opposed to any such secrecy in conducting Government business; I am opposed to any such secret system of Government. I have been fighting it for the last six years. I succeeded in having two provisions inserted in the law. The one inserted two years ago was made nugatory. It was found that there was a big sentiment in the country in favor of it, and something had to be done; so here is the nugatory provision which was inserted. Senators, listen to this—

> *Provided*, That a report shall be made to Congress by internal-revenue districts, and alphabetically arranged, of all disbursements hereunder in excess of $500 as required by section 3 of the act of May 29, 1928 (45 Stat. 996), including the names of all persons and corporations to whom such payments are made, together with the amount paid to each.

Such reports are filed in the Ways and Means Committee room. The newspapers get some of the more important refunds, but the others are left there. We do not know why they were paid; we do not know whether or not they were justly paid; no man in the world knows whether they are paid fairly and justly or not. It is this system of secrecy to which I am opposed. The provision which I have read took the place of one which provided for publicity in such matters, which was stricken out in conference, just as the provision was stricken out of the pending bill.

What was the result? When the conferees struck it out they inserted a nugatory provision, just such as they have put in here. When the bill came up before the Senate for consideration we inserted this provision in it unanimously; there was not a dissenting voice. Why? Because we all knew it was right. We knew that this system of secrecy was wrong, and we inserted this provision:

> *Provided*, That no part of the funds herein appropriated for tax refunds where the claim is in excess of $10,000 shall be paid out except upon hearings before any committee or officer in the department conducting same, which hearings shall be open to the public, and the decision shall be a public document.

If there is nothing to cover up, how would that provision hurt? If there is nothing to conceal, why should not that course be pursued? The amendment left everything to the department; the allowance of tax refunds was not taken out of the department. The only thing that was required was that these hearings should be open, just as other hearings are. Senators, how can objection be made to that? How can we longer provide

for a secret system under which three and one-half billion dollars have been paid in eight years—to whom, God knows; nobody knows. There is no Senator here who knows that a single one of these claims is right. There is but one way to ascertain, and that is to have an open hearing, where the claimants may come with their counsel and, if they have just claims, where the Government may accord a fair and open hearing and pass upon the claims in the light of day. Under the system practiced in the department they pay out in secret enormous sums of the people's money. It is not fair; it is not right; it is an iniquitous system, a system of government for which no nation ought to stand; and surely this Nation ought not to stand for it.

Mr. HEFLIN. Mr. President, will the Senator from Tennessee permit me to interrupt him right there?

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

Mr. HEFLIN. In response to a resolution that I introduced, and which was adopted by the Senate, the Secretary of the Treasury has furnished a list of those to whom he refunded taxes for 1927, but no such list has been furnished for 1928. The Senate has not a list of those upon whom these gifts have been bestowed for 1928.

Mr. McKELLAR. Mr. President, the Congress appropriates this $250,000,000 of the people's money without being able to state a single fact about the expenditure or being able to ascertain a single fact which would justify it. The Treasury Department is hermetically sealed from the public. Even Comptroller General McCarl has no jurisdiction over the Treasury Department. He has jurisdiction over every other department of the Government. He has jurisdiction over the expenditures of the Executive himself; but, oh, no, he has no jurisdiction over "Uncle Andy"; "Uncle Andy" controls his own department; he keeps it hermetically sealed, so far as the public is concerned, and so far as any other official of the Government is concerned. That is why I have been fighting to bring these transactions out into the open. I have nothing personal against Mr. Mellon, but I do not believe that he is a faithful public servant, for, in my opinion, no public servant is faithful whose deeds are in the dark and whose system is a system of secrecy. That is the truth, and we all know it. How are we going to defend it? When you go home, Senators, and your constituents ask you why is Mr. Mellon spending $205,000,000 this year in tax refunds, you can not tell them; you have no information about it, and Mr. Mellon boldly tells you that the law protects him. He can pay out all the money he can get for tax-refund purposes. He comes up here at the first part of each session and at the last part of each session and demands a lump sum. He tells you to give it, but furnishes no information as to what he is going to do with it.

In those circumstances the conference committee has reported a farcical amendment, one that does not provide that the people or their representatives shall know what is being done in the case of tax refunds. I am going to vote against the conference report.

Mr. President, I said that Mr. Mellon ought not to be reappointed Secretary of the Treasury and he ought not to be so reappointed. He ought never to have held the office. He is disqualified under the law from holding the office. Now, I will tell you why. I have to go back a year or two, but it is easy to find. I call attention to the Revised Statutes. Section 3168 of the Revised Statutes provides:

Any internal-revenue officer—

And Mr. Mellon is an internal-revenue officer—

who is or shall be interested, directly or indirectly—

How could language be more inclusive?—

in the manufacture of tobacco, snuff, or cigars, or in the production rectification, or redistillation of distilled spirits, shall be dismissed from office.

Now I want to read from a colloquy that took place between the distinguished Senator from Pennsylvania [Mr. REED] and myself several years ago in which he admitted that Mr. Mellon actually owned the Overholt Distillery. I want to read from the colloquy on page 5244 of the RECORD of March 30, 1924:

Mr. McKELLAR. Did Secretary Mellon sell his stock in all the business corporations?

Mr. REED of Pennsylvania. If the Senator had waited until the sentence was finished, his question would have been answered. Mr. Mellon was also a stockholder in a number of business enterprises, foremost among them being the Aluminum Co. of America, the Gulf Oil Corporation, and the Standard Steel Car Co. In each of those he was and is a minority stockholder—

Remember the statute says "directly or indirectly"—

and on the advice of the five lawyers whom I have named Mr. Mellon did not sell his minority interest in the stock of those corporations.

I digress here long enough to say that the Secretary of the Treasury is prohibited by law from being engaged in certain businesses, and these great corporations come under the ban of the law. It was held by the committee that because he was a minority stockholder he was not interested directly or indirectly in those businesses. I quote further from the colloquy as found in the CONGRESSIONAL RECORD.

He still owns it; and in our opinion then, and in our opinion now, his right to do so is unquestionable.

Furthermore, he is not at present actively concerned in trade or commerce of any description whatever. As I said, he is not a director and not an officer of any corporation engaged in trade or commerce of any kind——

Mr. McKELLAR. Mr. President——

Mr. REED of Pennsylvania. And he does not give his time or his attention to the active conduct of any incorporated business. I yield to the Senator from Tennessee.

Mr. McKELLAR. I just want to ask the Senator if Mr. Mellon is still a stockholder in what is known as the Atlantic, Gulf & West Indies Co.?

Mr. REED of Pennsylvania. I am coming to that.

Mr. McKELLAR. And is he also interested in the company known as the Overholt Distilling Co.?

And here is what the Senator from Pennsylvania [Mr. REED] said:

I am just as much interested as is the Senator from Tennessee in getting the truth of these things, and I promise him I shall not omit either of those subjects in what I have to say.

I will omit a few lines and read what he had to say about the Overholt Distillery Co. Remember this is the Senator from Pennsylvania [Mr. REED] talking.

Mr. REED of Pennsylvania. Why does the Senator omit what I said about the Atlantic, Gulf & West Indies?

Mr. McKELLAR. I will put that in if the Senator desires, but it is not material to this particular discussion. I will, however, read it. The Senator from Pennsylvania continued:

I want to correct an error in the first opinion of Faust & Wilson, which was read at the desk, and that is the statement that when Mr. Stewart resigned as Secretary of the Treasury in President Grant's Cabinet Senator Sherman was appointed in his stead. I think that Messrs. Faust & Wilson were in error on the name and that it was Mr. Boutwell who was appointed to succeed Mr. Stewart in Mr. Grant's Cabinet. It is not important, but I thought for the purpose of accuracy it was well to make the correction.

That is why I omitted it, because, as the Senator himself said, it was immaterial.

Mr. FESS. Senator John Sherman was appointed in President Hayes's Cabinet.

Mr. REED of Pennsylvania. Yes. In Senate Resolution No. 200, now before us, occurs the statement that "it appears that the said A. W. Mellon is interested in the Overholt Distilling Co." The resolution does not say where it appears. I want to state what the facts are.

For many years past—probably more than 100 years—there has been a partnership known as A. Overholt & Co., which was in the business of distilling whisky in western Pennsylvania. For a great many years—I do not know how many, but I think over 40 years—Mr. A. W. Mellon was one of the partners in that partnership. On the 15th day of December, 1916, three years and one month before the prohibition amendment went into effect——

Mr. TYSON. Mr. President, may we have order?

The VICE PRESIDENT rapped for order.

Mr. McKELLAR. I thought there were some Senators, at least, who had more interest in liquor than they appear to have, because I am talking about liquor now.

Mr. REED of Pennsylvania. I hope Senators will listen to what the Senator from Tennessee is saying, because he is quoting words of great wisdom.

Mr. McKELLAR. I am quoting the words of the Senator from Pennsylvania, and I am going to comment on them in a moment and see how wise they are.

Mr. BRUCE. Mr. President——

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

Mr. McKELLAR. I do.

Mr. BRUCE. I merely wanted to say that it seems to be a case of wisdom crying out in the streets and not being heard.

Mr. McKELLAR (reading):

For a great many years—I do not know how many, but I think over 40 years—Mr. A. W. Mellon was one of the partners in that partner-

ship. On the 15th day of December, 1916, three years and one month before the prohibition amendment went into effect, that partnership absolutely ceased from the manufacture of whisky and from doing any of its manufacturing business. The statute which is mentioned in Senate Resolution No. 200 is section 3168 of the Revised Statutes and forbids any internal revenue officer from being interested in the manufacture, production, rectification, or redistillation of distilled spirits. The fact is that if the Secretary of the Treasury is a revenue officer within the meaning of that section—and I am willing to grant that he is for the purpose of the argument—Mr. Andrew W. Mellon has not at any time since December 15, 1916, engaged in the manufacture or production or rectification or redistillation of distilled spirits.

Listen to this! I am still reading from the statement of the Senator from Pennsylvania [Mr. REED]:

Before Mr. Mellon took office, after this corporation had been passive for more than four years, four years after it ceased from its manufacturing operations and before he took the oath of office—

Listen to this—

he transferred his whole interest in that enterprise to the Union Trust Co. of Pittsburgh as trustee to close up the business absolutely. He himself has retained no control or discretion or authority whatsoever in that matter.

Now, listen to this:

He will, when the business is finally liquidated, be entitled to his proportion of the net proceeds and no more.

In other words, here is an active trust created by Mr. Mellon, for what purpose? For the purpose of getting around the law and taking office as Secretary of the Treasury. He still owns it. He owns every dollar in the Overholt Distillery Co. in the hands of that trustee that he ever owned as an individual. The statute says "directly or indirectly." That is indirectly owning it. Can anybody doubt it? He is prohibited from being Secretary of the Treasury; he is disqualified under the law; and, as I remember, one of the distinguished predecessors of the present able and splendid Senator from Pennsylvania, Hon. Boies Penrose, gave out an interview in which he said that Mr. Mellon could not accept the office because he was in the distilling business, and therefore he was not eligible to the office. And yet he calmly conveys to the Union Trust Co., I am informed—a corporation owned by himself, or largely by himself—the legal title to this property, and retains the beneficial interest in it!

As lawyers know, that is an active trust. As lawyers know, Mr. Mellon is just as much the owner of that whisky business in the hands of the trustee as he was before. It is a subterfuge. He is not entitled to be Secretary of the Treasury under that statute, passed more than 100 years ago.

If I remember aright, the statute which disqualifies a man from holding the office of Secretary of the Treasury because of being engaged directly or indirectly in the liquor business was passed in 1807. It has been on the statute books all the time. It is on the statute books to-day. For eight years the present Secretary of the Treasury has been holding this office in violation of this law; and that is another reason why I say that if Mr. Hoover sends in the nomination of Mr. Mellon here next Monday, I intend to vote against the confirmation of Mr. Mellon. I do not believe he should be Secretary of the Treasury any longer. I hope Mr. Hoover will not appoint him. I say that a man who has shown himself so inefficient that he makes mistakes to the amount of $3,500,000,000 in collecting taxes from the people in that length of time is too inefficient to be Secretary of the Treasury; and yet some of the newspapers speak of Mr. Mellon as "the greatest Secretary of the Treasury since Alexander Hamilton."

Why, it is inconceivable that he should be reappointed to this office with his record, with his lack of eligibility for the office, with his business interests ramifying everywhere. A committee reported here a few years ago that Mr. Mellon was a stockholder in 62 great corporations. Who knows how many of those corporations have been receiving tax refunds? I know of but one, and that is, less than two months after Mr. Mellon became Secretary of the Treasury the Treasury Department paid to the Gulf Refining Co. $337,000, as I recollect the amount. I see in these reports that the Aluminum Co. of America has been constantly getting refunds of taxes—secret refunds of taxes. I do not know about the other 60 of them. Nobody else knows. Nobody knows what corporations Mr. Mellon is interested in. Everybody knows that he has been, and is now, the beneficial owner of a liquor business; and yet in the last campaign we frequently heard the statement that dry Democrats ought to vote for Mr. Hoover because he was going to give a better enforcement of the liquor law; and here is the present Secretary of the Treasury, and the man Mr. Hoover is supposed to favor for reappointment, probably more extensively engaged in the liquor business than any other man in this country, directly or indirectly.

Mr. President, this amendment that is offered by the conference committee is a subterfuge. I want to read it. Listen to this. Think of this as legislation. What does it mean? Who knows what it means? I should like to have some member of the conference committee explain what it means. What will it do? Will it tell us anything about what is going to be done with this $205,000,000 that we are going to spend secretly for tax refunds this year? I doubt it.

Listen to this:

Provided, That no part of the foregoing appropriation shall be used to pay any refunds of an income or profits tax pursuant to a claim allowed after the enactment of this act in excess of $20,000—

Who knows what that means? Every claim may be allowed before this act is actually signed by the President. It may not refer to a dollar; it may not have anything to do with a dollar of this appropriation—not a dollar. We do not know whether it will or not—

(other than payments in cases in which a suit in court or a proceeding before the Board of Tax Appeals has been or shall be instituted, or payments—

Listen to this, Senators—

or payments in cases determined upon precedents established in decisions of courts or the Board of Tax Appeals)—

I doubt if there is a claim that does not come under that head. There have been decisions on almost every conceivable tax question; and if the Secretary of the Treasury were to say, "This would come under the head of decisions or precedents established by decisions of the courts," nobody could say him nay.

Mr. BLACK. Mr. President, will the Senator yield there?

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

Mr. McKELLAR. I yield.

Mr. BLACK. Does the amendment state who is to determine whether or not the refund is in conformity with the precedents?

Mr. McKELLAR. Why, no. I will tell the Senator who determines it. Andrew W. Mellon determines it, or some clerk in his department. Of course, he does not know anything about it himself. He swears that he does not know anything about it himself. The Commissioner of Internal Revenue swore that he did not know anything about it himself. The Assistant Secretary of the Treasury in charge of these matters swore that he did not look after these claims himself. Who does? We do not know. One of them said the committee sometimes did it, and sometimes it was done by an individual. "Who were the committee?" "We will not tell you." Congressmen or Senators have no right to any such information.

Are we going to continue to pay out hundreds of millions—nay, billions—of dollars under circumstances of that kind?

Listen to this:

Unless a hearing has been held before a committee or official of the Bureau of Internal Revenue—

Of course, they can not get a secret refund unless it is held before some official or committee. Not a hearing before a commission, not a public hearing, but a secret hearing is provided for here—

and the decision of the Commissioner of Internal Revenue in any such refund allowance in excess of $20,000 shall be a public record.

Suppose he just says, "American Tobacco Co., $10,000,000." That is the decision. We had that before. We have not changed the law a particle. We get that at the end of every year.

Mr. President, as I have pointed out heretofore, the Senate put on a real provision, I think two years ago, or perhaps it was one year ago. We were to have some revision of this matter. Instead of that, they put on a provision sending the names and the amounts to the Joint Committee on Internal Revenue Taxation. If I remember correctly, that committee has met once since the law was passed, or perhaps twice; and even then it declared itself that it had no authority to revise or to pay any attention to these tax matters. It is absolutely nugatory; and when the Senate came along and put on a measure that did bring about a public hearing on these claims the conference committee knocks that out, and puts in another nugatory provision that never will be of any value.

Mr. President, I just want to say that I have convictions on this matter. I do not believe in secrecy in government.

I do not believe in secret systems of government. I do not believe the Secretary of the Treasury has the right to pay out

the people's money secretly, without letting it be known how it is paid out.

Senators, I do not believe that the Congress of the United States has the lawful authority to direct the payment of the people's money in any such fashion as this. I think it is our duty to bring about an open system of tax refunds.

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

Mr. McKELLAR. I yield.

Mr. HEFLIN. There is so much confusion here, and some Senators have come in who were not here when the Senator started, that I wish he would explain the difference between the bill as it is now pending before the Senate and as it passed the Senate before.

Mr. McKELLAR. I will say to the Senator that the provision as put in by the unanimous vote of the Senate was as follows.

Mr. HEFLIN. I hope Senators will listen to this, Mr. President, because this matter may be debated all day unless some arrangement is made.

Mr. McKELLAR. The provision which the Senate sent over to the House was as follows:

Provided, That no part of the funds herein appropriated for tax refunds where the claim is in excess of $10,000 shall be paid out except upon hearings before any committee or officer in the department conducting same, which hearings shall be open to the public, and the decision shall be a public document.

How could any honest official of the Government object to that?

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

Mr. McKELLAR. I yield.

Mr. TYDINGS. I was wondering if the Senator would frame his amendment so that the amount of money would remain the same, but that whenever the Treasury Department did make a refund of taxes; they would be required to send up to the Senate information, first, as to the amount of money——

Mr. McKELLAR. And the reason for the refund.

Mr. TYDINGS. And the reasons therefor.

Mr. McKELLAR. I will say to the Senator from Maryland that I have been fighting here for six long years to try to get that very system inaugurated, and the moment it is presented the Secretary of the Treasury writes a letter stating that he does not believe in publicity of tax returns. What that has to do with this question I can not imagine. He goes over that ground, and immediately the leaders in this Chamber and in the other Chamber take up the cudgels for him, and fight for him, and they render such a provision nugatory. Why? Because he wants to continue the present secret system. Every payment made may have been honest. If it is honest, what reason can there be for not having the light of day turned on it? It is the people's money we are appropriating, not the Secretary's. Why should not the people know why he is paying out this money?

The Senator is absolutely right. We ought to have a statement from the Secretary of the Treasury giving the facts, and the reasons for his decision, before any money is paid out in this way.

Mr. TYDINGS. I would like to ask the Senator another question. As I understand it, the amendment now requires that amounts of money in excess of a certain figure shall not be refunded until the Senate acts upon the cases.

Mr. McKELLAR. Oh, no; it merely provides for an open hearing, where the amount is greater than $10,000. That is all it provides. The reason for that was that the Secretary of the Treasury, in a letter, said that there were an infinite number of small claims—he got very greatly concerned with the small claims all of a sudden—and that the small claims would take a great deal of time if there had to be an open hearing upon each one, so this provision as to $10,000 was put in, and the committee has substituted $20,000 for the $10,000.

Mr. TYDINGS. I did not make myself plain. Suppose the refunds were made exactly as they are now, with the proviso that Congress should be advised of the amounts refunded, and the circumstances under which the refunds were made——

Mr. McKELLAR. That would be perfectly splendid. I have been trying for six years to get that done, but we are blocked every time we undertake to have it done.

Mr. TYDINGS. I was just wondering, if the amendment were framed along that line, whether or not it might not be acceptable to the people who are now in opposition.

Mr. McKELLAR. We have had that up time and time again. Of course, I would accept it, and be delighted to have it, but no one who stands behind Secretary Mellon in this Chamber would agree to it. Mr. Mellon would never agree to it.

Mr. TYDINGS. It seems to me that, conceding the Secretary should have the authority to deal with these cases that he has now, he should furnish the Congress with a statement of the amounts of money refunded and the reasons therefor; in other words, whenever a claim for refund is settled, there is a reason set down in the hearing, and if we had a copy of it, then if we felt it was not proper to make the refund, we could inquire into it.

Mr. McKELLAR. The Senator is exactly right; but that is the very thing the Secretary of the Treasury has fought ever since he has been in office.

Mr. TYDINGS. I wanted to say that I do think it is going a little far to hold up all the money until we have had a chance to look into it.

Mr. McKELLAR. Going a little far? If the Senator pleases, it is an outrageous position for any public officer to take. It is not in keeping with fair and honest dealing among men. If any of these gentlemen have an honest claim against the Government, they ought to have the opportunity to go and present that claim, and let the facts be known, and let the proper officials settle the claim, of course; no one denies that. But we are asked to pay out these sums, to appropriate money for them in advance. For instance, when this bill came in they asked $22,000,000 for this year, but they did not think it would hold out. They had a great many claims. We asked, "How many have you?" "I do not know." "What are they?" "We can not tell you."

Can not tell? They are coming here and asking us to vote money for unexplained claims, and they refuse to give any facts about them, not a fact. We have not a fact in this RECORD upon which any man can vote to spend this $75,000,000 of the people's money. I do not see how any Senator could ever defend his vote in favor of this blanket authority to the Secretary of the Treasury to pay out, to whom he sees fit, these enormous sums of money.

Mr. President, I have read the provision for a public hearing. This is what we got:

That no part of the foregoing appropriations shall be used to pay any refund of income or profits tax pursuant to a claim allowed by the enactment of this act in excess of $20,000.

By the way, they probably will come in with the statement that all these claims have already been allowed.

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

Mr. McKELLAR. Just wait one moment. We must not interfere with noise in the Chamber. We will wait until Senators get through conversing.

The PRESIDING OFFICER. The Senate will be in order. Senators will cease conversation and be in order.

Mr. HEFLIN. I was going to suggest to the Senator that if this provision is adopted, then all those who get refunds under $20,000 will make no accounting to the Senate, and Congress will never be permitted to see the list. We will be asked to vote for millions to pay the claims below that amount without having any testimony on which to act.

Mr. McKELLAR. We will see the list of names and the amounts. If one is diligent enough to go through the musty records in the Ways and Means Committee room, he will see them, but not otherwise.

Mr. HEFLIN. He would not see any testimony giving the reasons for the refunds.

Mr. McKELLAR. None whatever. They deny that any Senator has the right to see any testimony. They deny that any Senator has the right to make any inquiry about it, and the Senator will find in the hearings on this very bill that I asked the Assistant Secretary of the Treasury for the details in a certain case, and he said, "I am sorry, Senator; we are prohibited from giving you those facts."

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. McKELLAR. I yield.

Mr. TYDINGS. The Senator knows that in some cases assessments are made erroneously.

Mr. McKELLAR. Of course.

Mr. TYDINGS. In many cases people are required to pay substantially large sums and want to get back what they paid erroneously.

Mr. McKELLAR. Yes.

Mr. TYDINGS. Under the Senator's amendment—and I am for the Senator's amendment, I will say——

Mr. McKELLAR. I thank the Senator.

Mr. TYDINGS. It may be that some one has been taxed illegally, and a refund has been awarded to him. Would his claim be held up until the Senate could act upon it and he thereby be deprived of his money because of a whim of the Senate?

Mr. McKELLAR. No. If the Senator will let me read the amendment, he will see that that can not be. It provides:

Provided, That no part of the funds herein appropriated for tax refunds where the claim is in excess of $10,000 shall be paid out

except upon hearings before any committee or officer in the department conducting same, which hearings shall be open to the public, and the decision shall be a public document.

Mr. TYDINGS. Would Congress then have to appropriate the money afterwards?

Mr. McKELLAR. No; it appropriates the money in this bill under that particular proviso.

Mr. TYDINGS. There would not be any delay, then?

Mr. McKELLAR. None whatever. The only thing that the taxpayer would have to do would be to submit his facts openly and above board and secure the redress that he was honestly entitled to, and not permit the present system of secrecy in the department, where clerks allow what they will and the Congress appropriates without the slightest knowledge of what the claim is.

I will go further. Then they except all judgments of courts, and that is right; they ought to be excepted. They except all judgments of the Board of Tax Appeals, and that is right; they ought to be excepted. Then they except this class, "cases determined upon precedents established in decisions of courts or the Board of Tax Appeals." Most of them are established upon precedent. That emasculates this amendment entirely, and if that provision did not do so the next one would, which provides:

The decision of the Commissioner of Internal Revenue in any such refund allowance in excess of $20,000 shall be a public record.

Mr. President, I just want to say this: I imagine that this conference report is going to be agreed to. So many Senators have appropriations carried in the bill involving their States that they may vote for it. It ought not to be voted for. No Senator, because he has an appropriation in the bill, should vote to put this iniquitous measure on the statute books. But, assuming that the report is agreed to and the bill becomes a law, I give notice here and now that I am going to demand a decision in every single case that comes under this bill. The decisions must be in writing. We must know what the bureau is doing, because I think it is my duty as a Senator to see to it that the people's money is honestly expended and that it is not shoveled out in the secret way in which it is now being shoveled out in the Treasury Department.

Suppose some of you Senators were engaged in business, and you go back home and your secretary says to you, "Well, I need $50,000 to run your business another year." "What are you going to do with it?" "That is none of your business. I am going to do with it what I please. I am going to pay it out secretly if I desire. I am not going to let you interfere in any way with it."

How long would you keep that secretary? You would not keep him any longer than it would take you to say, "You are discharged." Yet that is what we are doing with Secretary Mellon. He comes here twice a year and demands these enormous appropriations—$130,000,000 in the general bill in December, $75,000,000 in the deficiency bill which we are now considering. "What do you want to do with it, Mr. Secretary?" "That is none of your business. You furnish me the money." "What cases have you, Mr. Secretary?" "That is none of your business. You furnish me the money."

That is the attitude of the Secretary. The Senate very timidly said the other day, after a long debate, "We are going to make you tell us somthing about it," and what did he do? He wrote his orders to the House, and said, "I will not stand for it. I do not want you to know anything about the conduct of my office. I do not want you to know any facts upon which to base these appropriations. Your duty is to furnish me the money and let me pay it out to whom I please."

I wonder how many Democratic Senators and how many Republican Senators are going to vote for that kind of an unfaithful service. Somebody asked whether I was criticizing the Secretary of the Treasury. I am criticizing the Secretary of the Treasury, not personally, but I am criticizing him officially. I think he is inefficient. I think this secret system which he has adopted is indefensible. I think he ought not to be Secretary of the Treasury, and he never will be Secretary of the Treasury again with my vote. I hope if Mr. Hoover sends his name in for reappointment that the Senate will rise in its might and reject the nomination. It ought to be rejected. We ought not to have a public servant put into office who acts as this public servant does, who comes here and takes part in legislation, who writes letters saying, "You must not look into my affairs." Even the Comptroller General has been excluded by law from interfering with or supervising the affairs of the Treasury Department. Upon what meat hath this Cæsar fed that he has become greater than his administration, greater than the Senate, greater than the House, greater than the Government that he is supposed to serve? I say it would be a monstrous thing if the Senate votes to uphold this report with this provision in it.

I have said all I desire to say. I am going to ask for a yea-and-nay vote when the question on agreeing to the conference report comes up. I do not think we ought to go on record as approving the report with this provision in it. The other provisions are fairly satisfactory, and I think we should all agree to them, but I shall never vote for this provision.

Mr. HEFLIN obtained the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Ashurst	Fess	McKellar	Shortridge
Barkley	Fletcher	McMaster	Simmons
Bayard	Frazier	McNary	Smith
Black	George	Mayfield	Smoot
Blaine	Gerry	Metcalf	Steck
Blease	Glass	Moses	Steiwer
Borah	Glenn	Neely	Stephens
Bratton	Goff	Norbeck	Swanson
Brookhart	Gould	Norris	Thomas, Idaho
Broussard	Greene	Nye	Thomas, Okla.
Bruce	Hale	Oddie	Trammell
Burton	Harris	Overman	Tydings
Capper	Harrison	Pine	Tyson
Caraway	Hastings	Pittman	Vandenberg
Copeland	Hawes	Ransdell	Wagner
Couzens	Hayden	Reed, Mo.	Walsh, Mass.
Curtis	Heflin	Reed, Pa.	Walsh, Mont.
Dale	Johnson	Robinson, Ark.	Warren
Deneen	Jones	Robinson, Ind.	Waterman
Dill	Kendrick	Sackett	Watson
Edge	Keyes	Schall	Wheeler
Edwards	King	Sheppard	

The PRESIDING OFFICER (Mr. HASTINGS in the chair). Eighty-eight Senators having answered to their names, a quorum is present.

Mr. HEFLIN. Mr. President, the matter presented by the Senator from Tennessee [Mr. McKELLAR] is very important. I want to repeat what I said here once before. There is not a commissioner's court in the United States that would approve a bill refunding $5 to any taxpayer unless the testimony taken in open court justified it. But the Senate is called upon to vote not for millions but for hundreds of millions of dollars in tax refunds to people unknown to the Senate and in the absence of any testimony whatever to justify such action.

In 1927 I introduced in the Senate a resolution calling upon the Secretary of the Treasury to furnish a list of those to whom he had refunded taxes. I could not obtain unanimous consent to have that resolution considered until I had agreed to provide that the amounts to be reported should be $25,000 and above. My resolution then passed. I now hold in my hand a list of those to whom taxes were refunded in 1927.

In the State of Pennsylvania there are about 100 refunds listed, and they range from $25,000 to $899,000. This favored list in Mr. Mellon's own State is given to us, but we have not a scintilla of evidence as to why he granted a single one of the refunds; and there is not a scintilla of evidence here with reference to the other States in the Union upon which the Senate can act and has acted heretofore. We are now called upon to appropriate money not only to meet the refunds he has granted recently but to supply him with a fund of millions of dollars to be used to refund in cases that have never yet been passed upon.

Senators, this is not a businesslike way to transact public affairs. We ought to know, and the time is coming when we will know in this body, just why any refund and every refund is made. Why should not we know that? I think it is a piece of impertinence and an insult to the intelligence of Senators to lay down before them a list of refunds with the amount just stated in bulk to be parceled out by the Secretary of the Treasury and that we should be denied any testimony whatsoever justifying the appropriation for that purpose.

I am going to challenge the Senate and any Member of the Senate to give me a dozen names of those to whom these millions of dollars are going to be refunded. There is not a Senator who can tell me one person who is going to receive this money out of the refund that is being provided for here to-day. There is not a Senator present who can give me a reason for voting for the refund that he is about to vote for here to-day. Senators, that is an astounding situation. If you were to do that in almost any county in the United States, a commissioner's court could not be found that was stupid enough to grant refunds to taxpayers without furnishing the reasons and spreading those reasons in a public record. They could not be reelected to the county commissioners' court if they did it. But here are Senators representing sovereign States of the Union called upon not to vote refunds of a few hundred dollars or a few thousand dollars but millions and hundreds of millions.

Mr. President, this thing has reached the point not only where it is an outrageous performance but where it has become a national scandal. If I were Secretary of the Treasury, I would not ask that a single one of these refunds be made without submitting to the Congress every item and a reason in every case why I had ordered the refunds made.

Mr. President, I saw some small measures held up here the other night. One case I recall in particular was that of a man who had been so severely injured while employed in the Government mail service that he had not moved hand or foot for 10 years. The whole Senate was halted for a moment; the bill was about to go over, when the Senator from Missouri [Mr. HAWES] and myself came to the rescue of that poor, unfortunate fellow and caused his bill to be passed. He was asking for only $117 a month to keep him alive. Here, however, we are in the open Senate, in the closing hours of this session, voting, without rhyme or reason, millions and millions of dollars to be turned over to the Secretary of the Treasury to be given by him as refunds to people whom we know nothing about and where there is no testimony showing us the justification for such action. How can any Senator face his constituents if asked about such a situation? When they read the RECORD—and doubtless they will—and say, "Why, you voted for this amount; what were the facts that justified you?" you can not tell them. Here is what you will say; you can say nothing else: "Well, Mr. Mellon had somebody up there to audit the accounts, and some clerk who went over the files penciled a memorandum, made the calculation, and told another clerk that there was a mistake in the assessment; then they finally O. K'd what his finding was; somebody else passed on that; and that is how this claimant got his refund." O Mr. President, I repeat that there is not a county commissioner's court in the Union that would pass a claim upon such procedure as that. I have told the Senate before, and I am going now to repeat, that clerks in the department who have gone into the tax files of rich men have been tampered with. One of them, who made the refund calculation in the case of Doheny which enabled him to get back thousands and thousands of dollars, was taken out of the department by Doheny, and he employed him in his private business at a salary of $7,500 a year.

I repeat, this thing is becoming a national scandal. Where is the testimony—I challenge every Senator here to show it—that justified a Senator in voting for a single item in this refund list? It is not here. Now, we are called upon not only to turn this money over to Mr. Mellon to give to his friends who have already had their claims passed on by some file clerk, but we are asked to give him money in advance to refund to others. How do we know there will be any more refunds? Is there never going to be any end to this?

Are we going to keep on from session to session providing money in advance, encouraging and enticing these clerks and others to go in and hunt up other excuses for refunds? There is not a business organization anywhere on the face of the earth that would employ such tactics.

O Mr. President, I recall the story of the poem of The Moneyless Man:

> Go into the halls of fame,
> And find if you can,
> A welcome awaiting the moneyless man.

It can not be found, but the mighty rich have no trouble in securing their refunds. They can send up here a budget calling for $70,000,000 or $100,000,000, and Senators vote for it. We in this body put a provision in the bill by which we can protect the public, whereby we can protect the Government, whose guardians we are. We are sent here to preserve it in its integrity. We in this body adopt a provision that in no case above $10,000 shall a refund be made except testimony is taken and recorded, the judgment put upon the record, and that it may become a public document, not only where we may see it but where any patriotic citizen who is interested in his country may see it. That amendment goes to the House of Representatives, and evidently Mr. Mellon has brought pressure to bear on somebody over there and they have upset our plan; they have changed it.

I think it would be a good idea for the Senate just to deadlock this proposition and let this refund feature of the bill go over to the extra session of Congress. I think each House ought to treat the other with proper consideration. I have a kindly feeling for the other body; I served in it for 16 years.

Mr. President, I have a measure which has gone to the House of Representatives providing additional copies of the CONGRESSIONAL RECORD for the Members of the House and Senate. The people of this Nation are writing to their Senators to put them on the CONGRESSIONAL RECORD list so that they may receive the RECORD, and Senators are writing back to them that their quota is exhausted and they can not put them on his list. Think of that!

A Senator now gets only 88 copies of the CONGRESSIONAL RECORD for his State and the House Members receive 60 copies. My bill, which has passed this body, provides that a Senator may receive 150 copies of the CONGRESSIONAL RECORD and that the House Members may each have 100 copies. That would enable the libraries and the schools over the country to obtain copies of the RECORD of the proceedings here each day in order that the people of this Nation may be informed as to what is going on regarding the public business here at the Capitol. But the House Committee on Printing will not report that measure out. I say very frankly the law is such that we can not get the additional copies of the CONGRESSIONAL RECORD—and we need them—unless the House will vote to pass that measure. If the House were placed in a similar situation, and desired for its Members additional copies of the CONGRESSIONAL RECORD, I would vote for such a measure, whether the Senate needed these extra copies or not, if the House could not get them in any other way. But action is delayed on that bill because some Member does not want to report it out of the Committee on Printing.

I secured the passage by the Senate of three very important measures affecting the cotton situation, one of them providing for obtaining additional cotton statistics, but those bills are still in the House. They have not been passed. It is true the Committee on the Census, at the request of Congressman RANKIN, of Mississippi, reported one of those measures favorably and placed it on the calendar, but it has been objected to twice and apparently is not going to be passed. Measures introduced in this body in which Senators and the people they represent are interested and which have passed the Senate are not being put through the House. Then, why should we hurry in the closing hours to bow to every beck and call of certain stubborn leaders of the House on questions such as are involved in this bill regarding refunds? I think if we would show some independence and demand that the measures which affect the rights of the American people be given attention, we would get somewhere with them.

Mr. President, I have written a letter to Members of the House delegation from my State as to the cotton bills. I should like to have a copy of that letter printed in the RECORD.

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

The letter referred to is as follows:

(This letter was sent to each Member of the House from Alabama.)

WASHINGTON, D. C., *February 12, 1929.*

MY DEAR CONGRESSMAN: I wish to call to your attention three very important measures that I introduced and had passed through the Senate. All three of them are on the subject of cotton, and have for their purpose the prevention of certain practices that work great injury to the cotton producers of the South.

As you know, two of the measures referred to passed the Senate more than eight months ago, and the other one passed the Senate at this session.

You will recall that in September, 1927, for the first time in its history, the Agricultural Department arrogated to itself the right to predict what the price of cotton would be in the then near future; and that on the 15th of September of that year the Bureau of Economics in that department did issue a statement in which it predicted that the price of cotton would go down. The making of that prediction by the officials of the Agricultural Department broke the price of cotton $7 a bale on the first day and started a downward trend in prices that continued until prices fell from 24 cents to 16 cents a pound, which was a loss of $40 a bale to our cotton farmers, making the total loss on the cotton crop of that year $400,000,000.

As a member of the Senate Committee on Agriculture, which investigated that strange and disastrous performance, I questioned some of the most outstanding men in the cotton trade as to what effect the lower cotton price prediction made by the Agricultural Department had on the price of cotton in the fall of 1927, and without a single exception they all said that cotton prices were steadily advancing at the time; and the crop was small and the demand was great, and that if the Agricultural Department had not made that prediction the cotton crop of 1927 would have sold for at least 24 or 25 cents a pound, which would have meant $400,000,000 more in the pockets of our farmers.

I was convinced that a great wrong had been done the cotton producer by a department of our Government, created for his benefit and protection, and that somebody in the Agricultural Department had been reached and influenced—and I think corruptly—to make that cotton-price prediction in order to break the price of cotton and demoralize the cotton trade of the United States. It did both. Desiring to prevent the recurrence of such a calamity and crime, I introduced a bill in the Senate which made it a crime punishable by fine and imprisonment for any

Government official in the Agricultural Department, or any other department, to make or publish any prediction regarding the price of cotton. The Senate Committee on Agriculture, of which I am a member, approved my bill and reported it favorably to the Senate. I then secured its passage through that body.

This measure of so much importance to our cotton producers has now been in the House for several months awaiting action by that body, and as the last session of the present Congress will end on March 4 I am very anxious, and it is exceedingly important, to have this bill passed by the House and enacted into law before that time. It must be passed at this session if our cotton farmers are to have the benefit of its protection during the coming cotton-selling season. I, therefore, appeal to you to do everything you can to have this measure passed by the House at an early date so that the President can approve it before the 4th of March.

Another important cotton measure that I introduced in the Senate, and which I had passed by that body several months ago, was one to require the Government to collect and publish in a separate item the statistics of cotton known as "snaps" and "bollies." This cotton is of an inferior grade. It is not fully developed and it is gathered while in the unopened green boll. The bolls are pulled from the stalks and then dried through a heating process and the undeveloped or immature cotton is threshed out by a machine made for that purpose. This kind of cotton is produced in Oklahoma and Texas and amounts to five or six hundred thousand bales a year. Sometimes more. It is now reported bale for bale with cotton fully developed and gathered in the natural way from the open boll on the stalk.

This quality of cotton does not possess the qualities of fully developed cotton and the law does not allow it to be tendered on contracts and it ought not to be counted in with the supply of real tenderable and fully developed spinable cotton. It ought to be separated and reported in an item to itself and not mixed in and counted in with the real cotton supply. Then the Government's report would read "so many bales of cotton and so many bales of 'snaps' and 'bollies.'"

The counting in of these "snaps" and "bollies" with real cotton is misleading to the public as to the real cotton supply, and it is injurious to the cotton farmer because this immature, inferior stuff is used in the statistics of the cotton supply to make the supply appear larger than it is. And reported in that way it helps to depress the price. Let the statistics speak the truth and tell in one item how many bales of cotton there are and in another item how many bales of "snaps" and "bollies" there are.

As the matter now stands the Government would report, we will say, a crop of 13,500,000 bales. My bill would compel the Government report to show 13,000,000 bales of cotton and 500,000 bales of "snaps" and "bollies." It is a crime against the cotton farmer to have this stuff counted in with the cotton supply, and my bill, when it passes the House, will prevent such a thing from being done in the future.

My other cotton bill, the one that passed the Senate last week, provides that "linters"—the little fuzzy fiber on the cottonseed—shall be reported in an item to itself so that the number of bales of "linters" will not be counted in as a part of the cotton supply.

As a result of my efforts and the efforts of Senator HARRIS, of Georgia, the Government now reports the number of bales of "linters" produced each year in an item separate from the amount of cotton produced, but, unfortunately, it stops there. What I am now trying to do, and what my bill provides shall be done, is to prevent the counting in with the amount of cotton on hand or in the "carry-over" of cotton in the United States the bulk of the "linters" supply without designating it as "linters."

We are now producing more than 1,000,000 bales of "linters" a year and the counting of the "linters" supply in with the cotton supply is deceptive and misleading to the public and hurtful to the producer, because, when counted in as cotton, it makes the supply of cotton appear to be a million more bales than it is, and the impression is made on the mind of the cotton trade that the cotton supply is large and that depresses the price of cotton and injures the cotton farmer. Now, under the provisions of my bill, the Government report will show "so many bales of cotton," and in a separate item, "so many bales of 'linters.'"

The Government reports now giving the amount of cotton on hand from time to time do not say "so many bales of cotton, so many bales of 'snaps' and 'bollies,' and so many bales of 'linters.'" The reports refer to it all as "so many bales of cotton."

As you can readily see, my bill would take out of the cotton report as it now appears a million and a half bales of "snaps" and "bollies" and "linters" that now appear in the report of the cotton supply. That would help cotton prices greatly. I have seen the price go down by the Government's report showing an increase in the cotton supply of 200,000 bales.

I believe that the passage of this bill would be worth millions of dollars to our cotton producers every year. Here is a copy of my bill:

"Be it enacted, etc., That hereafter, in collecting and publishing statistics of cotton on hand in warehouses and other storage establishments, and of cotton known as the 'carry-over' in the United States, the Director of the Census is hereby directed to ascertain and publish as a separate item in the report of cotton statistics the number of bales of linters as distinguished from the number of bales of cotton."

Please do what you can to rush the passage of this bill and the other two cotton bills that I have mentioned. All three of them are in the House awaiting your favorable action.

With best wishes, I am yours, sincerely,

J. THOS. HEFLIN.

Mr. HEFLIN. Mr. President, this is what occurred in the House when my bill was up for consideration February 25, 1929:

ADDITIONAL COTTON STATISTICS

The next business on the Consent Calendar was the bill (S. 4206) authorizing the Director of the Census to collect and publish certain additional cotton statistics.

The Clerk read the title of the bill.

Mr. President, the bill here referred to is the one that I had passed by the Senate.

The SPEAKER. Is there objection?

Mr. BLACK of Texas. Mr. Speaker, reserving the right to object, at the present time we have a permanent law that requires the Secretary of Agriculture to collect statistics of the grades and staple of cotton, the amount tenderable and untenderable. The agricultural appropriation bill carries an appropriation of $420,000 to gather these statistics for the next fiscal year. I feel that this bill just read from the calendar will only duplicate what already is being done and I shall feel compelled to object. I can see no justification for the additional expenditure.

Mr. RANKIN. Will the gentleman reserve his objection?

Mr. BLACK of Texas. I will be glad to reserve it.

Mr. RANKIN. If the gentleman from Texas had been with us last year when we went into a thorough investigation of the manipulation of the cotton market, he would not object to this bill. The law to which he refers does not cover this point at all. This bill is in the interest of the cotton growers of the South. It is necessary, and the legislation to which he refers does not take care of the situation.

Mr. CRAMTON. I am convinced by the statement of the gentleman from Texas.

Mr. BLACK of Texas. Mr. Speaker, I have the highest respect for the judgment and opinion of the gentleman from Mississippi. He is a very able and useful Member of Congress, but I have investigated this matter thoroughly; I know the kind of reports that the Department of Agriculture issues each month. They issue it on the staple, the grades, and the amount that is tenderable and the untenderable, and Congress has appropriated $420,000 for that purpose. I feel as if we ought not to duplicate in the Department of Commerce what the Department of Agriculture is already doing under a mandatory law.

Mr. RANKIN. Mr. Speaker, if we were doing that, if we were protecting these people, it would be a different thing. In order to show the gentleman from Texas [Mr. BLACK] where he is absolutely wrong and where it is impossible to protect the cotton growers and the cotton trade under the present system, last year this very trouble arose because of the fact that these representatives of the Department of Agriculture had put their stamp of approval on cotton that was untenderable and permitted it to be offered on the exchange and drove the price of cotton down, to the economic injury of the cotton farmers.

These untenderable snaps and bollies—and you gentlemen from the spinning districts ought to be interested in this—are piling up into the carry-over, and it is heralded to the world every year that this amount of cotton is on hand, without the information being given that it is snaps and bollies. As a result, only a year or two ago, with this report coming out, the mills of the country took it for granted that that was tenderable cotton; and when finally the facts were known you people from New England paid the penalty of having to purchase your cotton after it had drifted into the hands of these speculators and manipulators, whom we are trying to curb by this legislation.

Mr. BLACK of Texas. Mr. Speaker, I ask unanimous consent to extend in my remarks a portion of a table issued by the Department of Agriculture that does show the amount of cotton that is tenderable and the amount that is untenderable. I do that to show what is being done. I think this table will clearly show that the Department of Agriculture is now doing everything that is necessary to give complete information as to the grades, staple lengths, and other information of cotton ginned.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD by publishing a table issued by the Department of Agriculture. Is there objection?

There was no objection.

Mr. BLACK of Texas. Mr. Speaker, at this point I insert a portion of a table issued by the Department of Agriculture February 15, 1929.

Staple lengths of upland cotton

Staple in inches	Bales	Per cent
Total	13,866,431	99.82
11/32 and under	1,927,047	13.87
7/8	5,832,860	41.99
15/16	3,179,316	22.89
1 and 1 1/32	1,568,674	11.29
1 1/16 and 1 3/32	733,498	5.28
1 1/8 and 1 5/32	439,589	3.16
1 3/16 and 1 7/32	157,637	1.14
1 1/4 and over	27,810	.20
Total upland cotton	13,866,431	99.82
Total tenderable	11,549,363	83.14
Tenderable 7/8 inch to 1 1/32 inches, inclusive	10,211,373	73.51
Tenderable over 1 1/32 inches	1,337,990	9.63
Total untenderable	2,317,068	16.68

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

Mr. BLACK of Texas. Mr. Speaker, I object.

The SPEAKER. This bill requires three objectors.

Mr. HUDSON. Mr. Speaker, I object.

Mr. CRAMTON. Mr. Speaker, I object.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks to show that the very people to whom the gentleman from Texas refers passed and stamped——

Mr. BLACK of Texas. Mr. Speaker, I object to the gentleman going into a general debate about my motives. I do not question his in the least. I feel it my duty to object.

Mr. RANKIN. I am not questioning the gentleman's motives, but since he is going to extend his remarks and put into the RECORD representation from the Department of Agriculture, I want to show that the very representatives to whom he refers passed as tenderable cotton cotton that was untenderable, and helped to wreck the cotton market last year.

I also ask to have printed in the RECORD at this point another letter which I wrote to a member of the Alabama delegation, and copies were sent to other members of the Alabama delegation.

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

The letter is as follows:

WASHINGTON, D. C., *February 22, 1929.*

Hon. WILLIAM B. BANKHEAD,
House of Representatives.

DEAR WILL: Your letter has been received and noted.

From answers that I have received from some of the members of our Alabama delegation in the House, it is clear that some of the members of the House Committee on Agriculture do not understand the purpose of my bills regarding "linters," "snaps," and "bollies." I am seeking to eliminate all three of them from the count of cotton produced annually and "on hand" at different periods at warehouses and other storage establishments and in the "carry over" of actual cotton at the end of the season.

My point is that "linters" is not cotton and should not be counted at any time as a part of the cotton supply. "Bollies" is not cotton because of its undeveloped and immature fiber. It is not entitled to be classed as cotton, and therefore should not be counted in at the end of the year as a part of the cotton supply. It is unfair and unjust to the cotton producer to have it so counted. "Seconds" and "shorts" come out of wheat, but they are not counted as "flour." "Snaps," it is true, is a kind of cotton. Some of it is developed, but it is not gathered in the usual way by plucking it from the open boll in the field, clean and free from other substance, but the cotton in the boll, burr, and all the trash lugged in with every boll is pulled from the stalk. And I contend that on account of its low grade and inferior quality it ought not to come in and be counted bale for bale with cotton fully developed and picked with human fingers from the open boll, as our farmers gather all their cotton in Alabama and other Southern States, with the exception of Texas and Oklahoma, where they produce every year more than a half million bales of "snaps" and "bollies."

The flour mill man does not count "seconds" and "shorts" and "bran" as a part of his flour supply. He reports so many sacks of "flour," so many sacks of "seconds," so many sacks of "shorts," and so many sacks of "bran." And my bills would require the Government reports to show so many bales of "actual cotton," so many bales of "linters," so many bales of "bollies" and so many bales of "snaps." In that way I believe we would eliminate every year at least one and a half million bales from the amount of cotton now claimed in the annual production, and from time to time in the amount of cotton "on hand" and in the amount of the "carry over" of cotton at the end of the season.

As I said before, I was the first one to bring about a separation of the number of bales of "linters" produced each year from the item in the Government reports of the number of bales of cotton produced. That is now being done. That report now shows when the crop is gathered and ginned the number of bales of cotton produced and the number of bales of "linters," but there is no report and no attention is now called to the number of bales of "bollies" and the number of bales of "snaps." That low grade, undeveloped, and inferior stuff is counted in as a part of the cotton supply, and I claim that it is fraudulently used to make the size of the crop look large, and counted and used during the year to make it appear that there is a large supply of cotton "on hand." And the same thing is done with regard to the report of cotton in the "carry over," all of which is injurious to the cotton producer.

While it is true that the number of bales of "linters" is now reported at the end of the season separate from the number of bales of cotton produced, it is a fact nevertheless that from then on "linters" is lost in the shuffle as a separate item, and you don't hear of "linters" any more. My bill on "linters" passed by the Senate and now in the House, would prevent unscrupulous Government employees from counting "linters" in as a part of the cotton supply to help depress the price. It would compel them to account for the whereabouts of "linters" during the year, and when the "carry over" is announced it would require them to report it in a separate item as the flour man reports "bran" in an item separate and apart from "flour."

There are scores of cotton speculators who are always working to beat down the price of cotton, who would pay a large sum of money to unscrupulous Government employees to have a million bales added to the cotton supply. You will doubtless recall that a few years ago Hyde and Holmes, two crooked Government employees in the Agricultural Department, added 250,000 bales to the Government report, for which they were paid $40,000 each. That thieving act of theirs broke the price of cotton about $7 a bale and enabled the bear speculators to make hundreds of thousands of dollars. And that money was taken out of the pockets of the cotton producers.

The fact that certain Government employees in the Agricultural Department, and also in the Census Bureau, are, as I understand it, opposing this proposed cotton legislation is a very strong reason why it should be enacted into law. If they are not now making an improper and wrongful use of "linters," "snaps," and "bollies" in reporting on the "cotton supply," they would have no objection to a law requiring them to call by its proper name and separate all that stuff from the amount of "actual cotton" produced, "on hand," and in the "carry-over." As the matter now stands, the opportunity is there for crooks to make millions by adding to the cotton supply and making it appear large. That kind of thing is worth millions to the bear speculators, for it always breaks the price.

I have given you these additional points in the hope that they may be helpful to you and the other members of our delegation should you find it necessary to demand of the Rules Committee, of which you are a member, a special rule for the consideration and passage of these cotton bills at this session of Congress.

Hoping that you may be able to get favorable action, and with best wishes, I am

Yours sincerely,

J. THOS. HEFLIN,
Alabama Delegation.

Mr. HEFLIN. Mr. President, I want to say before I take my seat that no Senator here will vote more quickly than I to provide appropriations to make refunds to taxpayers who have been unjustly treated, who have paid money into the Treasury which they ought not to have paid. I have thought all along that ought to be done, and I now think it ought to be done; but, Senators, the taxpayers of this Nation have not made the mistake of paying over $3,000,000,000 more than they should. The more than $3,000,000,000 which have been refunded in rebates, credits, and refunds should not have been so refunded. I do not believe that Mr. Mellon can submit to this body or the House the testimony justifying him in making such enormous refunds.

Mr. President, I can understand how it is possible to make mistakes in the case of large tax returns, and in collecting the vast sums of money which the Government collects; but, Senators, such mistakes as have been charged up against the Government in the records of the Treasury Department have not been made. The taxpayer himself is on the alert; he is not going to pay any more than he is compelled to pay; he is very careful to have his business gone over; he is very careful to hedge and protect his interest at every turn; and when the Government finally collects from him he has done everything in his power to protect his pocketbook, as he has a right to do. It is the duty of the Government to see to it that he does not pay a cent more than that which is due the Government. So, the Government being on the alert to get exactly what is due it and no more, and the taxpayer being on the alert to pay exactly what is due the Government and no more, I submit to this intelligent Senate that mistakes involving over $3,000,000,000 in paying taxes to the Government have not been made. The truth is—and we can not get away from it—that refunds have been made to favorites. I am convinced of that, and I have a

right to suspect that there is something wrong when the testimony is not submitted here to show me that the Treasury Department was justified in making such refunds.

Mr. President, it is an outrageously scandalous performance, and I think that a great many Senators are going to be confronted with this question next year; I hope they will be; and that the people at home will ask them, "Why did you vote to give these millions to those people in refunds, without any testimony to justify it? Why, you did not know yourself why you were doing it; you did not have the testimony in a single case, did you?" The Senator so questioned will say, "No; I did not." He will then be asked, "Can you tell me now why you voted for it?" "No; I can not." "Well," the questioner will say, "we will send somebody up there who will at least be smart enough to think he knows what is going on in the conduct of the Government's affairs."

Mr. President, the portion of the conference report affecting this matter ought not to be accepted; we ought to send it back and ask for a further conference with the House, and hold the provision in the bill as the Senate adopted it in the first place, because it is right. Nobody can deny that. If it is right, it ought to remain in the bill. If it is wrong, let us be shown wherein it is wrong. That has not been done, and it can not be done.

Mr. President, there are enough Senators here, if they want to, either to tie up this bill or to send it back for further conference. I know it is exceedingly hard to arouse any enthusiasm when you are preaching a crusade against entrenched privilege in this Nation. I know it is hard to enthuse some Senators, to get them to stand up and fight in the open against this high-handed business of handing out refunds as favors and Christmas gifts and birthday presents to the mighty rich of this Nation; but, Mr. President, that has been the trouble with every nation that ever existed. Those in authority reached the point where they looked to the wealthy class, to the mighty rich, for political favors and support, and they forgot the rights and the interests of the masses of the people.

They forgot the government and their duty to preserve it and they pandered to that other sentiment, until one day the nation fell. That is the story of every government that has perished in the long night of time. Let this Government wake up, and let us say to the mighty rich: "We have no prejudice against you. We want you to accumulate a fortune if you can do it honestly. It is the duty of every man to acquire a fair share of this world's goods and to provide well for those dependent upon him; but you must not reach the time where your god is gold and where you think more of your material possessions than you do of right and justice and the welfare of the Government and the people of this Nation."

They may reach that point, but we, at least, ought to stand firm and fear not. We must have standards to go by; and we who are in charge of the Government ought at least to stand here and fight to the last ditch for what we know is right and just and fair.

I submit before I sit down that no Senator here can assail the position I have taken. You have not any testimony to justify you in voting a dollar of refunds in this bill. You do not know of a single person who is going to receive a refund. You do not know of testimony anywhere that will justify a single refund; and, think of that! How shocking it is that the Senate is about to be called upon to vote again upon a question upon which it has absolutely no testimony whatever to justify its action!

GROWTH OF AMERICAN IMPERIALISM

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD an article prepared by People's Lobby, John Dewey, president, Washington, D. C., entitled "Growth of American Imperialism."

The PRESIDING OFFICER (Mr. HASTINGS in the chair). Without objection, it is so ordered.

The matter referred to is here printed, as follows:

Imperialism and World Politics, by Dr. Parker T. Moon, of Columbia University, published by the Macmillan Co., presents the outstanding facts about the growth of imperialism and the relation to world politics. His description of the growth of American imperialism since the Spanish-American War is of particular importance.

He quotes C. S. Olcott's Life of William McKinley as to how he reached his decision about the Philippines:

"I walked the floor of the White House night after night until midnight; and I am not ashamed to tell you, gentlemen, that I went down on my knees and prayed Almighty God for light and guidance more than one night. And one night late it came to me this way—I don't know how it was, but it came:

"(1) That we could not give them back to Spain—that would be cowardly and dishonorable (national honor theme);

"(2) That we could not turn them over to France or Germany—our commercial rivals in the Orient—that would be bad business and discreditable (economic nationalism);

"(3) That we could not leave them to themselves—they were unfit for self-government—and they would soon have anarchy and misrule worse than Spain's war (racial superiority);

"(4) That there was nothing left for us to do but to take them all, and to educate the Filipinos, and uplift and civilize and christianize them as our fellow men, for whom Christ also died. (Altruism, the 'white man's burden,' and missionary zeal. The Filipinos, by the way, were already Christians, Roman Catholics, with the exception of a small number of Mohammedan tribesmen.)

"And then I went to bed, and went to sleep, and slept soundly."

THE MONROE DOCTRINE AND IMPERIALISM

"In the smaller countries of Latin America," writes an American publicist, "controlled by our soldiers, our bankers, and our oil kings, we are developing our Irelands, our Egypts, and our Indias." The Latin-American policy of the United States—"dollar diplomacy, with its combination of bonds and battleships"—is essentially imperialist, so he believes, and "means the destruction of our Nation just as surely as it meant the destruction of Egypt and Rome and Spain and Germany and all the other nations who came to measure their greatness by their material possessions rather than by their passion for justice and by the number of their friendly neighbors." (Dr. Samuel Guy Inman.)

Certainly there can be no question that in the nineteenth century most of South America, all Central America, Mexico, and the Caribbean Islands were in conditions which would ordinarily constitute an invitation to imperialism. In Asia and Africa and the Pacific, countries having rich undeveloped natural resources in combination with weak governments, have almost universally been subject to imperialism; one recalls Egypt, Tunis, Turkey, Morocco, Persia, Indo-China, China, Korea, not to mention more backward areas. The Latin-American States, like these, had undeveloped resources calling for European capital and for European concession hunters, and as a general rule Latin-American governments were weak, frequently subject to revolution, lacking powerful armies or navies to repel European aggression.

PORTO RICO

The smaller island of Porto Rico was annexed outright at the close of the Spanish War. This was pure imperialism. After a transitional period of administration by the military authority, a civil government was established under the Foraker Act, passed by the United States Congress. Though a house of delegates, elected by the people, was established, the controlling power was vested in a governor general and an executive council of officials appointed by the President of the United States with the advice and consent of the United States Senate. This system was liberalized by the Jones Act of 1917, which granted American citizenship to the inhabitants of Porto Rico, and created an elective senate, but still government was far from autonomous, and Porto Ricans complained of their condition. On the other hand, there could be no question that as regards sanitation, education, and economic production (sugar, tobacco, coffee, fruit, etc.), American rule was highly beneficial. The death rate was reduced from 26 to 18.7 per thousand. Some 2,500 schools were established. Nor could there be any doubt that the increased commerce of Porto Rico was almost wholly with the United States. Porto Rican exports increased from $10,000,000 in 1900 to eighty-eight and one-fourth millions in 1924; Porto Rican imports, from ten millions to eighty-nine and one-half millions. The share of the United States in the island's exports rose from 34 per cent in 1900 to 91 per cent in 1924, while the percentage of the island's imports supplied by the United States grew from 70 per cent in 1900 to 90 per cent in 1924. This was partly due to the tariff arrangement, whereby exports from the United States are admitted to Porto Rico—and vice versa—free of duty, whereas foreign goods are subject to the duties prescribed in the United States tariff. Trade figures show that the island means many millions of dollars' worth of business to the American iron and steel industry, the cotton manufacturers, and soap makers, as well as to American importers of sugar and tobacco. If occasionally there were complaints that laborers in Porto Rico were underpaid and overworked, or that the American administration was solicitous chiefly for American interests, these were but jarring minor notes in the major cadence of prosperity.

CANAL CONSTRUCTION AND DOLLAR DIPLOMACY IN CENTRAL AMERICA

After the Spanish-American War the pressure of the United States was felt in Central America. Central America consisted of five small republics (Guatemala, Salvador, Honduras, Nicaragua, and Costa Rico), besides a very small British colony of British Honduras, and the Isthmus of Panama, then part of the adjoining South American Republic of Colombia. In parts of Central America American fruit interests had acquired considerable economic importance; there were also British railway interests, and German-owned plantations. Not economics, however, but strategy was the dominating factor in the situation. For decades various plans had been discussed for the construction of a ship canal through Nicaragua or through the Isthmus of

Panama to afford commerce a short cut from the Atlantic to the Pacific. There was a question, however, whether such a canal ought to be American or neutral and international. Back in the year 1850 the Clayton-Bulwer treaty between the United States and England had provided that any such canal must be unfortified, neutral, under international guarantee. Such restrictions were repugnant to the exhuberant national spirit which prevailed immediately after the Spanish-American War, and from England—then preoccupied with the Boer War—permission was obtained by the Hay-Pauncefote treaty of 1901 to construct a canal under American control, to be policed by the United States, on condition that such a canal should be open to the merchant vessels and warships of all nations, in war and in peace, without discrimination or inequality of tolls.

It would have been relatively easy to obtain from Nicaragua the right to dig a canal across Nicaraguan territory, and this route was favored by a commission of investigation, but President Roosevelt and the Senate for various technical reasons preferred the route across Panama. Roosevelt obtained from Congress authority to use this route if he could make the arrangements within a reasonable time and at reasonable expense.

The advantage gained by the United States in undertaking the construction of the canal single handed, instead of allowing it to be an international enterprise was not commercial. By the terms of the Hay-Pauncefote treaty, foreign ships enjoy the same rights and pay the same tolls as American vessels; and when Congress in 1912 attempted to exempt American coastwise shipping from all tolls, Britain protested, with the result that the tolls exemption law was repealed in June, 1914, at President Wilson's insistent and high-minded demand. The advantage, let it be repeated, was not commercial, but strategic. The United States could and did fortify the canal, so that in case of war it could be defended against attack, and so that it constituted virtually another naval base on the Caribbean Sea. This naval acquisition, however, inspired American naval experts with an earnest desire for additional naval outposts in the Caribbean to protect the canal. The canal built to protect the United States now had to be protected by further acquisitions, notably Fonseca Bay, the Corn Islands, the Danish West Indies, Haiti, and Santo Domingo. But of these, more will have to be said.

The digging of the canal meant that Central America must become very definitely an American "sphere of interest," as European imperialists would say. Certainly no other great power could be allowed to gain a foothold near the canal—at any rate, no foothold nearer than the existing British possessions (British Honduras, Jamaica, etc.). Increasingly the United States overshadowed the Central American Republics. Panama, though "independent," was a protégé if not a protectorate of the United States; from the beginning her existence had depended on American protection; the Canal Zone, occupied by American military and naval forces, was in the middle of the Republic. Europeans would call Panama a "veiled protectorate."

Immediately north of Panama lies Costa Rica, better governed than its neighbors, probably because it has a larger percentage of cultured white inhabitants and a smaller number of illiterate half-castes and negroes. In Costa Rica the mines, banks, commerce, and railways were controlled largely by foreigners, and the United Fruit Co.'s banana plantations were of great importance. Oil interests, however, were more decisive. In 1915 and 1916 Americans obtained extensive oil exploration rights. When in 1917 a revolutionary government headed by Federico Tinoco seized power and seemed disposed to grant oil concessions to the Cowdray (British) interests, President Wilson refused recognition; and even though Costa Rica joined in the war against Germany, still recognition was withheld, and Costa Rica was excluded from the peace conference. The attitude of the United States encouraged a successful rebellion against Tinoco in 1919. One needs hardly add the new Government, headed by President Acosta, and less prejudiced in favor of British oil interests, was soon recognized. Presently it was reported that the British concessions were canceled. Costa Rica is "independent," but her Government must respect the new Monroe doctrine, the doctrine that the United States has a veto on concessions.

Nicaragua, next to the north, came more definitely under American domination. President Jose Santos Zelaya unwisely opposed American interests. When in 1909 a rebel movement "friendly to American interests" was set on foot with American backing, Zelaya committed the supreme act of imprudence by executing two Americans for attempting to dynamite a troopship. Thereupon Secretary Knox severed diplomatic relations with Zelaya's government, and Zelaya was soon ousted. Now Knox's plans could be carried out. Thomas C. Dawson, who had previously been concerned in establishing the American receivership for the Dominican Republic, and who had served as American minister to Panama, was sent to Nicaragua to arrange "the reestablishment of a constitutional government," a settlement of American claims, and a loan from American bankers.

In consultation—on board an American warship—with the leaders who had overthrown Zelaya, Dawson made what has been called the Dawson pact (1910), including provision for a loan guaranteed by customs receipts, and for the election of Gen. Juan Estrada as President. But Estrada soon found the task of governing an indignant people too much for him; and Adolfo Diaz, formerly a bookkeeper in American employ, was given the presidency in 1911 and maintained in office, against the wishes of the population, by the presence of a small force of American marines at Managua and the occasional appearance of American warships off the coast. With him, Knox was able to make a convention June 6, 1911, for a loan of $15,000,000 to Nicaragua, guaranteed by Nicaraguan customs receipts. Though the United States Senate refused to ratify this treaty, other loan contracts were put through from time to time, an American was appointed to control the collection of Nicaraguan customs revenues, and the Nicaraguan railways were pledged to American bankers. Years later, William Jennings Bryan revived the dollar diplomacy of Knox and negotiated the Bryan-Chamorro treaty of 1915, whereby, in return for $3,000,000, to be expended under American direction, Nicaragua submitted to American financial control, granted the United States exclusive rights to build an interoceanic canal (this to forestall possible competition with Panama), and gave the United States a 99-year lease of the Corn Islands and the right to have a naval base on the Gulf of Fonseca. Nicaragua thus became another ward of the United States.

Nicaragua's customs revenues were collected under American supervision. A commission of one Nicaraguan and two Americans was appointed to supervise Nicaragua's expenditures. American bankers, notably Brown Bros. and J. W. Seligman, virtually controlled the country's finances, banking, and railways. And American marines prevented, or aided in suppressing, insurrections against this agreeable state of affairs.

When Nicaragua's neighbors protested that the naval provisions of this treaty infringed their boundary rights, and when the Central American Court of Justice, which the United States had helped to establish in 1907, decided that this protest was just, the United States ignored the decision, and thereby delivered a mortal blow to the court.

Criticism of American policy in Nicaragua was probably responsible for the decision of the United States Government to withdraw its marines in August, 1925, as a proof that the United States was not endeavoring to dominate the little Republic. Moreover, a new electoral law, drafted by American experts, was adopted by Nicaragua, and the American experts were invited to supervise the elections. Naval domination thus gave place to expert advice; but it requires little imagination to predict that should any Nicaraguan Government attempt to cancel American financial and naval privileges, the marines would again do their duty at Managua.

Honduras, a land of cattle ranches owned by Hondurans, mines owned by American and British corporations, and banana plantations owned by Americans, has a relatively large Indian, Negro, and half-breed population, and a small white upper class. Such ingredients produce political instability, revolutions, dictatorships, and filibustering. Civil war between rival political factions afforded the occasion for the landing of American marines in 1924, and American intervention succeeded in restoring order.

Salvador, the smallest of the Central American Republics, but densely populated, prosperous, and fertile, remained independent until 1922, its commerce being conducted laregly by English, Dutch, and German exporters, its coffee crop increasing, its Government fairly stable. In 1922 Salvador made a loan contract with Minor C. Keith, head of the United Fruit Co., for the issue of bonds amounting to a maximum of $21,500,000. Part of the issue consisted of 6 per cent bonds to cancel an old English loan; another part consisted of 8 per cent bonds sold to New York bankers at 88 per cent of their face value and redeemable at 105 per cent of their face value; and a third part 7 per cent bonds. The significant feature of the contract was the provision that 70 per cent of the Republic's customs revenues were pledged to pay interest and sinking-fund charges on this loan. The 70 per cent was to be paid directly to a bank named by Mr. Keith. In case of default this bank was to transmit through the United States Department of State the names of two persons, one of whom would be selected by Salvador, to act as collector general of the entire customs revenue. Disputes regarding the contract were to be referred through the Washington State Department to the Chief Justice of the Supreme Court of the United States. The inference drawn by the bankers was:

"It is simply not thinkable that after a Federal judge has decided any question or dispute between the bondholders and the Salvador Government that the United States Government should not take the necessary steps to sustain such a decision. There is a precedent in a dispute between Costa Rica and Panama, in which a warship was sent to carry out the verdict of the arbitrators."

Salvador, in short, becomes a financial dependency of American bankers acting with the cooperation of the United States Government.

In Guatemala, the most northerly of the six Republics, the United Fruit Co. grows bananas, and there are considerable American railway interests. Over Guatemala the United States did not establish control, however, perhaps because the country was farthest removed from the canal, perhaps because the administration was friendly to foreign capital and to the United States. Guatemala, for instance, offered the United States the use of its waters, ports, and railways in the war against Germany in 1917–18.

In general, it may be said that since the Panama Revolution American bankers have been rapidly acquiring control of Central American railways and other enterprises, and, in cooperation with the Department of State, have been extending control over the finances of Central American governments. This is "dollar diplomacy." It has been supported by marines, warships, and what we might call naval diplomacy. It has made Central America a sphere of interest of the United States, in which European intervention would be resented, in which concessions to European capitalists may not be made without danger of offending the watchful eye of the Department of State, in which American naval and economic interests hold undisputed supremacy.

The iron hand is usually covered with a velvet glove, as may best be illustrated by the Central American conference of 1923. The Washington State Department considered it desirable to have the armies of the Central American Republics reduced and a court of arbitration established to prevent petty wars in Central America. The court which had been established in 1908, it will be recalled, had expired in 1918, after the Fonseca Gulf case. A new court would have to be created. Moreover, there was a strong movement in Central America toward Federal union, and Washington was apparently desirous of having a hand in any such federation. Accordingly, in 1922 the Presidents of Nicaragua, Honduras, and Salvador were invited to talk matters over on board the U. S. cruiser *Tacoma*, and there a preliminary understanding was reached, with the result that the United States next invited delegates of the five Republics (not including Panama) to confer in Washington with Secretary Hughes as their host. That the affairs of Central America should be settled in distant Washington, instead of at home, seemed not to occur to Mr. Hughes. Under his tactful guidance the conference agreed on an arbitration court; armies were limited, a free-trade convention was signed, and various other unifying measures were adopted. The United States presided over Central American affairs and presided with a hand which could be gentle, though firm.

Haiti continued independent until 1915. In the summer of that year the American public, or as much of it as reads the foreign news dispatches, was shocked to learn that President Villbrun Guillaume Sam, of Haiti, had caused 200 political prisoners to be butchered in cold blood, and that he himself had taken refuge in the French consulate, only to be dragged out and beheaded by an irate mob. That American marines should thereupon have been landed to restore order seemed natural enough. Subsequently, however, it appeared that more than a year before this bloody drama the United States had unsuccessfully demanded the signature of a treaty giving the United States charge of the customs collection and debt service, as in Santo Domingo, and that the United States Navy Department had dispatched the *Washington* to Haiti in January, 1915. It also appeared that a strong reason for this forehanded action was to prevent Germany from obtaining a naval base in Haiti. It was the French, however, rather than the Germans, who landed marines in June, 1915, to be followed by United States marines in July. All this seems to have occurred before the massacre of July 26 and the beheading of July 27, 1915.

After the events of July 26–27, more American marines were landed, and Rear Admiral Caperton took charge of the customhouses and administration against the protest of the Haitian Congress. The treaty which had been rejected by Haiti before the occupation could now be put through with ease and dispatch. A president who would accept the desired treaty was elected in August, 1915, and the treaty was signed on September 16. The United States, so this interesting document stipulated, would aid Haiti in developing her agricultural, mineral, and commercial resources; the United States would also name a general receiver and financial adviser to hold Haiti's purse strings and see that the bankers owning Haitian bonds got their due; Haiti would make no new loans or changes in her tariff without obtaining consent from the White House; nor would Haiti lease or cede territory to any foreign power; and, finally, not only would the United States organize an armed constabulary to establish order in Haiti, but also American forces would intervene whenever necessary in the future to preserve individual liberty, life, and property. This meant a protectorate, if there ever was one.

As there was inevitably some popular opposition in Haiti to this signing away of the Republic's independence, it was not thought expedient to permit elections until 1922. American marines still remained in the island, and the elections went off well enough, resulting in the election of a President who promised to cooperate loyally with the United States. And still the marines remained. While the occupation continued, American business interests were actively carrying out the treaty pledge to aid in developing Haitian resources. New York banking interests purchased control of the Banque Nationale de la Republique d'Haiti. American capitalists bought up land, sugar mills, railways, lighting plants, and other property.

Moreover, the American naval authorities were active in promoting sanitation and road building. The natives might not enjoy being compelled to work on the roads under the supervision of American engineers, but Americans felt that the end justified the means. Let the Haitians protest as they would, American newspapers such as the New York Times were joyfully certain that "the Americans are in Haiti to raise its people from a state of ignorance and savagery for which their rules were responsible. * * *." An official American report insisted that the occupation was characterized by "freedom from all suggestion of selfish aims." The United States, in short, was assuming a small share of "the white man's burden."

PAN AMERICANISM

In the rest of South America the interest of the United States has been less vigorous. To be sure, the Monroe doctrine applied originally and still applies to the entire southern continent, as well as to Central and North America, and the United States would undoubtedly resent European or Asiatic encroachment on the independence or integrity of any of the Latin-American Republics; but the United States has evinced no concern over the settlement of large numbers of Germans in Brazil, Italians in Argentina, and of some Japanese and Chinese in several countries; nor has the United States attempted to exercise south of the Equator the veto on concessions or the same strict censorship of revolutions or the police power which have been asserted in the Caribbean region. Moreover, there has been a growing tendency in the United States to regard at least the progressive "A, B, C powers" (Argentina, Brazil, and Chile) as associates rather than protégés; it has even been proposed that these if not other South American nations should become partners with the United States in maintaining a modified Monroe doctrine, a mutual guaranty of independence. President Wilson, notably, in his address at the Second Pan American Scientific Congress in 1916, proposed that the States of America unite "in guaranteeing to each other absolute political independence and territorial integrity."

The old Monroe doctrine was blending in with the new Pan Americanism. The Pan American policy proposed by Secretary Blaine in the 1880's contemplated not only friendly relations and Pan American conferences, but also a Pan American customs union and a Pan American railway, and common weights, measures, and coinage. His plan was never realized in its entirety, but at least a periodic conference of diplomatic representatives—the Pan American Conference—was instituted, and later a "Union of American States," maintaining a bureau at Washington. Pan Americanism developed mainly as an interchange of diplomatic amenities, of reciprocal assurances of good will rather than as the sort of economic federation Blaine had conceived. The idea prevailed that the United States and the Latin-American Republics should be a group of States cemented together by periodic conferences, by friendship, by a mutual regard for the peace of the Western Hemisphere. In this connection it may be noted that the United States increasingly assumed the rôle of arbitrator in disputes between Latin-American neighbors—between Costa Rica and Panama, between Chile and Peru, etc. What would happen if two South American nations should refer a dispute to the World Court and one of them refuse to accept the decision and resort to force, thereby incurring the penalties prescribed under the covenant, is an interesting and not altogether academic question, for such an incident would perhaps involve European intervention, contrary to twentieth-century versions of the Monroe doctrine.

Another significant phase of American policy is the principle that in Latin America orderly constitutional government must be maintained, as against revolutions and dictatorships. This was a basic principle in Wilson's Mexican policy. It was expressed by Wilson in his speech of January 6, 1916, when he advocated an agreement "That no state of either continent will permit revolutionary expeditions against another state to be fitted out on its territory, and that they will prohibit the exportation of the munitions of war for the purpose of supplying revolutionists against neighboring governments." It was reiterated by Mr. Hughes as Secretary of State. It would mean a ban on revolutions. It means that the United States insists on the practice of its own principle of constitutional government, whether the other American states are qualified for it or not. Yet, oddly enough, it has been disregarded by the United States in Haiti and Santo Domingo, where American marines have on occasion exercised a purely military dictatorship; Wilson aided the Constitutionalist revolution in Mexico; and no consistent attempt has been made to censor revolutions in South America. In a word, the principle is not to be taken too literally.

As regards economic matters, the affiliations of South America prior to the Great War were chiefly with Europe, particularly with England, for British capital built the South American railways, and British, German, and French shippers handled most of South America's foreign trade. It has been estimated that before the Great War about one-fifth of British overseas investments were in Latin America, and that the British holdings in South America amounted to about $3,000,000,000. But the war enabled the United States to obtain a larger share of South American commerce, and New York rivaled London as financial capital of South America.

The National City Bank and others established many branches in Hispanic America. North American investors bought South American bonds and sought South American concessions. Consider, for example, the case of Peru, to whose Government an American syndicate in 1925 loaned $7,500,000 at 7½ per cent interest. The New Jersey Standard Oil, operating through the International Petroleum Co. (Ltd.), gained control over 80 per cent of the oil production of the country. In 1925 the capital invested in Peru by the Standard Oil, the Cerro de Pasco

Copper Corporation, the American Smelting & Refining Co., the Vanadium Corporation of America, and other American concerns amounted to about $100,000,000—a fairly considerable and rapidly increasing sum, although it was only one-third of the total foreign capital invested in Peru. It was estimated that the new South American loans and investments floated in the New York money market during the year 1926 would amount to no less than $400,000,000.

Toward the colossus of the north, some South American nations had long felt suspicion bordering on hositility. They resented the assumption by the United States of the rôle of protector and spokesman for the New World; they were irritated by the condescension with which North Americans so frequently dealt with South American affairs; above all, they were provoked by the "imperialism" of the United States in Mexico, Central America, and the Caribbean. One eminent Latin-American publicist wrote: "To save themselves from Yankee imperialism the American democracies would almost accept a German alliance or the aid of Japanese arms; everywhere the Americans of the north are feared." This is no doubt exaggerated; it represented the attitude of extremists; yet in its way it indicates the reaction of Latin American nationalism against North American imperialism.

Hoping to overcome hostile opinion in South America Wilson proposed the new version of the Monroe doctrine which has already been mentioned, and (on October 27, 1913) solemnly declared "that the United States will never again seek one additional foot of territory by conquest"; and Secretary Hughes repeatedly proclaimed that the United States had no imperialist aspirations, and indefatigable publicists have urged the substitution of a mutual guaranty for the Monroe doctrine, and much propaganda has been directed toward the conquest of South American friendship. The substitution of Pan American intervention for United States intervention, and of international financial receiverships for United States financial protectorates, in the region between the Equator and the United States, would perhaps keep order there more effectively, and conciliate South America, and therefore aid American trade with South America. But such a substitution will be possible only when public opinion in the United States divests itself of the spirit of domination, discards the "big stick" along with "dollar diplomacy" and learns to treat Latin-American nations as associates rather than protégés. The great obstacle is not material interests but a psychological factor, national pride—and national pride is the mother of imperialism.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed the bill (S. 4566) authorizing the New York Development Association (Inc.), its successors and assigns, to construct, maintain, and operate a bridge across the St. Lawrence River near Alexandria Bay, N. Y.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 15430) continuing the powers and authority of the Federal Radio Commission under the radio act of 1927, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 15089) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1930, and for other purposes.

INVESTIGATION OF POWER COMPANIES

Mr. NORRIS. Mr. President, a few days ago, on February 26, I made some remarks in the Senate in regard to some developments that were taking place before the Federal Trade Commission in their investigation of the Power Trust. In the course of my remarks, in reading a letter that had been offered in evidence before the Federal Trade Commission, reference was made to the Montgomery Advertiser, published at Montgomery, Ala.

This morning I am in receipt of a letter from the editor of that paper in which he denies some of the assertions made in the letter and other extracts of evidence from which I read; and I think it but fair and just to the editor and the paper itself that I read into the RECORD his denial. It is written on the letterhead of the Montgomery Advertiser, Montgomery, Ala. The date is February 28, 1929:

Senator GEORGE W. NORRIS,
Washington, D. C.

DEAR SIR: There is not a line in the testimony of Leon C. Bradley to sustain your recent charge on the floor of the Senate that "editorials" written by Bradley appeared frequently in the Montgomery Advertiser, at the time when Bradley was editing a bulletin for certain utilities. I am amazed that a gentleman of your responsible position would comment so undiscriminatingly on the testimony of Bradley.

Neither Bradley nor any other outside man ever wrote an editorial for the Advertiser concerning utilities. There is not a line of testimony in Bradley's statement which even indicates that editorial propaganda was ever printed by the Advertiser. We have a feature called "The Passing Throng" in which interviews, personal sketches, and sometimes miscellaneous information are printed. At one time The Passing Throng appeared on the editorial page, but not as editorial matter; it had no relation to editorials then, and has none now, when it is being printed elsewhere in the paper. From time to time The Passing Throng did quote stuff from Bradley's "bulletin," but always with credit to that publication, as reference to our files shows.

Recently we reprinted a considerable number of these innocuous pieces of miscellany—none of which, I believe, referred to questions of public policy. There was no mystery about these articles; no reader was deceived as to their source. They consisted of miscellaneous, sometimes rather interesting stuff of the kind which has always appeared in newspapers. Only an idiot reading these articles could condemn them as dangerous propaganda.

Apparently you have been misled by dispatches written to the Thompson papers by one Hubert Baughn.

Then follow, Mr. President, several sentences in reference to Mr. Baughn, I am not going to read those, because they are rather slanderous, and attack Mr. Baughn rather severely. I do not know Mr. Baughn; I have never met him; but I am not going to be the means of giving publicity to an attack upon him by this editor.

Mr. HEFLIN. Mr. President, will the Senator permit me to say that I know Mr. Baughn, of Alabama. He is a very high-class gentleman, a man of very high character, and one of the best newspaper men in the service.

Mr. NORRIS. I thank the Senator for his interruption. That only strengthens my judgment that I ought not to read the attack made upon Mr. Baughn by the editor of this paper. He can make the attack if he wants to in his paper. I have no interest in such an attack. I am reading everything else in the letter to me except the language that seems to me to be rather slanderous against Mr. Baughn.

I will read the rest of the letter:

But what I particularly wish to impress upon you is that the Advertiser has never printed in its editorial columns even this harmless and innocuous stuff which Bradley told the Trade Commission about; nor did Bradley say that our editorials had ever been at his service. He referred specifically to an interview column; and you have my own assurance that his articles were printed with proper credit to their source.

Will you do the Advertiser the justice to read this letter into the RECORD?

Thanking you, I am, sincerely,

GROVER C. HALL,
Editor the Montgomery Advertiser.

Of course, I am glad, Mr. President, to give as much publicity to the editor's comment as was given to the articles referred to by him. These items and this evidence, as referred to by me, appear in the CONGRESSIONAL RECORD of February 26, 1929. They speak for themselves. I desire, however, to read the letter of Mr. Leon C. Bradley, who was the representative, I think it is conceded, of the power interests, and who was the author of the so-called propaganda articles which it was alleged appeared in the Montgomery Advertiser.

I read his letter the other day; and it is the statements in his letter to which I presume the editor of the Advertiser has reference and which he denounces as being untrue.

This letter is on file with the Federal Trade Commission, having been offered in evidence when Mr. Leon C. Bradley was subpœnaed and testified before the commission. The letter is a short one; and as a justification for what I said and what I had printed in the RECORD, I want to read that letter now, so that it may appear in the RECORD at the same place where the denial appears on the part of the editor of the Montgomery Advertiser.

This letter was written to Thomas W. Martin, president of the Alabama Power Co. of Birmingham, Ala., and reads as follows:

DEAR SIR: You will be interested in these two editorials from the Birmingham News of Saturday and Sunday.

Those were two editorials which he included in the letter, and which I have not seen, and which have not appeared in the RECORD.

Mr. Bradley goes on in this letter:

The only difference between these editorials and hundreds of others which have appeared in the Alabama newspapers since I have been conducting this bureau is that I had the name of the bureau mentioned in these so there could be no misunderstanding as to who had put them in.

I have always suggested to the newspapers wherever possible to avoid mentioning my name or the name of the bureau, as anyone who understands publicity and politics knows it is more effective if the article appears to the reader to emanate from the newspaper itself rather than from some utility source.

It might interest you to know that there have been more than 75 separate articles on the editorial page of the Montgomery Advertiser during the past 12 months regarding public utilities, which were taken verbatim from our news bulletin. The number in the weekly papers runs into hundreds.

I am constantly furnishing information and propaganda advantageous to the utilities, not only to newspapers and members of the public service commission but to other organizations as well. I also serve as a clearing house for Alabama utilities information for the National Electric Light Association and similar organizations.

Very truly yours,

LEON C. BRADLEY, *Director*.

This is the letter of the director to Mr. Martin, president of the Alabama Power Co.

Mr. President, I leave this dispute between Mr. Bradley and the editor of the Advertiser. If 75 of his articles appeared verbatim during the last five months in the Advertiser, the files of the Advertiser and the files of the director of the bureau of this Power Trust certainly will show what the facts are.

REPORT OF THE FEDERAL FARM LOAN BOARD

The PRESIDING OFFICER (Mr. MCNARY in the chair) laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, the Twelfth Annual Report of the Federal Farm Loan Board for the Year Ended December 31, 1928, which was ordered to lie on the table.

REPORTS OF MEMBERS OF GRAIN-FUTURES EXCHANGES (S. DOC. NO. 264)

The PRESIDING OFFICER laid before the Senate a communication from the Secretary of Agriculture, transmitting, in response to Senate Resolution 40 of February 1, 1928, part 1 of a report concerning the effect upon producers of grain of the suspension of the requirement for the making of reports by members of grain-futures exchanges.

Mr. MAYFIELD. I ask unanimous consent that the report be printed, with illustrations, as a Senate document.

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

FIRST DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15848) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1929, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal year ending June 30, 1929, and for other purposes.

Mr. HARRIS. Mr. President, I have on all occasions supported the measure introduced by the Senator from Tennessee [Mr. MCKELLAR] in regard to the publication of income-tax returns. In fact, I think the RECORD will show that I introduced the first resolution providing for publication nine years ago, when I first came to the Senate.

Citizens of moderate means with only a small cottage and those so poor that they possess only a few household goods and wearing apparel of small value must make their tax returns to the tax officials and they are made public. If there is a mortgage on their property it is placed on the court records and is also made public. Why should men of great wealth be allowed to have their income-tax returns kept secret? Our Government should be just to rich and poor alike. The Secretary of the Treasury, one of the wealthiest men in the world, has always opposed publicity of income-tax returns. Our forefathers in framing the Constitution tried to prevent a man of great wealth from being made Secretary of the Treasury. My colleague in the Senate, the late Senator Thomas E. Watson, called this law to the attention of the Senate when Mr. Mellon was first appointed and showed plainly that Mr. Mellon was not eligible under the law to serve as Secretary of the Treasury, but he has served under Presidents Harding, Coolidge, and it is generally understood that he will serve under Mr. Hoover. I agree with my late colleague [Senator Watson] that under the law he is not eligible to hold this position and our people should respect this law as well as all others. We should not violate the law for the rich or poor.

In this deficiency appropriation bill conference report now before the Senate are a great many large, important items necessary to support the Government amounting to more than a hundred million dollars. The one relating to prohibition, the Senate amendment of which I am the author, carrying $24,000,000, was in conference between the Senate and House conferees for some time, and as agreed upon it allowed $3,000,000 for prohibition, lacking $22,000, besides the $250,000 for the investigation of prohibition enforcement as proposed by the Senator from Virginia.

This is not all that I and other Senators who supported the Senate amendment would like, but it is the best we could get the House to agree to. The deficiency bill contains so many important items for carrying on the affairs of the Government that we can not afford to defeat the bill just because the House would not allow us the full $24,000,000. I am glad that every member of the Georgia delegation in the House, as well as most of the Democrats in the House, supported my amendment for a larger appropriation to enforce prohibition.

The $3,000,000 we did get the House to agree to will go a long way toward helping the situation. A special session of Congress is to be called in about 30 days, and after the survey is made by commission appointed by President Hoover to investigate the enforcement of this law, if the President wants any additional funds, Congress will be in session, and we will grant whatever amount he asks.

I feel absolutely sure that the new President will ask us for additional funds. I believe that when Congress meets in December we will have a request from the President for at least $24,000,000 additional. It will require even more than this to properly enforce this law.

As I said, I shall accept this comparatively small amount because it is the very best we can get from the House, and I do not want to endanger the passage of this deficiency bill, containing so many other items, just because we could not get everything we wished in regard to the prohibition matter. However, I give notice that this fight to secure more money to enforce this law has just begun. The lack of enforcement of this law is causing a lack of respect not only for this law but all laws, and should be a matter of great concern to all good citizens even though they do not believe in the law.

Mr. President, while Secretary Mellon wrote letters to the committee opposing my amendment and, in my judgment, has not given this law a fair trial, I have great faith in the efforts that will be made by our President elect, Mr. Hoover. With his great ability as an organizer and his interest in the enforcement of this law, I believe, for the first time, it will be given a fair trial and that it will prove a success.

Mr. SIMMONS. Mr. President, I do not wish to be considered as cricitizing the views expressed by the Senator from Tennessee [Mr. MCKELLAR] or the Senator from Alabama [Mr. HEFLIN]. I voted for the amendment of the Senator from Tennessee with regard to these refunds, and I would like to vote for it again. I am in entire sympathy with the desire of the Senator from Tennessee that Congress should have the fullest information with reference to these refunds, but I do not wish to have it appear that the Senate of the United States, consisting of Democrats as well as Republicans, has for the last six or eight years sat here and simply handed out to the Treasury Department whatever it asked for the payment of refunds, without any information or knowledge whatsoever, or any attempt to secure any information or knowledge whatsoever, as to the justice of those refunds or as to what was done with the money that has been so liberally voted.

For all of those years I have been a member of the Finance Committee, part of the time I was chairman of that committee, the balance of the time I have been the ranking Democrat upon that committee, and probably that committee more than any other committee of this body is charged with looking after not only the assessment and collection but the abatement and refunds of the taxes of the Federal Government.

To say that we have not made any effort to secure information, that we have not been in possession of any information, that we have voted blindly these appropriations, is, I think, to put the Senate of the United States and the Congress, the Democrats in both bodies as well as Republicans, in a false position.

Several years ago—I do not now recall how many—the Senate created a committee of which the senior Senator from Michigan [Mr. COUZENS] was the chairman. Upon that committee were two great Democrats, the late lamented Senator Jones, of New Mexico, being one. An abler, a more honorable, a more conscientious man has not sat in this Chamber since I have been a Member of the Senate for 28 years. Upon that committee also was the present junior Senator from Utah [Mr. KING], one of the most diligent men and thoroughgoing students and investigators in this body to-day, or at any time since I have been here.

That committee was invested with broad, sweeping powers to investigate this very question of refunds by the Treasury, to find out to whom they had been made, and the circumstances and conditions under which they had been made, and to report the result of their investigation to the Senate.

They were given authority to employ all necessary assistants, and to my knowledge they employed many able experts and lawyers to cooperate with them in that work. Those agents of

the Senate were given authority to make the closest and most thoroughgoing investigation into every case about which there was any suspicion or question. They were engaged in that work for many, many months. Then the result was reported to the Finance Committee, was discussed in the Finance Committee, and finally reported to the Senate and given to the country.

I wish the Senator from Michigan [Mr. COUZENS] were in the Chamber.

Mr. NORRIS. Mr. President, the Senator will be here, and expects to speak on this matter. He was called out a few moments ago.

Mr. BRUCE. Mr. President, may I interrupt the Senator to ask him a question?

Mr. SIMMONS. I am simply trying to relate some facts, not in a spirit of controversy at all——

Mr. BRUCE. I know that.

Mr. SIMMONS. But in justification of myself and the other members of the Finance Committee and the Congress.

Mr. BRUCE. I know the Senator has such a generous spirit that he would like to gratify my curiosity. He spoke of some individual as being a man of as lofty character as any with whom he has been associated in this body, and I did not catch the name.

Mr. SIMMONS. I spoke of the late Senator Jones, of New Mexico, who was a member of that committee.

Mr. WALSH of Massachusetts. Up to the time of his death.

Mr. SIMMONS. Until the time of his death he was a member of that committee. After that committee had made its investigation and its report the Senate and the House, in cooperation, established what is known as the Joint Committee on Internal Revenue, composed of five select members from the Committee on Finance of the Senate and five select members from the Committee on Ways and Means of the House of Representatives.

Senator Jones, of New Mexico, and myself were the Democrats upon that committee representing the Senate. The present chairman of the Finance Committee, the senior Senator from Utah [Mr. SMOOT], and two of his associates were the Republicans on the committee. That committee was invested with broad, sweeping powers to carry on work of the same character as had been carried on by the Couzens committee. The Couzens committee had investigated as to the past.

That committee was empowered to investigate all matters in the Department of the Treasury relating to internal-revenue taxation, especially the matter of refunds of taxes. Its powers were so broad and so specific that they could not be called into question. This committee was given authority to make any examination which it thought necessary in order to discharge the duties imposed upon it; and no hand in the Treasury could gainsay or stay such investigation.

That committee was authoribed to employ not only clerical but expert help; and it did employ and has continued in its service up to this good hour a very competent personnel. The duty of that personnel has been to carry out the instructions of the committee, and those instructions have required them to keep in close touch with all the Treasury decisions with reference to refunds and to report them back to the committee.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. SIMMONS. I yield.

Mr. WALSH of Massachusetts. Will that commission continue to exist from Congress to Congress?

Mr. SIMMONS. It is a continuing committee.

Mr. WALSH of Massachusetts. So that there is no time fixed for terminating it?

Mr. SIMMONS. No limit fixed at all. It is alive to-day. It is functioning to-day. It made a very voluminous report to the last Congress. It has rooms in the House Office Building. Its personnel is at the bidding of any Member of the Senate who wants to ascertain anything with reference to its activities, or as to any internal-revenue matter in the Treasury Department. I think it has been very efficient, and I think it has discharged its duties very well.

So, Mr. President, the Senate has not been sitting idly by making no effort to ascertain and voting in the dark with reference to these matters.

I hold no brief for the Treasury Department. I am making no defense of it. I am not intending to antagonize the Senator from Tennessee [Mr. MCKELLAR] or the Senator from Alabama [Mr. HEFLIN]. I merely wish to have it understood that we have had these agencies engaged in this work. Whether they have done it thoroughly and completely I do not undertake to say, but so far as I have had an opportunity to know the members of the staff of the Joint Committee on Internal Revenue, they have done their duty and have with fidelity performed the service with which we have charged them.

Mr. SMOOT. Mr. President, the Senator asked me who was appointed in the place of former Senator Jones of New Mexico who died. The Senator from Rhode Island [Mr. GERRY] was appointed in his place.

Mr. SIMMONS. We have not had a meeting since then that I have attended.

Mr. SMOOT. The Senator was ill.

Mr. SIMMONS. Part of the time I have not been able to attend the meetings.

Mr. SMOOT. Of course, it was on account of the Senator's illness and we all know that. The Senator has been a faithful member of that commission. I hold in my hand the annual report of the commission for the year 1927.

Mr. SIMMONS. Mr. President, I wish to yield the floor. I merely wanted to exonerate myself and I wanted to exonerate those on this side of the Chamber and I wanted to exonerate the Senate itself from the charge that we have not at least tried to find out something about these matters.

Mr. MCKELLAR. I asked the Senator the other day for the report, and I understand it has been made now. I asked the Senator if a report had been made by the respresentatives of his commission, but according to the evidence the only two cases that have ever been brought to the official attention of the commission of which he speaks were the tobacco case and the Steel Corporation case. In both of those cases the chairman of the commission, Mr. HAWLEY, stated, as I recall the reports, that they had no power to say that the claim ought to be paid or ought not to be paid.

Mr. SIMMONS. But the facts were there in the report.

Mr. MCKELLAR. Oh, no; the facts were not put in. Statements of alleged facts from interested people were put in, but the facts never went before the commission.

Mr. HEFLIN. There was no record of the facts.

Mr. MCKELLAR. There was no record of the facts themselves unless it be in the report to which the Senator from Utah has referred.

Mr. WALSH of Massachusetts. Mr. President, may I suggest that the chairman of the commission at some time during the session explain how many employees are working for the commission, just what work they are doing from day to day, how much they are investigating into these refunds, and so on, in order that we may have a little more general information without reading the voluminous report to which the Senator from Utah has called attention.

Mr. SMOOT. I can say briefly in answer to the Senator from Massachusetts that all of the cases involving over and above a certain amount were referred to the joint commission, and the employees of that commission have made investigation of those cases.

Mr. WALSH of Massachusetts. How many employees has the commission?

Mr. SMOOT. There are five, with Mr. Parker at the head.

Mr. WALSH of Massachusetts. I hope the Senator from Utah will later make a more complete explanation.

CONDITIONS IN PENNSYLVANIA COAL FIELDS

Mr. WHEELER. Mr. President, I have felt that I could not see this session of Congress closed without saying something with reference to the investigation which has been carried on by the Interstate Commerce Committee and subcommittees thereof with reference to the situation that has existed in the coal fields of Pennsylvania. This is particularly true in view of what has recently taken place there. Particularly I wanted to call the attention of the Senate to the situation in view of the fact that I see it has been announced in the newspaper that the present Secretary, Mr. Mellon, is going to be the Secretary of the Treasury under the new administration.

As the Senate will recall, the senior Senator from California [Mr. JOHNSON] introduced into this body Senate Resolution 105, providing for an investigation of conditions in the coal fields of West Virginia, Pennsylvania, and Ohio. This resolution instructed and authorized the Senate Committee on Interstate Commerce, or a subcommittee thereof, to make a thorough investigation into the conditions existing in the coal fields of the States just named. It was my privilege to serve as a member of the subcommittee and personally visit those coal fields and get first-hand knowledge of the social and economic conditions under which the miners were living, and likewise to learn what the reasons were, if any, why the consumers of the country were compelled to pay such high prices for coal. I shall not at this time review the situation in detail, but simply call the attention of the Senate to some of the outstanding facts brought out in the investigation which I trust will give proper reproach to the present coal situation in Pennsylvania.

In 1924 a joint conference of miners and operators of the central competitive field was held in Jacksonville, Fla., at which time a wage-scale agreement was reached which was to continue the then existing wage scale for three more years, expiring on March 31, 1927.

The Jacksonville agreement was signed by Mr. John A. Donaldson, the vice president of the Pittsburgh Coal Co., and Mr. J. M. Armstrong, the general manager of the Pittsburgh Coal Co.; yet almost before the ink was dry upon the contract this same company, which is the largest commercial producer of bituminous coal in the world, with a capacity of over 20,000,000 tons a year, and controlled by the Mellon interests, proceeded to repudiate this agreement and refused to be governed by it. This Mellon company was the first to repudiate this agreement. Notwithstanding the fact that President Coolidge had named Secretary Hoover, of the Department of Commerce, and Secretary Davis, of the Department of Labor, to intervene in behalf of the Government of the United States in an effort to reach this agreement, Secretary of the Treasury Mr. Andrew Mellon has not, as far as I am informed, ever attempted to interfere with the repudiation of this contract by the Pittsburgh Coal Co., which he controls.

Let me say to the Members of the Senate that the Pittsburgh Coal Co. and the Secretary of the Treasury, Andrew Mellon, are synonymous. Mr. Mellon is the Pittsburgh Coal Co. and the Pittsburgh Coal Co. is Mr. Mellon.

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

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

Mr. NORRIS. I am wondering if the Senator was correct in that statement. I can see how the Pittsburgh Coal Co. is Mr. Mellon, but I can not agree with the Senator when he says Mr. Mellon is the Pittsburgh Coal Co. Mr. Mellon is a great deal more than the Pittsburgh Coal Co. He is several other companies.

Mr. WHEELER. That is true. Mr. Mellon is not only the Pittsburgh Coal Co. but the Aluminum Trust of America, and he is likewise several other companies, including the Gulf Oil Co., as well as many other large industrial concerns of that kind.

Mr. President, a short time ago the Senate of the United States was shocked, and very properly so, when it read in the newspapers that seven men had been shot down in the city of Chicago by gunmen. The Senate of the United States has on several occasions been shocked when one man has been murdered or his property has been destroyed in foreign fields. This body has been shocked, if you please, when some Chinese killed an American in China. The Senate of the United States has recently appropriated millions upon millions of dollars for the purpose of protecting life and property in foreign fields. We have just passed a bill giving to the Navy Department the money to begin the construction of 15 new cruisers, with the idea of protecting the property of American citizens and their lives in foreign fields. And yet, Mr. President, no one seems to be shocked, and the newspapers of the country do not seem to be shocked when brutal murders are carried on in the coal fields of Pennsylvania by the interests dominated, owned, and controlled by the Secretary of the Treasury, Mr. Mellon.

A shocking incident occurred there the other day. I wish to read about it from one of the local papers in Pittsburgh—the Pittsburgh Press. It is headed:

Governor probes miner's death. Wounded man beaten with poker, charge. Victim, helpless on floor, flailed by lieutenant, witness declares. Bar bent upon body. Others accused of jumping upon battered form in barracks at Imperial.

The article reads:

Governor Fisher to-day demanded a complete report of the brutal killing of John Bereskie, Tyre farmer-miner.

The governor's demand was directed at the Pittsburgh Coal Co., by whom three coal and iron policemen, accused by county detectives of having beaten Bereskie to death, were employed.

Governor Fisher's power in the case extends only to the revocation of the police commissions of the three men involved.

His demand for a report of the killing was made with the view of immediately revoking the officers' commissions if the facts warrant that action.

WILL NOT COMMENT

Until the report is received the governor will make no comment on the case, but when interviewed at Harrisburg to-day by The Press correspondent he was plainly quite concerned and angry about it.

Alleged to be implicated in the killing of Bereskie, W. J. Lyster, coal and iron police lieutenant, to-day was faced by his accuser.

Chief of County Detectives George W. Murren summoned John Higgins, a friend of the man beaten to death, to detective headquarters to repeat his story of the killing before Lyster.

According to Higgins, Lyster took an active part in the beating which resulted in Bereskie's death. Since his arrest Lyster has maintained complete silence.

REFUSES TO TALK

Lyster refused to talk when questioned yesterday by the sleuths after Higgins told the detectives the lieutenant beat Bereskie with a poker in the police barracks at Imperial.

Mrs. Anna Blussick, mother-in-law of Bereskie, her son Pete, and Patsy Caruso, a neighbor, gave their version of the killing to the authorities to-day.

Higgins and Bereskie were taken to the Imperial barracks from the home of Bereskie's mother-in-law, Mrs. Anna Blussick, at Santiago, by Watts and Slapikis, after, according to the officers, Bereskie attempted to stab Watts.

TELLS OF BEATING

After arriving at the barracks, according to the story Higgins told detectives, Watts called Lieutenant Lyster into the room. Higgins's story continues:

"He (Lieutenant Lyster) walked into the room, heard Watts's report, and began stripping off his clothes. He took off his clothes to his undershirt and said: 'I feel like a good workout!'

"The lieutenant walked to a coal box where he picked up a poker. He almost ran to John (the victim), who lay moaning on the floor. The poker swished through the air and struck John, who shrieked. The poker lifted and fell again and again until it was bent at the end.

"The lieutenant walked away a few feet and kicked the poker out straight again. While this was going on, Watts ran and jumped on John's chest, leaping there a couple of times. The poker was brought into play again after a little rest. It swished again and again and was straightened out for the second time.

CONFESSION DEMANDED

"They started jumping on John again. They kept it up, every once in a while, telling him to admit that he stabbed Watts. John couldn't even sign anything the way they were treating him. But they kept on kicking him, and jumping on his chest, stomach, and legs."

After beating Bereskie, according to Higgins, the officers turned them both over to Constable Ross Schaffer, of Glenfield, who had arrived at the barracks while Bereskie was being beaten. Schaffer said he saw the beating taking place and then he went into another room of the barracks and fell asleep, according to county detectives.

Higgins told detectives that Schaffer took Bereskie to the Sewickley Valley Hospital, where Bereskie died a short time later, and lodged him (Higgins) in the Leetsdale jail. Justice Margaret Morgan, of Sewickley, out of whose office Constable Schaffer operates, eld Higgins under $1,000 bond on a liquor charge at a hearing last night.

The entire affair was started, Higgins said, when Watts and Slapikis, both of whom were described as "half drunk," entered the Blussick home and engaged in an argument with Mrs. Blussick's son, Eddie. Higgins ordered the policemen and Eddie Blussick from the house.

Mr. President, I ask that the remainder of this article be inserted in the RECORD as part of my remarks.

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

The matter referred to is as follows:

HELD FOR QUESTIONING

After the three had gone out, Mrs. Blussick shouted to Bereskie to save her son. Bereskie had been sitting in another room, reading. Carrying a miner's lamp, Bereskie started toward the officers and the Blussick boy. Suddenly, Higgins said, Watts shouted he had been stabbed and, pointing to Bereskie, said, "He did it," and started beating Bereskie with the butt end of a revolver.

Higgins also was lodged in the county jail. He will be questioned further to-day by District Attorney Samuel Gardner and Chief County Detective George W. Murren. Schaffer was released on his own recognizance.

Watts and Slapikis were lodged in the county jail by Deputy Coroner Harry Ewing, who made murder charges against them pending an inquest. Watts and Slapikis claimed that Watts defended himself when Bereskie attacked them with a knife when they were raiding the Blussick home.

WIRE GOVERNOR

Prominent Pittsburghers connected with the Pittsburgh branch of the American Civil Liberties Union telegraphed Governor Fisher to-day and insisted that he express himself.

The telegram was signed by Frederick Woltman, secretary of the Pittsburgh branch.

Woltman described the charges made by county detectives against the three coal policemen under arrest.

"The Pittsburgh branch of the American Civil Liberties Union insists that you express yourself on the coal and iron police system and take steps to eliminate it in order to assuage outraged public opinion," the wire said.

SERIES OF OUTRAGES

"This episode is the culmination of a long series of outrages endured by peaceful citizens of the State of Pennsylvania.

"It represents the activities of an un-American police system on which the State confers its authority without at the same time exacting its responsibility. We have already urged upon you an investigation of this system with a view of its elimination.

"These coal and iron policemen were commissioned by your office, even though they individually are responsible to the Pittsburgh Coal Co. Our committee holds your office responsible for the administration of this system or the elimination of its abuses."

Mr. WHEELER. Mr. President, the lieutenant who did the killing in this instance was not employed by the State of Pennsylvania; he was employed by the Pittsburgh Coal Co., a Mellon concern. His record shows, according to the evidence which I have, that he had previously been convicted of a crime, and likewise it shows that he had been carrying on in this same brutal manner for months in the Pittsburgh region.

I want to call attention in this connection likewise to some facts that were brought out during the hearings that were carried on as to conditions in the coal fields. I quote from the testimony of Mr. Philip Murray, international vice president of the United Mine Workers of America:

The Pittsburgh Coal Co. abrogated its contract with the United Mine Workers of America on August 10, 1925. Following the abrogation of this wage agreement with our organization, a statement was issued by Mr. W. G. Warden, chairman of the board of directors of the Pittsburgh Coal Co., in which he attempted to justify before the bar of public opinion the repudiation of his trade agreement with the United Mine Workers of America. In the course of this attempt he sought to impress the public mind with the idea that the economic situation, through which the coal industry was then passing, necessitated this arbitrary action on the part of his coal company, contending that the corporation could not produce coal at the Jacksonville wage rate and market it in competition with coal mined where lower wage scales prevailed, in States south of the Ohio River.

Despite this assertion on the part of Mr. Warden, the independent commercial producers of the Pittsburgh district continued to respect the terms of their contracts with the United Mine Workers of America until its legal expiration, March 31, 1927.

As I said a moment ago, the Pittsburgh Coal Co. is a Mellon concern; it is controlled by the Mellon interests. Mr. Mellon was a director and the guiding influence in that concern until he became Secretary of the Treasury. He then resigned, and his brother immediately took his place as the controlling head of that organization. The testimony continues:

Upon the expiration of our wage agreement, on March 31, 1927, the independent commercial producers of coal advocated a wage reduction, contending that it would be necessary to have their wages readjusted to a point that would enable them to compete with the coal then being mined by the Pittsburgh Coal Co.

They stated that they were not particularly alarmed about the competition coming from the States south of the Ohio River, but that their competitive situation was one that was the more serious within the district itself than regards the competition coming from States south of the Ohio River.

Following the strike the coal companies went into the field and employed their own policemen, and one of the policemen committed the crime which I have just narrated, which was one of the most brutal murders that has ever been committed in the history of this country.

In addition to the 4,000 commissions which were issued by Governor Fisher during the course of the strike to the coal companies to be used by the coal and iron policemen in the State of Pennsylvania—

This man Lyster, who so recently committed this crime, was one of these coal and iron police not under the jurisdiction of the State of Pennsylvania, but answerable only to the Pittsburgh Coal Co.

I want to call attention of the Senate to the evidence that was produced before the committee with reference to some of the things which went on in addition to this brutal murder. I quote further from Mr. Murray:

I speak with special reference to a strike breaker imported from the State of Georgia by the Pittsburgh Coal Co. On the third day after he arrived in camp he broke into a farmhouse, the farmer being absent, and ravished the wife of the farmer, killed her, and is now serving a 15-year sentence in the Western Penitentiary.

Also, with particular reference to a 15-year-old girl, who was abducted by a coal and iron policeman in the employ of the Pittsburgh Coal Co. at Arnold, and kept forcibly in the barracks of the coal and iron police at Arnold for five days without her family knowing where she was.

The members of the committee went out there and heard testimony not only of the mother of this girl, but likewise of reputable citizens of the community. While she was away she was brutally assaulted, the matter finally being brought to the attention of the Fayette County court, and a rather heavy sentence was imposed upon the coal and iron policeman.

Then our attention was called to an incident that occurred—

where 300 shots from high-powered rifles were poured into the barracks of striking miners at Bruceton, many of them penetrating the walls and others going through the windows of the public school in that community, housing some 300 miners' children who were in attendance on the school at the time of the shooting.

Then there was the record of the case—

of a 10-year-old girl who was taken from her home by a man named Stewart, at house 122, at Coverdale, Allegheny County, Pa., the property now of the Pittsburgh Terminal Coal Corporation; and that this young girl, a child, in fact, was assaulted by the strike breaker who had been imported from West Virginia. The child afterwards being brought to the home of Doctor Scott, where she underwent an examination and the doctor submitted a report showing that she had been raped.

A coal and iron policeman by the name of Sergeant Manney arrested Stewart and informed the company's office in charge of Vice President George Osler, of the Pittsburgh Terminal Coal Co., and also passed the information over to the captain of the coal and iron police, Mr. Freeman, that they had in custody a man named Stewart, a strike breaker, who had assaulted a young girl 10 years of age at house 122, Coverdale, and asking for advice as to what they ought to do. The said officer advised Sergeant Manney that under no circumstances should the public get to know that their strike breakers were committing crimes of this kind. They suggested, however, that he be arrested as a suspicious character.

Accordingly, the man was brought to the office of Squire Edmondston, at Mount Lebanon, Allegheny County, and charged with being a suspicious person. There he was fined $1 and costs and allowed to go.

Mr. President, these are just a very few of the numerous hideous crimes that have been committed by the coal and iron police in the Pittsburgh coal district, many of them by coal and iron police working for the Mellon interests, and, notwithstanding the protests from the pulpit by ministers in those communities, notwithstanding the fact that the leading citizens in those communities protested, the coal and iron police still were kept on duty by Mr. Mellon and his company, until there resulted, as I said a moment ago, the heinous crime, the account of which I read from the Pittsburgh newspaper.

It may be said that Mr. Mellon is not responsible for the coal and iron police system in Pennsylvania which has led to these frightful crimes, but let me call attention to the fact that at the present time the Legislature of the State of Pennsylvania has under consideration a bill to do away with the coal and iron police. I do not think that there is anybody on the other side of the aisle who will question that Mr. Mellon dominates the Legislature and the Republican Party of the State of Pennsylvania, and all Mr. Mellon would have to do would be to say to the legislature, "We want to do away with this system"——

Mr. MOSES. Mr. President——

Mr. WHEELER. I will yield in just a few moments. All he would have to do would be to say, "We want to do away with this system and to turn the police power of the State over to the State authorities, where it belongs," and it would be done. But, on the contrary, the Mellon interests, which dominate the State of Pennsylvania and the Republican Party in that State, are insisting and have been insisting that they should have control of the police force in these matters.

The president of the Pittsburgh Coal Co. issued a statement a short time ago in which he said he would not have any particular objection to abolishing the coal and iron police provided the police authorities of the State of Pennsylvania would take care of the liquor traffic. In other words, Mr. Mellon, who is the Secretary of the Treasury of the United States and under whose jurisdiction is the Prohibition Bureau for enforcing the prohibition law, apparently is unable to enforce the liquor laws in his own State of Pennsylvania and in his own coal camps without the aid of these coal and iron police, whose salaries are paid by the companies and who are answerable only to the Mellon company, or else he has not made any attempt to do so. I now yield to the Senator from New Hampshire.

Mr. MOSES. Mr. President, I do not want to take the Senator off the floor. I wanted to ask if he would yield to an interlude the purpose of which I am sure has his sympathy, and with the understanding that he may resume the floor at its conclusion.

Mr. WHEELER. I am going to yield the floor in just a moment.

Mr. MOSES. Very well.

Mr. WHEELER. The reason why I wanted to call these matters to the attention of the Senate was because of the fact that I feel the country ought to know something of what has been going on in the coal fields in Pennsylvania. They ought to know the kind of man whom they are going to have for the next four years as the Secretary of the Treasury of the United States. All during the investigations which have been conducted by the Interstate Commerce Committee never once has the Pittsburgh Coal Co., or Mr. Mellon, or any of his interests ever offered one single constructive idea to the committee to help it in its deliberations, but, on the other hand, his interests have constantly come before the committee denouncing everyone else, but never offering, I repeat, one constructive idea. I should like to direct the attention of the Senate and the country to many other aspects of this investigation, but feel that as the time is short I do not want to interfere in the closing hours of the session of important legislation which is pressing for consideration. I hope the legislature will act to do away with this system. The people of Pennsylvania should be interested; the people of the Nation are interested, as it affects us all. It is a violation of the fundamental principles upon which this Government is instituted.

Mr. REED of Pennsylvania subsequently said: Mr. President, I understand that during the last two or three hours a number of references have been made to conditions in the mining regions of Pennsylvania.

I understand also that discussion has been had at great length about the functioning of the present provisions of law with regard to the Joint Committee on Internal Revenue Taxation, and the submission of details as to the refund of taxes to that committee.

I understand also that rather extensive attacks have been made upon the present Secretary of the Treasury with regard to those refunds.

All of these matters, Mr. President, are matters upon which I would like to address the Senate, but, so that the RECORD may not be misunderstood when read in the future, I would like to say that at the present time we are engaged in a last effort to reconcile the differences between the House and Senate conferees on the Army promotion bill, and I regard that effort as more important than any attempted eloquence on my part on these various subjects that have been under debate here.

I am making this statement now so that it may not seem that by silence I have acquiesced in the remarks which have been made.

CALLING OF THE ROLL

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Edwards	King	Sheppard
Barkley	Fess	McKellar	Shortridge
Bayard	Fletcher	McMaster	Simmons
Bingham	Frazier	McNary	Smith
Black	George	Mayfield	Smoot
Blaine	Gerry	Metcalf	Steck
Blease	Glass	Moses	Steiwer
Borah	Glenn	Neely	Stephens
Bratton	Goff	Norbeck	Swanson
Brookhart	Gould	Norris	Thomas, Idaho
Broussard	Greene	Nye	Thomas, Okla.
Bruce	Hale	Oddie	Trammell
Burton	Harris	Overman	Tydings
Capper	Harrison	Pine	Tyson
Caraway	Hastings	Pittman	Vandenberg
Copeland	Hawes	Ransdell	Wagner
Couzens	Hayden	Reed, Mo.	Walsh, Mass.
Curtis	Heflin	Reed, Pa.	Walsh, Mont.
Dale	Johnson	Robinson, Ark.	Warren
Deneen	Jones	Robinson, Ind.	Waterman
Dill	Kendrick	Sackett	Watson
Edge	Keyes	Schall	Wheeler

Mr. SCHALL. I wish to announce that my colleague [Mr. SHIPSTEAD] is still very ill and unable to be here. I ask to have this announcement stand for the day.

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

RECESS

Mr. WATSON (at 2 o'clock and 37 minutes p. m.). I move that the Senate take a recess for a period not exceeding 30 minutes.

The VICE PRESIDENT. The question is on the motion of the Senator from Indiana.

The motion was agreed to, and a recess was taken.

PRESENTATION OF SILVER TRAY TO THE VICE PRESIDENT

Mr. ROBINSON of Arkansas. Mr. President, the Senate has paused during a very busy session to pay respect to its Presiding Officer, who is about to retire.

The functions of a presiding officer in any legislative assembly are in some respects quasi-judicial. This is substantially true of the duties of the President of the Senate of the United States. He is frequently called upon to construe the rules of this body in cases where sharp conflicts arise respecting their true application.

Every Senator knows the difficulty in harmonizing Senate precedents, many of them having been made by majority vote of the Senate in legislative emergencies and in times of excitement.

Mr. President, during the four years that you have served as Vice President, no instance is recalled in which your decision has been reversed on appeal by vote of the Senate. In this respect the record is without parallel. Remembering that on numerous occasions during these four years this Chamber has been the scene of fierce debates, participated in by skilled parliamentarians, it is surprising that you, being without judicial experience, have avoided successful challenge for error in decision.

It must be pleasing to you in this hour to be assured by one charged with some degree of responsibility by the Senators opposed to the political organization with which you have affiliated that only unlimited confidence in your impartiality has made such a triumph, such a record, possible.

No mere intelligence, however great, if influenced by partisan or personal favoritism, could produce such conclusive evidence of the respect and good will of the Democrats and Republicans with whom you have worked during the last four years.

Fairness and promptness have marked your conduct. Firmness and justice have characterized your decisions. This declaration is believed to express the conviction of every Senator.

To the tribute respecting the high standard of your official conduct, another should be added—a tribute which can not fail to inspire in your own breast sentiments of pride and gratification. You enjoy the friendship, the affectionate esteem, of all with whom you have been associated here—Members, officials, and employees of the Senate.

Clarity of thought, generosity of disposition, and decisiveness are indeed a fortunate combination of traits which have endeared you to us all.

Success in the realm of business had already crowned your efforts before you were elected Vice President of the United States. Following the World War, in which you served with distinction and courage, the Dawes Commission, of which you were permanent chairman, performed a service of distinct and permanent value to the world, and particularly to the nations of Europe.

As a present proof and a future reminder of the sentiments so imperfectly expressed in these remarks, the Members of the Senate, every one of them, have cheerfully contributed to a gift which is both useful and beautiful.

We present to you a silver tray, selected with especial thought of Mrs. Dawes, whose charm and modesty have won the love of everyone in official life in Washington, as well as of thousands in other spheres. [Applause.]

Mr. MOSES. Mr. President, the period of parting which is inseparable from public life comes here to us again, and with it brings a feeling of sadness which we do not attempt to disguise.

There is, to be sure, some sense of satisfaction as we reflect upon the friendships engendered by association here, upon the tasks in which we have been permitted to share, and upon the accomplishments which we have produced for the good of our country. These reflections of satisfaction, sir, will rest in our minds as we think of you, as we shall often in the days when you have gone from us in this Chamber.

We are not willing that the matter should rest in memory alone. We wish you to have from us a symbol of the affection and esteem with which we regard you and shall continue to regard you. We ask you, therefore, to take with you this gift, the glad offering of all the Members of the Senate. Let it be to you a reminder of those associations which the thought of the years, we trust, may make more tender and strong, and with it we ask you to take our warmest and constant wishes for length of years, infinity of happiness, and renewed opportunities for public service such as you have always rendered, and in which the fine and endearing qualities which have so cemented our friendships here shall be a signal element in all the years which remain to you. [Applause.]

The Chief Clerk (Mr. John C. Crockett) read the response of the Vice President, as follows:

Senators, I had intended to reply personally, but I find that I can not trust myself to do it.

My dear friends, you have done a very generous and kindly act. You have done me a great honor. I thank you from the bottom of my heart.

The Senate was called to order by the Vice President at 2 o'clock and 50 minutes p. m.

Mr. FESS. Mr. President, I move that the proceedings during the period of the recess be made a part of our record.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed the following bills of the Senate:

S. 264. An act for the relief of Margaret I. Varnum;

S. 4237. An act for the relief of Antoine Laporte, alias Frank Lear;

S. 5512. An act to provide recognition for meritorious service by members of the police and fire departments of the District of Columbia;

S. 5730. An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458);

S. 5843. An act to provide for the relocation of Michigan Avenue adjacent to the southerly boundary of the United States Soldiers' Home grounds, and for other purposes; and

S. 5860. An act to authorize the Secretary of Commerce to dispose of the marine biological station at Key West, Fla.

The message also announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 17122. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at Entiat, Wash.; and

H. J. Res. 434. Joint resolution to appoint Homer W. Hall a member of the subcommittee of the Committee on the Judiciary established under House Joint Resolution 431 to inquire into the official conduct of Grover M. Moscowitz, United States district judge for the Eastern District of New York.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 5045. An act authorizing Jed P. Ladd, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.;

S. 5332. An act to enable the mothers and widows of the deceased soldiers, sailors, and marines of the American forces now interred in the cemeteries of Europe to make a pilgrimage to those cemeteries;

S. 5493. An act relating to the construction of a chapel at the Federal Industrial Institution for Women at Alderson, W. Va.;

S. 5677. An act to amend section 2 of the act, chapter 254, approved March 2, 1927, entitled "An act authorizing the county of Escambia, Fla., and/or the county of Baldwin, Ala., and/or the State of Florida, and/or the State of Alabama to acquire all the rights and privileges granted to the Perdido Bay Bridge & Ferry Co., by chapter 168, approved June 22, 1916, for the construction of a bridge across Perdido Bay from Lillian, Ala., to Cummings Point, Fla.";

S. 5758. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Kansas City, Kans.;

S. 5824. An act granting the consent of Congress to the State of Illinois to construct a bridge across the Little Calumet River at or near Ashland Avenue, in Cook County, State of Illinois;

S. 5825. An act extending the times for commencing and completing the construction of a bridge across the Mississippi River at or near Arkansas City, Ark.;

S. 5834. An act authorizing the construction of a bridge across the Missouri River near Arrow Rock, Mo.;

S. 5835. An act authorizing the construction of a bridge across the Missouri River near St. Charles, Mo.;

S. 5836. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.;

S. 5837. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Miami, Mo.;

S. 5844. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, State of Iowa;

S. 5845. An act granting the consent of Congress to the Kentucky & Ohio Terminal Co., its successors and assigns, to construct, maintain, and operate a railroad bridge across the Ohio River near Cincinnati, Ohio;

H. R. 349. An act to supplement the naturalization laws, and for other purposes;

H. R. 2425. An act for the relief of Annie McColgan;

H. R. 4244. An act for the relief of Joseph Lee;

H. R. 4265. An act for the relief of certain officers and former officers of the Army of the United States, and for other individual claims approved by the War Department;

H. R. 5995. An act for the relief of John F. O'Neil;

H. R. 6698. An act for the relief of William C. Schmitt;

H. R. 6705. An act for the relief of Clotilda Freund;

H. R. 7174. An act granting compensation to William T. Ring;

H. R. 8401. An act for the relief of Jackson Mattson;

H. R. 8691. An act for the relief of Helen Gray;

H. R. 9396. An act to compensate Eugenia Edwards, of Saluda, S. C., for allowances due and unpaid during the World War;

H. R. 10274. An act for the relief of Commander Francis James Cleary, United States Navy;

H. R. 10321. An act for the relief of B. P. Stricklin;

H. R. 10431. An act to amend section 101 of the Judicial Code, as amended;

H. R. 10912. An act to reimburse or compensate Capt. John W. Elkins, jr., for part of salary retained by War Department and money turned over to same by him;

H. R. 11339. An act for the relief of the estate of C. C. Spiller, deceased;

H. R. 12255. An act for the relief of Martha C. Booker, administratrix of the estate of Hunter R. Booker, deceased; H. H. Holt; and Annie V. Groome, administratrix of the estate of Nelson S. Groome, deceased;

H. R. 12475. An act for the relief of Alfred L. Diebolt, sr., and Alfred L. Diebolt, jr.;

H. R. 13440. An act for the relief of Howard P. Milligan;

H. R. 13734. An act for the relief of James McGourty;

H. R. 13801. An act for the relief of John Bowie;

H. R. 14022. An act for the relief of Felix Cole for losses incurred by him arising out of the performance of his duties in the American Consular Service.

H. R. 14089. An act for the relief of Dale S. Rice;

H. R. 14583. An act for the relief of A. Brizard (Inc.);

H. R. 14728. An act for the relief of J. A. Smith;

H. R. 15387. An act to amend the act of February 9, 1907, entitled "An act to define the term 'registered nurse' and to provide for the registration of nurses in the District of Columbia";

H. R. 16082. An act to authorize the disposition of unplatted portions of Government town sites on irrigation projects under the reclamation act of June 17, 1902, and for other purposes;

H. R. 16089. An act for the relief of Elizabeth Quinerly Cummings;

H. R. 16090. An act for the relief of Hugh Dortch;

H. R. 16122. An act for the relief of E. Schaaf-Regelman;

H. R. 16209. An act to enable the Rock Creek and Potomac Parkway Commission, established by act of March 4, 1913, to make slight changes in the boundaries of said parkway by excluding therefrom and selling certain small areas, and including other limited areas, the net cost not to exceed the total sum already authorized for the entire project;

H. R. 16342. An act for the relief of Clyde H. Tavenner;

H. R. 16535. An act authorizing the Secretary of War to execute a satisfaction of a certain mortgage given by the Twin City Forge & Foundry Co. to the United States of America;

H. R. 16666. An act for the relief of Katherine Elizabeth Kerrigan Callaghan;

H. R. 16839. An act to provide for investigation of sites suitable for the establishment of a naval airship base;

H. R. 16982. An act authorizing J. E. Robinson, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Tombigbee River at or near Coffeeville, Ala.;

H. R. 17007. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Hickman, Ky.;

H. R. 17026. An act granting a part of the Federal building site at Savannah, Ga., to the city of Savannah for street purposes;

H. R. 17060. An act to readjust the commissioned personnel of the Coast Guard, and for other purposes;

H. R. 17075. An act to extend the times for commencing and completing the construction of a bridge across the Red River of the North at Fargo, N. Dak.;

H. R. 17101. An act to accept the cession by the State of Colorado of exclusive jurisdiction over the lands embraced within the Rocky Mountain National Park, and for other purposes;

H. R. 17127. An act to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near Croton, Iowa;

H. R. 17140. An act to extend the times for commencing and completing the construction of a bridge across the Mahoning River at or near Warren, Trumbull County, Ohio;

H. R. 17141. An act to extend the times for commencing and completing the construction of an overhead viaduct across the Mahoning River at or near Niles, Trumbull County, Ohio; and

H. R. 17185. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. SMOOT submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on Senate amendment numbered 39, as amended, to the bill (H. R. 15089) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1930, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, as amended, and agree to the same with an amendment as follows: In lieu of the matter stricken out and the matter inserted, insert the following: "or by condemnation under the provisions of the act of August 1, 1888 (U. S. C., p. 1302, sec. 257), whenever, in the opinion of the Secretary of the Interior, acquisition by condemnation proceedings is necessary or advantageous to the Government, such condemnation proceedings not to be resorted to for acquisition of lands in Acadia, Glacier, Grand Canyon, Great Smoky, Hot Springs, Platt, or Yellowstone National Parks not leased to others but occupied by the owner and used exclusively for residence or religious purposes by such owner"; and the Senate agree to the same.

REED SMOOT,
CHARLES CURTIS,
HENRY W. KEYES,
WM. J. HARRIS,
KENNETH MCKELLAR,
Managers on the part of the Senate.

LOUIS C. CRAMTON,
FRANK MURPHY,
EDWARD T. TAYLOR,
Managers on the part of the House.

Mr. SMOOT. Mr. President, the report is generally approved in the Senate, and I ask for its immediate consideration. If the matter leads to any discussion at all I assure the Senator from Wyoming [Mr. WARREN] that I will ask that it be laid aside.

Mr. WALSH of Montana. Mr. President, I wish the Secretary would read the substitute offered for amendment No. 39.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk read as follows:

In lieu of the matter stricken out and the matter inserted, insert the following: "or by condemnation under the provisions of the act of August 1, 1888 (U. S. C., p. 1302, sec. 257), whenever, in the opinion of the Secretary of the Interior, acquisition by condemnation proceedings is necessary or advantageous to the Government, such condemnation proceedings not to be resorted to for acquisition of lands in Acadia, Glacier, Grand Canyon, Great Smoky, Hot Springs, Platt, or Yellowstone National Parks not leased to others but occupied by the owner and used exclusively for residence or religious purposes by such owner."

Mr. WALSH of Montana. Mr. President, while the solution arrived at by the committee of conference is by no means entirely agreeable to me, I feel constrained to withdraw any further opposition, and to consent, so far as I myself am concerned, to the adoption of the report as requested by the chairman of the conference committee on the part of the Senate.

Mr. COPELAND. Mr. President, will the big trees be taken care of by this compromise? I wish to make certain that those who are interested in that matter will be entirely satisfied.

Mr. SMOOT. That is the case.

Mr. WALSH of Montana. The report gives the Secretary full power and authority to condemn any land within any of the parks, except those used exclusively for residence or religious purposes.

Mr. COPELAND. And on none of the lands to be exempted, as indicated, are the trees to which I have referred located?

Mr. WALSH of Montana. They are not. Moreover, Mr. President, certain reservations only are specified in the amendment, not including the Yosemite.

The PRESIDING OFFICER (Mr. MCNARY in the chair). The question is on agreeing to the conference report.

The report was agreed to.

FRENCH POLITICS IN THE WAR FOR AMERICAN INDEPENDENCE

Mr. REED of Missouri. Mr. President, I ask unanimous consent to have inserted in the RECORD an account by General von Below in which he deals with the relations of the French Government to the American Revolution, and analyzes the connection of General Lafayette with the Revolutionary War. I regard this as a very interesting and fine analysis, and a splendid compilation of historical data.

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

FRENCH POLITICS IN THE WAR FOR AMERICAN INDEPENDENCE AND THE LEGEND OF LAFAYETTE

By Gen. Baron Hans von Below

In Geneva, where the League of Nations now confers as to how to establish "permanent peace" in the world, and at the same time is insisting upon the complete fulfillment of the treaties dictated by force resulting from the great World War, some of the delegates of different nations have already found the problems very difficult to solve, and some of them have even resigned from the league to avoid further complications.

The league has tried persistently to induce the United States to take part in their problems, but the latter, so far, has resisted these pressing invitations. What vital interest has America in the solution of century-old problems which still divide, and always will divide, European nations? The further America keeps herself from European politics the more advantageous for her mercantile and economic prosperity!

Flattering inducements are not wanting to tempt her to forsake her chosen way.

Blood shed together in a united cause on the battle fields of France, and further back the support of France in the Revolutionary War, are brought forward as cogent and compelling claims, which go so far as to demand the cancellation of debts contracted from America even before her entry into the war. France did not cease during and after the war to send generals and statesmen to the United States in order to influence the American masses in favor of her politics.

Speeches and articles of various orators and newspapers really create the impression that France and Lafayette had been the redeemers of America, and that France, unselfishly and solely to rescue America, had entered the Revolutionary War.

One can have full sympathy with another country, but one should not color the facts of the world's history. Politics should be of the head rather than from the heart. The great leaders of the American Revolution persistently followed this principle. They dedicated themselves to the welfare and freedom of their country. They utilized every material and intellectual means and took advantage of all political groups and affiliations, no matter how conflicting. It would be equivalent to belittling those great and clever men if one would accept the hard-fought-for liberty of America as a present of another nation.

History is a great teacher, and, therefore, it seems proper to investigate whether foreign political propaganda has not already begun to warp and prejudice the judgment of the American people. With the discovery of the new world and the new waterways great conquests and world colonizations began. The most powerful and intellectual nations, according to their strength and the need of emigration for their surplus populations, divided the parts of the world inhabited by uncivilized races. This century-old process has not yet ceased and will lead to further international complications following the usual course of history. When a colony has succeeded in establishing for itself, after hard struggles, a certain independence and prosperity, it is not inclined to resign the fruit of its labors to others. Such a newly created land has the natural desire for self-government. Therefore the whole of America, with the exception of small colonies, made themselves independent. Only Canada depends still partially on the motherland. The wish for self-government has had a large share in the establishment of the British Dominions. By means of the humiliating peace of Paris in 1763, France lost Canada and all her territories west of the Mississippi, and was restricted to a few small islands in the Caribbean. England had driven her old hereditary enemy from the shores of America. The effects of this peace are still perceptible to this day. After France was forced by England to abandon colonization in America, she felt compelled to seek other fields in Africa and in Asia.

As France, a century later, made her advance in the Sudan diplomatic entanglements, including those of Fashoda, nearly led to war. These difficulties were adjusted by secret treaties which gave England free hands in Egypt, and France in Morocco and Tunis. The two colonial rivals will find further entanglements in spite of the League of Nations, for altruistic phrases in politics serve only as means of

propaganda for the masses and will not do away with complications of vital interests for nations. Everywhere in politics the "sacred egoism" peers through.

It is a historical fact that General Washington had his first experiences of war in the combat against France and her savage allies, the Indians, "spreading terror and desolation, when both invaded the western borders of Virginia." (Bancroft's Life of Washington, p. 23.) Franklin published a pamphlet, wherein he proved how dangerous it would have been had France been able to keep Canada with the unrestricted possession of the fur trade, and been able to provide her savage subjects with firearms. After the war of seven years concluded in 1763, the exchequer of England was exhausted, and she considered new taxations of her colonies as the best means of improving her finances. With this began her pressure upon the American Colonies. This pressure is too well known to need explanation. At first the Colonies had no intention of separating themselves from England; only as the pressure became always stronger and violated the self-respect of the Colonies, the latter determined on open resistance. It was a process which had to come, but which was hastened by the mistaken politics of England. There were men in England who foresaw the danger of such treatment of the Colonies, among them the elderly William Pitt especially. In his speech, which caused the withdrawal of the stamp act, he cried out prophetically, "Will you throw yourself in civil war now, while the whole house of Bourbon has united against you?"

France wished to upset the peace treaty of 1763. The reconquest of her former possessions in North America from her base in the West Indies, also the desire to weaken her hereditary foe, England, was the aim of France. With joy France saw how the conflict between England and her colonies grew. As long as this conflict did not promise an ultimate success of the colonies, the weakened forces of France did not allow her to take an active part. France could only aid the Colonies surreptitiously and endeavor to form, through secret negotiations, an alliance with Spain, which, through the loss of Gibraltar, would make her the natural ally against England.

This secret attitude of France can be dated from March, 1776, when Comte de Vergennes, Minister of Foreign Affairs of Louis the Sixteenth, received an optimistic report of the progress of the American Revolution. He influenced his King and also Spain for the secret support of the revolution and, in fact, Louis the Sixteenth authorized Beaumarchais to make the first loan of 1,000,000 livres to America; Spain followed and further credits were arranged. The banking house Hortaley & Co. in 12 months sent eight shiploads with all possible material of war, in part from the royal arsenals, to America. The royalist France did not dream of assisting a thoroughly republican movement as was that in America; such tendencies were against the, at that time, absolutism of France, and the precise policy pursued by the French Government toward the United States from 1776 on was shaped, not by philosphers but by professional diplomats. * * *

The principal foundation of England's might lay in her trade and maritime power. Were the American colonies lost, England would be bereft of the principal sources of her greatness, while, at the same time, the power of her adversary, the house Bourbon with its ambitions to enlarge its American colonies, would be increased. France's prestige had suffered through the aforesaid treaty of 1763; at the same time she had lost an amount of her influence in European politics. To reconquer her former power it was to her interest to weaken the position of England. After the French revolution, Napoleon resumed this policy and ended in St. Helena, a British island.

France foresaw that England's victory in the revolution would probably cost her the remainder of her western possessions, and would exclude her from further colonization in America. On the contrary, should the United States win, England's power would be considerably weakened. These considerations influenced the political decision of France, as she avowedly came to the side of America in the great contest against her historical foe, only when the first great victory of the United States at Saratoga, October, 1777, seemed to increase the prospect of a successful issue of the American arms.

The patriots of that time judge the French politics dispassionately. When Franklin in 1770 became aware that the French began to formulate a plan whereby France and Spain should foster discontent among England and her colonies, he wrote with reference to the French minister's Choiseul policy, "that the intriguing nation would like very well to blow up the goals between Britain and her colonies, but I hope we shall give them no opportunity."

The 1st of March, 1776, John Adams, speaking in Congress, cried out:

"Is it in the interest of France to stand neutral, to join Britain, or to join with the colonies?

"Is it not in her interest to dismember the British Empire?

"Will her dominions be safe if Britain and America remain connected?

"Can she preserve her possessions in the West Indies?

"In case a reconciliation took place between Britain and America would not all her islands be taken from her in six months?"

There exists a document by Comte de Vergennes, dated on the 13th of January, 1778, at a time when the United States had already fought for three years and had been successful by the surrender of Bourgoyne at Saratoga. In it he announces that now, while England tried to come to an understanding with the United States, there were two courses for the French politics—either to renounce any further support for America or enter the war at her side against England. In the first case he believed if America would come to an understanding with England it would probably mean the continual enmity of America against France. Such a union between the United States and England would probably deprive France of her West Indies and would destroy her entire commerce with those colonies.

For this reason Vergennes draws the conclusion that the glory, the dignity, and the great interest of France in the West Indies demanded that France should come out openly on America's side, so "that their independence should be her work."

Vergennes continues: "The advantages which will result are innumerable; we shall humiliate our natural enemy, a perfidious enemy, who never knows how to respect treaties or the rights of nations; we shall divert to our profit one of the principle sources of her opulence; we shall extend our commerce, our fisheries; we shall insure the possession of our islands; and, finally, we shall reestablish our reputation and shall resume amongst the powers of Europe the place which belongs to us * * * that whatever assistance we give the Americans, it will be equivalent to a declaration of war against Great Britain, and, second, that when war is inevitable, it is better to be beforehand with one's enemy than to be anticipated by him."

Thus France was to espouse the American cause and used for that purpose all her power, even if Spain should refuse to join her. In Beaumarchais Oeuvres complètes (Paris, 1835) exists a document which shows how England's threats against France influenced the stand of Vergennes. This French document says:

"What must the King (Louis XVI) have said to the last words of the idol and oracle of the British nation, Lord Chatham, who dragged himself to Parliament, there to expire exclaiming, "Peace with America and war with the House of Bourbon."

The King, well informed of the plan of the court of London and of the preparations which were the consequence of it, perceived that no more time was to be lost if he would prevent the design of his enemies. So Louis XVI and his minister, Vergennes, saw that France should lose no more time in bringing to naught the plans England had directed against her. All these considerations led to the alliance of France with the United States and to war between England and France.

These are historical facts, which are decidedly in contradiction with the allegation that the France of that time had entered the Revolutionary War only out of unselfish and idealistic motives to assist America in her struggle for freedom. Propaganda pamphlets, such as were widely distributed in America in 1917 to this effect, are comprehensible on account of the situation of that time, but are not in accord with historical facts.

The further politics of France, after the change of her constitution from monarchy to republic, was by no means friendly to America and almost led to war. When France, in 1798, challenged the United States by aggressive actions the Congress selected Washington again as commander in chief in the event of war with France. In spite of his 66 years Washington decided, after negotiations, to accept the post offered in case of necessity. He expressed himself to Colonel Hamilton: "I can not make up my mind yet for the expectation of open war; or, in other words, for a formidable invasion by France. I can not believe—although I think her capable of anything—that she will attempt to do more than she has done."

In June, 1798, he wrote to the President accepting the command in case of war. In this letter he writes about the French: * * * "for I can not bring it to believe, regardless as the French are of treaties and of the laws of nations, and capable as I conceive them to be of any species of despotism and injustice, that they will attempt to invade this country." In a further letter to President Adams, Washington expresses himself: "The conduct of the director toward our country; their insidious hostility to this Government, their various practices to withdraw the affection of the people from it, the evident tendency of their arts and those of their agents to countenance and invigorate opposition, their disregard of solemn treaties and the laws of nations, their war upon our defenseless commerce, their treatment of our ministers of peace, and their demands amounting to tribute, could not fail to excite in me sentiments corresponding with those my country has so generally expressed in their affectionate address to you." (Bancroft, Washington, p. 198–200.)

One sees the American statesman of that time judged the French politics very differently from those modern orators and politicians, who tried to subvert the facts of history to suit their propaganda service. People should learn and not forget how the great statesmen and patriots of the Revolutionary time judged the real events. The cooperation of the French army and navy forces in the Revolutionary

War shows how even this participation was influenced by political considerations.

In fact the mutual operations of the United States and France often threatened to be shipwrecked. Only thanks to the tact and the wisdom of Washington, equally great as statesman and as general, the many frictions were overcome. He knew only one aim, and that was the accomplishment of the independence of his country, and this aim he followed in spite of many disappointments.

The first French fleet to support the mutual cause, consisting of 12 ships of the line and 5 frigates, with 834 cannon and a transport of 4,000 men, arrived on the 15th of April, 1778, on the Capes of Deleware under command of Comte d'Estaing. On board of his flagship traveled the French minister Gerard.

Washington had sent emissaries on board the flagship to communicate to d'Estaing plans for their mutual operations.

The English admiral, Lord Howe, who had transported Clinton's army to New York, anchored with his fleet south of Hook, across the narrow strip. He could oppose d'Estaing only with 9 ships, mounting 534 cannons. D'Estaing cast anchor opposite him and could not decide to attack the English Fleet. Greene (p. 150) says of this maneuver: "Mahan intimates that with Nelson or Farragut in d'Estaing's place, the result might have been very different. It is probable that if d'Estaing had smashed the British Fleet in New York and united his 4,000 soldiers with those of Washington on the north side of the Harlem River, Clinton's army would have been caught like rats in a trap and not a man would have escaped."

D'Estaing agreed now with Washington's emissaries a common action against Newport. Washington detached at once new formations of troops there, but they could only arrive 10 days after d'Estaing. The latter sailed on the 8th of August, 1778, in the Narraganset Bay to land his troops to unite with those of Washington.

When Lord Howe sailed after him with the English Fleet, d'Estaing decided to accept battle, but contrary to the protest of the American general, Sullivan, he did not land his 4,000 men but took them with him. A storm terminated the action of the opposing parties. The English returned to New York and d'Estaing to Newport.

The two land divisions were commanded by Lafayette and Greene. Both had urged d'Estaing to land his troops, but he refused and sailed with his ships and troops to Boston to repair his fleet. This attitude of the French admiral created bad blood. Washington, with his usual tact and calm reflection, tried, in the interest of the great cause, to smooth the irritated spirits. General Sullivan had issued an order to his troops expressing hope that America would be "able to procure with her own arms that which her allies refused to assist her in obtaining." (Greene, p. 152.) The consequence of this attitude of d'Estaing was that 5,000 men of Sullivan's militia left the service and went home, after hope for the expedition had failed. Sullivan's remaining troops retired on Washington's order.

D'Estaing, after having repaired his ships, sailed together with his 4,000 men to Martinique, West Indies.

Lord Howe sent at the same time 5,000 men to Santa Lucia. This meant renewing the old struggle between France and England for the West Indies.

Green asserts in his book that the French minister Gerard has probably influenced d'Estaing in his decisions. The French forces could have helped to finish the war for America, but it seemed that a quick termination of the war, without a French reconquest of Canada was not in the interest of French politics.

In October, 1778, Lafayette himself proposed the reconquering of Canada, and it seems that Congress favored the plan. The sober and clear judgment of Washington convinced its advocates that it was impossible. Therefore the plan was abandoned. In his far-sighted letter, dated November 14, 1778, Washington wrote:

"It is a maxim, founded on the universal experience of mankind, that no nation is to be trusted further than it is bound by its interests." Greene (p. 155) characterizes these words with "as true and as significant to-day as the day they were written."

The war continued. Washington turned to Gerard, to his successor and to d'Estaing himself, in order to persuade the latter to an operation against New York. All efforts were in vain. D'Estaing pursued his own war in the West Indies and the South. Finally, in October, 1779, he besieged Savannah, then held by the British, and after his attack was repulsed and he himself wounded, he sailed with his whole fleet and all his troops back to France.

Lafayette had returned to France in January, 1779. His presence in France signified a diplomatic mission of Washington. Together with Franklin he influenced the politics of Louis XVI in such a manner that France sent off another expedition, with the express orders to submit themselves to Washington. The French fleet was under the command of Rochambeau and consisted of seven vessels with a transport of 6,000 men, fully six regiments. This fleet landed at Newport on the 10th of June, 1780. The newly arrived Lafayette was sent to Rochambeau by Washington with written instructions for a mutual operation against New York.

An English fleet appeared before Newport and blockaded the French. A transport of 6,000 men under Clinton followed the English fleet to attack Newport.

Rochambeau thought himself menaced and begged Washington for aid to protect his 6,000 men. At once some thousand militiamen were sent to him from Rhode Island. These French troops of Rochambeau not only did not help the Americans in 1780 but, on the contrary, had to be protected by them.

Washington marched with his army to Kings Bridge. This clever maneuver forced Clinton to return with his troops to New York.

Only after Clinton had withdrawn from Newport the American militia could be sent home.

The far-sighted plan of Washington was based on the mastery of the seas, to cut off the English from their connections.

Though a big French fleet lay in the West Indies, Washington succeeded only in 1781 to put through his plan.

Rochambeau remained 11 months inactive at Newport.

During this time the United States ran risk of becoming exhausted, as they lacked everything. Mutinies broke out. Discontent manifested itself at the inactivity of the French ally.

In smoothing over these frictions Washington's talents were clearly shown.

At the request of Washington the Congress sent Washington's aide-de-camp, Colonel Laurens, to France to persuade Comte de Vergennes to make a loan of 6,000,000 francs in cash and two and one-half millions in war materials. This financial assistance was more valuable than that rendered by the French troops during the war. These debts were fully paid to France later by the struggling young Republic, without even a suggestion for a reduction or a thought of cancellation.

On the 22d of ———, 1781, Washington was informed that the French West Indies fleet under Comte de Grasse should unite with Rochambeau for a cooperation under Washington's orders.

This was the result of Franklin's and Lauren's diplomatic efforts at Paris. During the three years of alliance the help of France had chiefly consisted in moral and financial aid.

Washington arranged now at once with Rochambeau to march against New York.

Washington joined Rochambeau at White Plains. Previous to the appearance of the de Grasse's fleet before New York Washington could not undertake the attack against Clinton. As Washington learned that de Grasse had sailed with 29 vessels and more than 3,000 men for the Chesapeake Bay, he took the ingenious decision to abandon the operation against New York and to launch a blow against Cornwallis.

Finally the great moment had arrived for which Washington had waited so long.

As quickly as his decision was taken as quickly it was carried out. Comte de Grasse, contrary to the procedure of d'Estaing, landed his troops before attacking the English fleet to dispute the possession of the Chesapeake Bay. With the masterful operations of Washington against Cornwallis the military events of the war were terminated. After the surrender of Cornwallis Washington tried to persuade de Grasse to an operation against New York and the South. It was in vain. De Grasse insisted on returning to the West Indies. Washington remained at Williamsburg. Lafayette returned to France.

With this ended the participation of the allied French troops with the Americans.

The victory of Yorktown was the merit of Washington.

In 1905 the United States Senate published a list of the French combatants in the Revolutionary War. According to its declaration, the greatest number of French troops which had landed consisted of 8,400 men. The losses of these troops were at Savannah under d'Estaing, 637; and 186 under Rochambeau at Yorktown; 100 of the latter French losses were the result of the vigorous sortie Cornwallis made from Yorktown on the 16th of October, three days before his negotiations for surrender began.

This historical record of the activities of the French troops and naval forces in the Revolutionary War is no disparagement of their valor or of their leaders, but clearly indicates how the politics of the French Government directed and influenced the military operations and to what extent the French participation was undertaken in the national political interest of that country, rather than an unselfish interest in the struggle for independence by the new American Republic.

PROMINENT FOREIGNERS IN THE REVOLUTIONARY WAR AND THE LEGEND OF LAFAYETTE

With the outbreak of the Revolutionary War a great number of adventurers of various nations offered their services to the United States. Some experiences had with these volunteers were not happy ones. The Congress soon refused to enlist them, as the American officers felt bitterness, when they were outranked by foreigners, who did not even speak their language.

To understand the participation of foreigners in that war, one must represent to oneself the spirit of the time.

The European armies were armies of mercenaries. Soldiery was a business. It offered money and gave opportunity to see other lands.

The European armies of that time served more for dynastic interests of reigning houses than for national ones.

Who paid most, had the best armies. An exception was perhaps the army of Frederick the Great during the war of seven years.

Frenchmen served in Germany, Germans in France, Englishmen in Russia, Italians in Sweden, and so forth.

The officers recruited themselves nearly exclusively from the nobility of the countries. The noblemen fought for honor, glory, and money. War was their typical business; as it finished in one country, they went to another where there was another outbreak of hostilities, and so it happened often that they fought against their own country. So we find one of the later heroes of the Revolutionary War, General Baron De Kalb, serving first in the French Army, though he was a Bavarian, born in 1721 at Huettendorf in Bavaria.

The most prominent foreigners in the service of America were Marquis de Lafayette, Baron De Kalb, Baron von Steuben, Kosciusko, and Comte de Pulaski.

All these were engaged through the medium of France. France had always cultivated most militarism, and her politics, as we have seen, favored the struggle against England.

Of those five, the two most experienced and skilled officers were, without doubt, Steuben and Kalb. Both had taken part in the war of seven years, the former in the army of Frederick the Great and the latter in the French Army against Prussia and England.

Kosciusko, a Pole, was an experienced officer. Comte de Pulaski had left his country on account of revolutionary tendencies and had served in Turkey before coming over to join the American Army.

De Kalb and Pulaski died as heroes on the battle fields; Pulaski fell at the head of his troops in the assault of Savannah, the 9th of October, 1779, and De Kalb fell gloriously in the battle of Camden on the 16th of October, 1780.

Kosciusko distinguished himself in the war as an engineer officer and left America when the war was over with the rank of a brigade general.

Steuben, the most experienced of them all, joined the American Army on the 19th of February, 1778, at Valley Forge and was made inspector general of the Army. Even the enemies recognized the great merits of Steuben. He drilled the Army and took care of its recruiting. He is the author of the first drill book of the American Army. He distinguished himself in the war and served in it without interruption. After the war he remained in the Army and became an American citizen. He died in the State of New York, on the 26th day of November, 1794.

The youngest of these five foreigners was Marquis de Lafayette, who joined the army on the 6th of November, 1777, at the age of 19 years, naturally without military experience. Certainly his good will and the sacrifices he made, deserve the admiration and the gratefulness of the American people. But the historian has not to deal only with good will and, therefore, it is interesting to see by what deeds he contributed in fact to the success of the American Revolution. The masses of the American people honor still to-day the memory of Lafayette, as that of a great general, who helped by his sword to decide the war. This was not the case. Events and, first of all, Washington made him in spite of his youth and his lack of experience a political figure for the sake of the French alliance and the French support.

In this respect his attitude has to be appreciated.

The historian Kapp says in his book, published in 1858: "It is strange that the American people have accustomed themselves, in the course of time, to think Lafayette a great general, and even to put him as an equal at the side of Washington. His later life and, first of all, his visit to the United States in 1824 stimulated the interest for him. The grateful people have wrapped his effigy in a nimbus, and see in him one of the greatest heroes of the modern time."

Lafayette was a typical representative of the French nobleman of his time. Brought up in the atmosphere of French court life, he was vain and hungry for glory. He was captivated by the teachings of the philosophers of the school of the eighteenth century and was full of hatred against England, the hereditary enemy of France.

It was in 1777, at a dinner of Comte de Broglie at Metz, where the 19-year-old youth listened to the tales of the Duke of Gloucester, brother of King George III, of England, who described the struggle and the progress of the American arms against his country.

Under the influence of what he had heard, he returned to Paris and sought for an engagement for American service through the medium of Deane, the American agent. Deane and Franklin were already in negotiations with Comte de Vergennes to engage Baron De Kalb and 12 other French officers, so they engaged also the Marquis de Lafayette, having recognized well of what importance it was to engage a man so affiliated with the French court and society. They promised Baron De Kalb and Lafayette the ranks as major generals in the American Army. This high rank was promised by Deane to Lafayette on account of Lafayette's "zeal, his illustrious family, which would never permit him to join a cause without so high a commission, and on account of his connections."

The father-in-law of Lafayette and his whole family were opposed to the adventure and influenced the Government to issue an order to forbid his departure. The resistance was meant more seriously by his family than by the Government. Lafayette, as owner of a large fortune, bought the ship *Victoire* and started, with De Kalb and the other officers on board, from the Spanish port Las Pasages, near St. Sebastian. They landed near Charleston, S. C., where Lafayette sold the *Victoire* and her cargo.

Provided with means they all continued their travel on horseback and in carriages to Philadelphia.

Lafayette had sailed when substantial assistance from France was still extremely doubtful. This, together with the willing sacrifice of his fortune, show the great enthusiasm of the youth for the cause he had taken up.

It is to this noble enthusiasm that Lafayette owes his historical significance and his honorable place in history.

All he has done as general in the American Army as well as later on in the French Revolution is without importance.

Not yet 20 years old, without experience, not mastering the English language, and certainly not knowing the psychology of the American people, it was impossible that he could take a leading rôle as general. But he was considered the proper person to secure later French help and alliance.

Franklin, Washington, and the Congress recognized the significance of his employment, and so his rôle became at once more political than military. The Congress refused first the engagement of De Kalb, Lafayette, and their companions on account of the aforementioned unhappy experiences they had made with foreign officers, especially as Deane had promised them all higher ranks and to Lafayette even the rank as general. But finally Lafayette and De Kalb were engaged and promised the ranks as generals. The unusual commission as a brigade general for the young Lafayette was given by the Congress on "account of his zeal, his illustrious family, and connections." But the 12 French officers had to return to France. It speaks well for Lafayette's generosity that he paid part of the expenses for their return.

There is no doubt that Lafayette was endowed with a noble heart and character, though "the pure metal of self-devotion was somewhat alloyed with a love of fame and popular applause." (Lafayette, by Bayard Tuckerman.)

This latter was the result of his education and was strengthened by the high commission he received at the age of only 19 years. Lafayette joined the Army in July, 1777. January, 1779, he left the Army again to return to France to visit his family. He rejoined the Army in May, 1780. After the surrender of Cornwallis at Yorktown he left the service, and was back in France in January, 1782; so he served in the American Army all together three years.

Lafayette served on the staff of Washington, who appreciated his noble qualities of character and at the same time recognized the political importance of his mission. It was quite natural that this young Frenchman, whose post brought him so near to Washington and who was honored by the latter's friendship, became a fervent admirer of the great general. Washington placed Lafayette at the head of troops wherever he thought that the operation promised success. He suggested to Congress in December, 1777, the assignment of Lafayette to the command of a division, just as the latter attained the age of 20. In proposing Lafayette for such a place in spite of his youth and lack of experience Washington displayed great political foresight and worked together with Franklin, who, at Paris, prepared the alliance with France. After having joined Washington's staff Lafayette took part in the Battle of Brandywine, where he was wounded.

The first time Lafayette had an opportunity to lead troops independently was on the 19th of May, 1778, at Valley Forge. Washington had watched the expected evacuation of Philadelphia and had thrown Lafayette's division out as advance guard between the Schuylkill and Delaware Rivers. In selecting Lafayette, Washington intended to pay a compliment to France, but "within 48 hours Washington was in mortal dread lest the outcome might be anything but pleasing to France. Washington saw that the young marquis was in full retreat." (Greene, p. 140.) Clinton came quite near capturing Lafayette at Barren Hill. Thanks to Steuben's drill, the Army was in 15 minutes under arms, and Clinton did not attack, but retired to Germantown.

During the following operations up to the departure for France in January, 1779, Lafayette had no independent command of troops. He served either on the staff of Washington, was sent with missions, or served under generals like Lee and Sullivan. Under the latter he commanded two brigades when the French fleet of d'Estaing had sailed into Narraganset Bay. Lafayette tried to persuade d'Estaing to land his troops, but failed. Colonel Laurens wrote a letter to his father, the president of the Congress, putting the blame for the failure of the enterprise of d'Estaing on the differences of the national pride of the French and the ambition of Lafayette. "Marquis de Lafayette aspired to the command of the French troops in conjunction with the flower of Sullivan's army" and that "his private views withdrew his attention from the general interests." (Bayard Tuckerman, p. 92.)

It has been mentioned how in October, 1778, Lafayette proposed the reconquest of Canada. When this plan was refused as impossible and fantastic, Lafayette wrote in his letter to Washington with the permanent undertone that his "reputation and his glory was affected." So he put the latter higher than the cause. This was very different from the other foreign officers. One sees how Lafayette was far too young to judge the cause highly enough and to separate it from personal interests. In his letter of the winter of 1778–79, he expressed his desire to return to France to see his family again. This return to France was used masterfully by Washington and Franklin to keep up the enthusiasm of France for the cause of war.

In Paris the young marquis was the hero of the hour. At the court, in society, in cafés, and in theaters his deeds were lauded. Thus the marquis fanned the enthusiasm for the American struggle. His success flattered the national vanity.

The ground was already well prepared by Franklin and the result was the expedition of Rochambeau's fleet. Lafayette stayed over a year in France and then decided to return to America. He rejoined Washington on the 10th of May, 1781, at Morristown.

In the spring of this year Washington sent Lafayette to Virginia under command of General Greene. Washington expressed the motive of the mission: "As the success of the intended operation depends for the greater part on the cooperation of the French land and sea forces, political motives make the Marquis of Lafayette appear the adequate personage for a command."

Greene, therefore, nominated Lafayette as commander in chief in Virginia, though Steuben had already had the command and was highly appreciated by General Greene. To the latter and General von Steuben the Army owed its reorganization. The experienced Steuben put himself without resistance under the command of Lafayette in the interest of the great cause.

The Virginia campaign consisted of more or less guerrilla actions. Lafayette withdrew his troops when Cornwallis advanced. He accepted a fight at Jamestown on the 16th of July and was defeated. The following great operation against Cornwallis was directed by Washington. During the short siege of Yorktown Lafayette was at the head of a division, but had no opportunity for independent action or distinction.

General von Steuben was in command of the trenches of the siege when Cornwallis sent his first parliamentaires to open negotiations for the surrender. Lafayette appeared to replace him, but Von Steuben refused to leave his post in that moment as contrary to the usage of war. Lafayette was anxious to gain the glory of the surrender and brought the quarrel before Washington. The latter decided that Von Steuben was to remain at his place until the English flag had been brought down.

This was the last action of Lafayette in America. He returned to France, where he arrived January 17, 1782. He was then the most popular man in France. The French in their joy and exaggeration called him "Conqueror of Cornwallis" and the "Savior of America," together with Washington.

Bayard-Tuckerman writes of him (p. 151) that the popularity he enjoyed was a distinct misfortune to him, for it was inevitable that so much flattery gave him a false idea of his abilities.

Lafayette's further life shows the truth of it. Had he really been what he and his people believed him to be, he would have played the leading part in the coming Revolution of France, but there he failed. Lafayette had a childlike ignorance of human nature. He indulged in the mistaken judgment of Rousseau's and Voltaire's philosophy and confounded mob with nation. He apparently was too young and inexperienced to understand and exploit the great lessons of the American Revolution, and though he tried to imitate his admired teacher, Washington, he never really penetrated the latter's spirit. He was unable to understand the psychology of others, a quality which had distinguished Washington. The French Revolution saw Lafayette permanently in vacillation.

Partly he represented the cause of the people, and partly of the King. He had no clear conception of a constitution, and was inclined to allow any constitution.

After the French Revolution had begun his popularity called him to the post of the commander of the national guards. Without doubt, as such he showed valor, but he was unable to organize, and incapable of a really great task. Had he had the corresponding abilities, with his popularity, he could have carried away the masses, and made himself the leader of the nation.

After having resigned and retaken his place, and resigned again at the end of 1791, he was nominated commander of an army, with which he marched from Metz over Givet to Maubeuge. The Jacobin terrorists sent him commissioners who reached him at Sedan to announce the change of government. Lafayette ordered their arrest, as he saw that the Jacobins had seized the power unlawfully; but he was unable to continue his action against them. When the latter at Paris declared him a traitor, Lafayette failed in resolution. He abandoned his army, deserted, and went over to the enemy, who made him prisoner. He was kept prisoner for five years, at the fortresses Wesel, Hamburg, and Olmütz. By Napoleon's desire he was released in 1797, and then he lived in Holstein, at Hamburg, and at Utrecht. In 1799 he returned to France.

Napoleon liked to converse with Lafayette, as the latter had known Washington and Frederick the Great, and had seen so much of the world, but he had no post for him. Napoleon thought little of Lafayette. He spoke of him with little respect at St. Helena, and called him "un niais en politique" (a political simpleton). Had Lafayette had the ability required by a general, no doubt Napoleon would have made use of him. So the time of France's greatest glory saw him without employment. His son entered Napoleon's army, was twice wounded, and resigned as lieutenant.

In 1815, after Waterloo, Lafayette advanced the abdication of Napoleon. His action of that time is open to criticism, as Lafayette was not free from the responsibility for allowing the power to fall into the hands of Fouché, and for the humiliation of France.

Lafayette's further action is without importance. During the French Revolution of 1830 he was urged to accept again the position of commander of the national guards, and his last act was to take part in the overthrow of Charles X and the placing of Louis Philippe on the throne.

Of the many authors who have occupied themselves with Lafayette, the most objective one seems the historian Bayard-Tuckerman. He states in his preface: "Lafayette has suffered perhaps as much from the exaggerated praises from his admirers as from the bitter attacks from his enemies."

A noble character, not free from vanity, a man not above the average, whom Providence had guided through an agitated life—such was Lafayette. His visits in America in 1784 as guest of Washington, and 1824–25, when he traveled nearly for a whole year through the country, where he was fêted with the greatest hospitality, have augmented and exaggerated his glory.

In spite of all, the youth who once came to America to fight bravely for her cause will always inspire the young American with patriotic enthusiasm.

The historian, who has to judge not alone the good will but the deeds and facts, sees in Lafayette not the hero of the Revolutionary War but one of the heroes, and knows that many of them have achieved greater deeds owing to their riper experiences and greater abilities.

MILITARY MAN POWER OF DIFFERENT COUNTRIES

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the size of the standing armies of the nations of the world and also showing the number of police, gendarmerie, frontier guards, treasury guards, territorial armies, and so on, which are really active troops and which are a part of the standing armies, as well as the trained reserve and untrained reserve in those countries.

I think that those who will look at these figures will find that in addition to the regular or standing army of those countries they have, in effect, another standing army ready for active service on a moment's notice. One country referred to in the table has 140,000 men in frontier guards, treasury guards, gendarmerie, and so on, so that when those are added to the size of the standing army we get the real figure of military man power of those countries.

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

Military man power of different countries

	Present strength	Trained reserves	Total man power
1. Austria:			
Regular army	19,659		19,659
Police	6,925		6,925
Gendarmerie	6,120		6,120
Trained reserves		300,000	300,000
Untrained reserves			200,000
Total	32,704	300,000	532,704
2. Belgium:			
Regular army	65,742	635,683	701,425
Territorial army		54,000	54,000
Gendarmerie	6,048		6,048
Untrained reserves			314,417
Total	71,790	689,683	1,075,890
3. Bulgaria:			
Regular army	20,000		20,000
Frontier guards	3,000		3,000
Gendarmerie	10,000		10,000
Trained reserves		425,000	425,000
Untrained reserves			242,000
Total	33,000	425,000	700,000
4. Czechoslovakia:			
Regular army	120,000		120,000
Gendarmerie	15,000		15,000
State police	5,700		5,700
First reserve (20 to 40 years old)		1,147,000	1,147,000
Second reserve (40 to 50 years old)		342,000	342,000
Untrained reserves			250,000

Military man power of different countries—Continued

	Present strength	Trained reserves	Total man power
4. Czechoslovakia—Continued.			
Sokols (semimilitary)			125,000
Last reserves (17 to 60 years old)			100,000
Total	140,700	1,489,000	2,104,700
5. Finland:			
Regular army	29,700		29,700
Civil guard		100,000	100,000
Trained reserves		170,000	170,000
Untrained reserves			250,300
Total	29,700	270,000	550,000
6. France:			
Regular army (French)	488,002		488,002
Colonials	191,365		191,365
Foreigners	18,818		18,818
Gendarmes and gardes republican	29,228		29,228
Trained reserves		4,610,000	4,610,000
Untrained reserves (colonials)			700,000
Total	727,413	4,610,000	6,037,413
7. Germany:			
Regular army	100,000		100,000
Trained reserves (war veterans)		1,000,000	1,000,000
Untrained reserves			7,600,000
Total	100,000	1,000,000	8,700,000
8. British Empire:			
Australia—			
Permanent force	1,697		1,697
Citizens forces		37,192	37,192
Reserve officers and unattached list		12,454	12,454
Trained reserves		100,000	100,000
Untrained reserves			448,757
Total	1,697	149,646	600,000
Canada—			
Permanent force	3,499		3,499
Militia		49,075	49,075
Cadet corps		115,667	115,667
Rifle associations		28,451	28,451
Militia reserves		30,000	30,000
Reserve of officers		12,213	12,213
Untrained reserves			611,095
Total	3,499	235,406	850,000
Great Britain—			
Regular army	150,221		150,221
Colonial troops	2,426		2,426
Regular army reserve		96,000	96,000
Supplementary reserve		23,151	23,151
Militia (islands)		2,762	2,762
Territorial army		186,093	186,093
Officers training corps		1,245	1,245
British troops in India	61,543		61,543
Trained and untrained reserve			5,612,899
Total	214,190	309,251	6,136,340
India—			
British army in India	[1] 61,543		
Indian army	161,000		161,000
Territorial force		12,522	12,522
University training corps		3,748	3,748
Auxiliary force		33,181	33,181
Indian state forces		27,030	27,030
Trained reserves		29,924	29,924
Untrained reserves			2,671,022
Total	161,000	106,405	2,938,427
Irish Free State—			
Regular Army	13,564		13,564
Trained reserves		4,500	4,500
Untrained reserves			342,290
Total	13,564	4,500	360,354
New Zealand—			
Permanent force	515		515
Territorial force		22,039	22,039
Senior cadets		28,769	28,769
Defense rifle clubs		4,748	4,748
Untrained reserves			76,531
Total	515	55,556	132,602
Union of South Africa—			
Permanent force	1,450		1,450
Coast defense garrison force	8,000		8,000
Active citizens force		15,000	15,000
Defense rifle associations		150,000	150,000
Cadets		50,000	50,000
Untrained reserves			490,550
Total	9,450	215,000	715,000

[1] Accounted for under Great Britain.

Military man power of different countries—Continued

	Present strength	Trained reserves	Total man power
9. Greece:			
Regular army	55,000		55,000
Trained reserves		266,489	266,489
Untrained reserves			278,511
Total	55,000	266,489	600,000
10. Hungary:			
Regular army	35,000		35,000
Gendarmerie and police	12,000		12,000
Untrained reserves			723,000
Total	47,000		770,000
11. Italy:			
Active army	240,288		240,288
Carabinieri	62,243		62,243
Finance guards	28,664		28,664
Colonial army	49,253		49,253
Fascist militia		310,000	310,000
Trained reserves		2,680,454	2,680,454
Untrained reserves			2,000,000
Total	380,448	2,990,454	5,370,902
12. Yugoslavia:			
Active army	117,000		117,000
Frontier guards	5,000		5,000
Gendarmerie	20,000		20,000
First reserves (21 to 40 years)		1,200,000	1,200,000
Second reserves (40 to 50 years)		500,000	500,000
Third reserves (18 to 20 and 50 to 55)		350,000	350,000
Total	142,000	2,050,000	2,192,000
13. Norway:			
Regular army	30,000		30,000
First line reserves		150,000	150,000
Landvarn		75,000	75,000
Landstorm		90,000	90,000
Untrained reserves			60,000
Total	30,000	315,000	405,000
14. Poland:			
Regular army	242,372		242,372
Trained reserves		500,000	500,000
Untrained reserves			2,000,000
Total	242,372	500,000	2,742,372
15. Portugal:			
Regular army	26,200		26,200
Organized reserves		430,000	430,000
Untrained reserves			500,000
Total	26,200	430,000	956,200
16. Rumania:			
Regular army	208,500		208,500
Frontier guards	26,000		26,000
Gendarmerie	32,000		32,000
Trained reserves		750,000	750,000
Untrained reserves			583,500
Total	266,500	750,000	1,600,000
17. Russia:			
Regular army	494,000		494,000
Political police	150,000		150,000
Trained reserve		4,625,000	4,625,000
Untrained reserve			6,886,000
Total	644,000	4,625,000	12,155,000
18. Spain:			
Regular army	218,647		218,647
Colonial army	13,087		13,087
Gendarmerie	41,053		41,053
Trained reserves		1,328,260	1,328,260
Untrained reserves			760,000
Total	272,787	1,328,260	2,361,047
19. Turkey:			
Regular army	90,000		90,000
Gendarmes	35,000		35,000
Trained reserves		200,000	200,000
Untrained reserves			340,000
Total	125,000	200,000	665,000
20. China:			
Northern forces	[2] 400,000		400,000
Southern forces	[2] 550,000		550,000
Other forces	[2] 500,000		500,000
Total			1,450,000
21. Japan:			
Regular army	210,000		210,000
Trained reserves		2,038,000	2,038,000
Untrained reserves			5,092,000
Total	210,000	2,038,000	7,340,000

[2] This represents forces now in the field.

THE MISSISSIPPI VALLEY AND ITS DRAINAGE

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Carroll Livingston Riker on Control and Utilization of the Mississippi and the Drainage of Its Valley.

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

CONTROL AND UTILIZATION OF THE MISSISSIPPI AND THE DRAINAGE OF ITS VALLEY

By Carroll Livingston Riker

FOREWORD

Nothing herein should be construed as an attack upon any legislation which provides means for holding floods under subjection as much as possible, until the completion of a proper project to that end.

WASHINGTON, *March 1, 1929.*

To the Congress:

The Riker spillway project for the control and utilization of the Mississippi River is a comprehensive, practicable undertaking which embodies no new or untried mechanical factors.

It has indisputable capacity to safely carry more than twice a 1927 flood from Cairo to the Gulf; and there are no disputable calculations involved, no new surveys required, which would prevent its immediate adoption by any competent unprejudiced board of engineers.

If it can be proven that this project contains one impracticable or inoperative mechanical factor, I will apologize and withdraw.

CARROLL LIVINGSTON RIKER,
Designing Mechanical Engineer.

PURPOSE OF THIS PAMPHLET

Is to prove by indisputable evidence:

That the adopted Jadwin project for flood control is impracticable and a vicious mechanical monstrosity which, if carried out, will have enormous initial cost, entail perpetual expense, will bring catastrophe unprecedented, and be a national engineering disgrace.

That the Riker spillway project for control and utilization of the waters of the Mississippi is practicable and will more than five times repay its cost in less than five years, with immense future benefits beyond present calculation.

That the Congress should cause a board embodying at least 11 competent, unprejudiced civilian engineers to examine and report upon the adopted Jadwin project, the Riker spillway project, and such other projects as it might determine, for control and utilization of these waters.

To this end support is asked for an amendment to the present law for flood control which will call for the appointment of a board to be composed of 11 competent, unprejudiced, civilian engineers of large experience to determine upon the proper project to be adopted for the control and utilization of the waters of the Mississippi River and the drainage of its alluvial valley and to supervise its construction, as will be presented by Senator FRAZIER to the Seventy-first Congress.

A MEMORIAL

The Jadwin adopted project, with compulsory alterations and modifications, will cost more than a billion dollars to complete, $10,000,000 annually to maintain, will inundate and practically destroy about $1,300,000,000 worth of property in the valley and jeopardize about $2,560,000,000 more, be the cause of other terrible catastrophes besides preventing an enhancement in value of property to the valley amounting to about $10,000,000,000 if a proper project be adopted in its stead; and eventually provide a monument of mud a thousand miles long to perpetuate the memory of the greatest mechanical monstrosity ever authorized by the Government of a Nation.

CONDEMNATION OF THE JADWIN PLAN BY THE COMMITTEE ON FLOOD CONTROL OF THE HOUSE

The following are verbatim quotations from the report submitted by the Hon. FRANK R. REID, of Illinois, chairman, from the Committee on Flood Control of Congress (to accompany H. R. 8219), March 29, 1928 (p. 16).

"ENGINEERING FALLACIES OF THE JADWIN PLAN

"(1) That it is lacking in engineering details and has not a sufficient factor of safety; (2) that it uses new and untried methods in the diversion of the flood waters; (3) that the 'fuse-plug' levees will not work and disaster will result; and (4) generally that it is not dependable and is not feasible from an engineering standpoint. The committee did not believe it probable that so many eminent engineers could all be wrong and therefore refused to accept the Jadwin plan as the project for the flood-control work.

"Instead of the Jadwin plan, if adopted by Congress, providing protection from the floods of the lower Mississippi Valley, it might result in a reoccurrence of a disaster like that of 1927."

Notwithstanding the above report from the only committee in Congress devoted exclusively to flood control, its advice was not accepted by the Seventieth Congress and a bill was rushed through the Senate practically without debate and on May 15, 1928, was approved by the President.

Had Congress adopted a resolution imploring the Almighty to send us a repetition of the recent Mississippi disaster it would have caused amazement; yet the Seventieth Congress appropriated hundreds of millions of dollars to support the Jadwin project, which will produce such repetition just as sure as the sun is to rise, unless the Almighty shall intervene.

WHAT IS TO BE DONE ABOUT IT?

It is the purpose of this pamphlet and the desire of many Senators and Representatives that the incoming Seventy-first Congress will amend the present law under which the Jadwin project for flood control was adopted, and that in its stead a project to be determined by a board composed in part of at least nine distinguished, unprejudiced civilian engineers shall be substituted.

FIRST CHAPTER OF REVELATIONS

While the Old Lady of the River (the Mississippi River Commission), Mother of "Levees Only," stood spellbound viewing her disaster of 1927, there unconstitutionally arose from beneath her skirts one Jadwin (also guilty), by fate Chief of Engineers, clad only in her tattered old shoes, supported by Army engineers whose opposition would mean resignation, and who as a self-constituted oracle, presented his death bed conversion from "levees only," "fuse plugs" as his panacea, to which the old lady demurred.

Ordered to a back seat and disrobed of her rights in order to cover his mechanical nakedness, both he and his fuse plugs received the most scorching rebuke ever administered by the Committee on Flood Control of the House to one holding his office. Finding the old lady had reached the forum before him, he claimed she had sneaked in through the back door, and while under interrogation by the chairman of the committee, he skedaddled.

The Frazier Senate Resolution 4477, Seventieth Congress, proposed to amend the present law for flood control under which the Jadwin project was hastily adopted, practically without any debate in the Senate, by the appointment of a board, incorporating at least nine unprejudiced civilian engineers of large experience, which would determine upon the plan to be finally adopted.

A DECLARATION OF WAR UPON THE ARMY ENGINEERS—BY THE COMMITTEE ON FLOOD CONTROL OF THE HOUSE

"The evidence presented to the committee consisting of official Government reports and documents, reports by State and local officials and testimony by witnesses proved the following conclusions:

"First. That the flood-control works heretofore constructed were neither adequate nor the right kind.

"Second. That they were not the right kind was the fault of the 'levees only,' policy of the Mississippi River Commission" (p. 4).

"Of all the engineers whose testimony is in the record, not one of them, aside from the Army engineers, was willing to approve the Jadwin plan in its entirety, and many of them pointed out fatal defects, as may be seen in their testimony" (p. 52).

"Fundamental doubts as to the technical soundness and efficacy of the plan submitted by General Jadwin was testified to by many engineers recognized by members of the committee, so it was necessary in the bill to create an organization competent to work out a dependable plan. The engineers best qualified by training and experience, as well as by personal experience fighting floods on the Mississippi River, objected to many of the engineering features of the Jadwin plan" (p. 16).

"The members of the committee were amazed to hear General Jadwin claim that he had exclusive authority to prepare plans for the flood control of the Mississippi River. * * * There is no law upon the statute book which authorizes the Chief of Engineers to call upon the Mississippi River Commission to submit to him its flood-control plans. Instead of the law as enacted by Congress being carried out, the Chief of Engineers took it upon himself to prepare a flood-control plan expending a large sum of money never appropriated by Congress in doing so, called upon the Mississippi River Commission to submit its plan to him, and received, suppressed it, and transmitted his own plan to Congress through the Secretary of War and the President. In fact, it was not until General Jadwin was called upon by the Committee on Flood Control of the House to transmit the Mississippi River Commission's report to it that the report saw the light of day, and when before the committee the general charged that the committee had received the commission's plan through the back door" (p. 47).

(The above are verbatim extracts from the report submitted by Hon. FRANK R. REID of Illinois, chairman of the Committee on Flood Control of the House, to accompany H. R. 8219, March 28, 1928, 70th Cong., 1st sess., Rept. No. 1072.)

CROSSING OF THE SWORDS

The author's sarcastic treatment of the general is due, in part, to his effort, when testifying before the Commerce Committee of the

Senate, to make those gentlemen believe that the Riker Mississippi spillway should be treated as a river and not simply an outlet for flood water which it is, and when offered an opportunity to correct this misrepresentation, the correction was not made, nor in the revised statement of his testimony, in the published hearings of that committee, on page 652, part 3, February 11, 1928, which follows:

"General JADWIN. Mr. Chairman, Mr. Riker's project has been studied by him very carefully and it is very alluring in many ways, but we could not bring ourselves to recommend it, largely on quantitative grounds, and on the ground that the way that we believe the river wants to work, it does not incline to work very much in straight lines.

"Mr. RIKER. Mr. Chairman, may I reply to just one statement that General Jadwin makes that there is difficulty in the river maintaining a straight line? He assumes that this is a river. There must be no such association. * * * And if the Chief of Engineers reiterates his statement that the natural inclination of water in motion is to take other than a straight line, then he places himself in a position that I know he dare not put upon the record."

Such misrepresentations are not a prerogative of his office. The author has crossed swords with four of his predecessors in office and compelled them to execute the quick military movement "right about face" in a friendly way, and the author offsets his age by his experience in this effort to compel Maj. Gen. Edgar Jadwin, Chief of Engineers, United States Army, to perform the same movement or to resign

THE RIKER MISSISSIPPI SPILLWAY

Is an outlet for the flood waters of the Mississippi River—a strip of land about 3 miles wide, provided with a levee on each side having minimum heights of about 40 feet and extending through the lowest part of the valley in an almost straight line about 530 miles long from Cairo, Ill., to the Gulf of Mexico.

It would safely conduct to the Gulf twice the water that has ever passed through the Mississippi River, or through its alluvial valley.

It would effectively control the maximum heights of waters flowing down the river below Cairo and the maximum and minimum below Memphis.

This would practically prevent bank erosion, caving banks, and bar formation, thereby effecting better navigation from the Gulf to Cairo, and would permit the river to be bridged at frequent intervals.

While a flood twice that of 1927 was passing down the spillway there would be but little backwater in the Mississippi's tributaries, which would greatly increase their drainage ability and there would be no backwater in the valley.

It would so control the maximum flow in the Mississippi River that it could be dammed, thereby enabling it to be canalized, and its waters to be utilized for deep-water navigation and for power; it would also eliminate all backwater in confluent rivers and afford perfect drainage to the valley when twice a 1927 flood was passing through the spillway to the Gulf.

The tops of the spillway levees would afford two broad, practically straight and level roadbeds for highways and railroads from Cairo to the Gulf.

The light silt carried by the waters of the Mississippi River would be largely deposited where required within the spillway, or where desired nearby, while the heavy silt would be deposited in the most advantageous location for spoil banks near the river.

If the river be canalized, the heavy silt would be transported through what is termed the terraqueous conduit, consisting of a reinforced concrete tube about 12 feet in diameter, extending through the center of the spillway, practically from Cairo to the Gulf, by which this silt would be delivered to fill swamps, lagoons, and lowlands situated near the Gulf.

The cost of the Riker Mississippi spillway (including the right of way) completely equipped and ready for use within six years, would be $785,000,000

CANALIZATION AND POWER DEVELOPMENT OF THE MISSISSIPPI

When the Riker Mississippi spillway is completed it would be very advantageous for the Federal Government to canalize the Mississippi River and utilize it for navigation and power.

The canalization of the river would enable it to be maintained easily navigable for the largest vessels from the Gulf to Cairo and to utilize at least 10,000,000 of its latent horsepower, now pouring wastefully into the Gulf.

Canalization of the Mississippi River would reduce the average high-water level therein below the dams to about 15 to 25 feet above zero, or 35 to 45 feet below the tops of its present levees, when twice a 1927 flood was passing through the spillway.

Such canalization would thus enable its confluent rivers to drain millions of acres which their backwaters now overflow, and double or treble their capacity to drain their legitimate territory, largely because of their increased velocity, which, when properly directed, would straighten them and greatly deepen their channels.

TERRAQUEOUS CONDUIT

The terraqueous conduit is a reinforced concrete tube about 12 feet in diameter, extending through the center of the spillway for practically its entire length, with cross conduits at each dam.

When the river is canalized the heavy silt which it would deposit in lures at the river's bottom would be pumped and propelled by plants operated by electric power which would be provided by the power plants in the river to locations where desired for filling in, etc.

Ten billion dollars profit in five years

Cost	$1,500,000,000
Interest, 4 per cent	300,000,000
Operation	75,000,000
Total	1,875,000,000
Gross profit	11,877,508,800
Cost, interest, etc	1,875,000,000
Net profit	10,002,508,800

The Riker spillway project

Cost	1,500,000,000
Interest, 4 per cent	3,000,000,000
Operation	750,000,000
Total	5,250,000,000
Gross profit	35,142,137,600
Cost, interest, etc	5,250,000,000
Net profit	30,892,137,600

Profit in 50 years, $30,000,000,000.

Eleven billion dollars loss in five years

Cost	1,000,000,000
Interest, 4 per cent	200,000,000
Operation	250,000,000
Total	1,450,000,000
Lost profit	10,002,508,800
Cost, interest, etc	1,450,000,000
Net loss	11,452,508,800

The Jadwin adopted project

Cost	1,000,000,000
Interest, 4 per cent	2,000,000,000
Operation	2,500,000,000
Total	5,500,000,000
Lost profit	30,892,137,600
Cost, interest, etc	5,250,000,000
Net loss	35,142,137,600

Loss in 50 years, $35,000,000,000.

DETAILED PROFITS OF THE RIKER SPILLWAY PROJECT

PROFIT FROM THE PROTECTED DELTA

The following estimates of the increased value of well-protected land in the Delta valley of the Mississippi is based upon General Jadwin's estimate of $224 per acre as the present value of well-protected parts of that valley, and upon the assumption that perfect protection, thorough drainage of it and the neighboring lands, increased healthfulness because of the reduction in malaria and mosquitoes, the finest railroad transportation in the world, and port facilities on the Gulf, together with unlimited, low-priced electricity for power and other purposes, and the canalization of the river for ocean steamers to Cairo, will double the present value of that land. Nineteen million sixty-five thousand and six hundred acres at $224 per acre: Increased value: Estimated profits in five years, $4,270,694,400; estimated profits in 50 years, $4,270,694,400; interest, 45 years at 4 per cent (not compounded), $7,188,000,000.

PROFIT FROM THE UNPROTECTED DELTA

Basing this area also upon the statements of General Jadwin as 7,065,600 acres, and assuming its present value to be not more than $24 per acre, the enhanced value of this virgin land when drained and thoroughly protected, as it would be by the spillway, at $424 per acre, the appreciated value of the present protected Delta would be in five years, $2,995,814,400; estimated profits in 50 years, $2,995,814,400; interest, 45 years at 4 per cent (not compounded), $5,991,628,800.

PROFIT FROM THE ADJOINING TERRITORY

It is believed that the value of property in New Orleans, Baton Rouge, Natchez, Memphis, Cairo, and other cities and towns, together with near-by real estate on the east side of the river not subject to overflow, would double in value, as would also cities and lands in the valleys of the Red, Oquita, Arkansas, White, and St. Francis Rivers, due to the removal of Mississippi River backwater at their mouths, and estimating this area as equal to that of the entire alluvial valley, or 19,000,000 acres at $224 per acre, increased value would be, in five

years, $4,256,000,000; estimated profits in 50 years, $4,256,000,000; interest, 45 years at 4 per cent (not compounded), $7,650,000,000.

PROFIT FROM POWER DEVELOPMENT OF THE MISSISSIPPI RIVER

The power which would be developed at the dams in the Mississippi River, based on its minimum flow, when a reservoir had been constructed above Bismarck on the Missouri River, is estimated to be not less than 10,000,000 horsepower, practically all of which would quickly be merchantable at $5 per horsepower annually. In five years the gross receipts would be $250,000,000; estimated profits in 50 years, $2,500,000,000.

When full reservoir control of the tributary streams to the Mississippi had been effected, the estimated minimum horsepower would be more than 15,000,000.

PROFIT FROM THE CANALIZATION OF THE MISSISSIPPI

It is expected that no lockage charge from Cairo to the Gulf would be exacted, and therefore no direct revenue can be estimated, but what would seem to be an equitable toll for such benefits would be 30 cents per ton, based upon 50,000 tons daily, would be $5,000,000 annually. Estimated profits for 5 years, $25,000,000; estimated profits for 50 years, $250,000,000.

PROFIT FROM THE RAILROADS

The estimated revenue from the 1,070 miles of railroad roadbed which the tops of the spillway levees would afford is estimated at $5,000,000 per year, or for the first 5 years, $25,000,000; estimated profits in 50 years, $250,000,000.

PROFIT FROM THE HIGHWAYS

The estimated value of the levee tops for highways for freight and pleasure vehicles (approximately 10,000 per day at 50 cents toll) would be, the first 5 years, $5,000,000; estimated profits in 50 years, $90,000,000.

PROFIT FROM THE TERRAQUEOUS CONDUIT

The value of the land formed by the silt, transported by the terraqueous conduit and deposited in lagoons and lowlands of the valley, more than 30,000 acres yearly at $400 per acre (based upon Jadwin's estimates), would be, for 5 years, $60,000,000; estimated profits in 50 years, $600,000,000.

PROFIT FROM THE CLIMATIC IMPROVEMENT

No estimate in dollars can at present be made of the climatic benefits which will follow the drainage of the Mississippi Valley, that saturated area being the trigger which causes the clouds to prematurely explode over it. As to the moneyed benefits to the Nation from such a climatic change in whole, or even in part, the author saith not, because to the many not familiar with the simple, irrefutable evidence which supports it, it will seem as but a dream, as did the small claims for electricity to him in his youth more than three score years ago, since developed beyond any dream.

Profits in 50 years:	
Gross profit	$36, 142, 137, 600
Cost, interest, etc	5, 250, 000, 000
Net profit	30, 892, 137, 600
Profits in 5 years:	
Gross profit	11, 877, 508, 800
Cost, interest, etc	1, 875, 000, 000
Net profit	10, 002, 508, 800

All could be completed within nine years.

Large as these figures are, the increment due to improved climatic conditions and perfect security against flood are but partially included.

Pare these figures as you will. They still remain unprecedented.

Verbatim quotation from General Jadwin's project, submitted December 1, 1927, used as basis for above calculations.

FEATURES OF THE MISSISSIPPI VALLEY WHICH MAKE BOTH ITS DRAINAGE AND ITS FLOOD PROTECTION BY RIVER LEVEES AN IMPOSSIBILITY

The physical features of the Mississippi Valley below Cairo make control of the river by levees and the drainage of the valley an impossibility when undertaken in opposition to nature, as is the project of General Jadwin, recently authorized by Congress.

The alluvial valley of the Mississippi River extends almost straight and flat, as a gently declining flood plain, averaging more than 50 miles wide, with a fall of about 300 feet, in its length of 530 miles, from the junction of the Ohio River with the Mississippi at Cairo, to the Gulf of Mexico.

In its course between these points the Mississippi River meanders over 1,070 miles, or more than twice the length of its flood plain (the Mississippi Valley), and instead of passing through the lowest parts of the valley much of it now travels along the top of a ridge which sediment from its overflows has created.

Before man undertook to confine its waters by levees, its floods gently overflowed its banks and found their way by this flood plain to the Gulf of Mexico. To prevent this overflow and carry its flood waters by the river to the Gulf, levees have been constructed to confine them to the river. Recently the waters, so confined, have risen to an average of about 25 feet above the lowest part of the adjacent valley, and in many instances to much greater heights.

When the waters of the Mississippi are at such an elevation it is evident that they greatly handicap the drainage of the valley and of the river's tributaries.

The waters of the valley, thus confined, are termed "backwaters," which during ordinary floods now cover more than 6,000,000 acres and would still continue to do so, should General Jadwin's project work to his most sanguine expectations. If it should not, then more than 18,000,000 acres are subject to overflow at any time, accompanied by the probabilities of a disaster unprecedented.

The Jadwin levees, which are to be but 12 feet wide on top and but 1 foot above the highest predicted flood waters of this mighty river, present to everyone a great evident danger; but this evident danger is less than that from caving banks, and the least evident danger, that from the sand boil, is the greatest of them all, largely because it attacks the levee from beneath.

The sand boil is produced by flood waters in the river which are at an elevation above the land just outside the levee being forced through the porous strata beneath it, which eventually make a tunnel, causing the levee to suddenly collapse. The danger from the sand boil increases much faster than the increase in the elevation of the water in the river and the danger from these sand boils is greatly increased by the duration of the flood waters.

THE ABSURD JADWIN PROJECT WHICH CONGRESS HAS ADOPTED

The Jadwin project, which Congress has adopted, places its entire dependency for flood control along the Mississippi River, from Cairo to the Gulf, upon "levees only."

The Jadwin project would protect these levees from overflow by employing General Jadwin's so-called fuse plugs, which are weak levees to be situated at a number of places, and which he calculates the river will break through just before the adjacent levees are overflowed.

The uncontrolled and unknown quantity of the water passing through these river-controlled openings,, or crevasses in the river's levees, which General Jadwin would so create, General Jadwin precipitates into the valley, through which General Jadwin would provide flood ways for their passage to the Gulf.

At Bonnet Carre, which is 30 miles above New Orleans, General Jadwin provides his only gated, or man-controlled opening, for the release of flood waters.

General Jadwin provides about 20 miles of such fuse-plug openings, properly termed pop safety valves, for once they are opened either by man or by the river, man can not close nor control them until the river gives man its permission, a pagan-like, unnecessary, and foolish surrender of flood control to the river.

In the printed report of the Mississippi River Flood Control Board to the President, preceding the signature of General Jadwin, there appears on pages 12, 6, 7, and 4, respectively, the following statements:

"No plan is considered adequate which does not protect against the greatest flood predicted as possible."

"From Birds Point to New Madrid, Mo., the floodway provided by the adopted project will hold the maximum flood predicted as possible to 59 on the Cairo gauge and 1 foot below the proposed levee height. This will give a reasonable degree of safety to Cairo with its 15,000 inhabitants."

"From New Madrid, Mo., to the mouth of the Arkansas River, the adopted plan provides for raising levees to a grade line 1 foot above the superflood except opposite the backwater stage of the St. Francis and the White."

"A 1-foot free-board for such superflood which corresponds to a discharge of from 2,400,000 second-feet at Cairo."

None but an oracle could truthfully predict what is possible in the rainfall and other factors involved in this problem; "but fools step in where angels fear to tread."

The maximum, or greatest predicted possible flood which General Jadwin calls superflood, he states to be 2,400,000 second-feet at Cairo and this General Jadwin claims his levees, whose tops are to be but 1 foot above such a flood, will safely convey to the mouth of the Arkansas River without a break; while the report of Hon. FRANK R. REID, chairman from the Committee on Flood Control Seventieth Congress, first session, House of Representatives, report No. 1072, on page 347, quoting the Mississippi River Commission, shows that such estimate is 600,000 second-feet less than that which the Mississippi River Commission states as possible, but does not seem probable.

"As a basis for a new project, it was determined to set up a probable future maximum flow at Cairo. The discharge at Cairo in 1927 was approximately 1,800,000 second-feet. In determining how much larger flood should be provided for consideration was given to the fact that if to the maximum discharge of the Mississippi at St. Louis there was added the maximum discharges of the Wabash at Mount Carmel, the Ohio at Evansville, and the Tennessee at Florence, the total would aggregate over 3,000,000 second-feet.

"All of these combinations may be classified as possibilities, but it does not seem probable that rainfall sufficient to produce such coincident floods will ever occur."

It should be noted that the discharge of the river at Cairo in 1927 of approximately 1,800,000 second-feet, is more than 200,000 second-feet less than that which passed Cairo in 1912 and 1913.

It does not require an engineer to know that the word "possible," when used in this connection, is absurd, misleading, and calculated to deceive.

To show that General Jadwin fully understands the difference between the word "probability" and the word "possibility," as used in this description of the adopted project, paragraph 9, page 4, of his original pronunciamento is quoted below:

"Should Divine Providence ever send a flood of the maximum predicted by meteorological and flood experts as a remote probability but not beyond the bound of ultimate possibility," etc.

By the Jadwin project, the river's levees, about 1,000 miles long, are to be but 12 feet wide on top and to have a freeboard or height of about 1 foot above the level of the flood waters during the superflood which he states they will safely confline, or which are to be relieved by his pop-safety valves before the 1 foot of such soaked levee crown has given way.

Under such circumstances, it is quite evident that a windstorm blowing over a long reach in the river would engender a wave more than sufficient to overtop a levee with twice that freeboard.

It will also be evident that by such means, if the Jadwin fuse plugs should be in a protected place along the river banks, that the river may reject the location of the Jadwin fuse plug for a crevasse, and determine upon a location of its own—perhaps emptying its waters upon some town instead of into a flood way prepared by Mr. Jadwin.

After one of these Jadwin fuse plugs have been opened, Jadwin surrenders to the river all power to restrain the quantity or duration of its flow through it, until the flood in the river has subsided.

The river, in the interim, may choose such an opening in its side, for its future course through the valley, as it has some hundreds of times in the past.

The effect of the river's flood upon the size and character of these fuse-plug openings is governed by so many undeterminable factors that its exact effect is impossible to foretell; but what the effect of flood waters would be, even upon the more substantial parts of the levees, is concisely told by Colonel Potter, president of the Mississippi River Commission, on page 64 of report No. 1072, referred to:

"Colonel POTTER. If you start a flood over the top of any levee, it is going to tear that levee all to pieces."

It is into the hands of this man, General Jadwin, that the Congress of the United States has now intrusted much property and the lives of many citizens in the valley, and specifically those of Cairo. The expenditure of three hundred millions, as stated by General Jadwin, is more likely to be a billion five hundred million before the river is effectively held by revetment.

This engineering undertaking by its ignominious failure will place an ineffable stigma upon the engineering ability of the Army engineers, and if the Corps of Army Engineers have any regard for their prestige, of which they seem so jealous, it is time that their voices were raised in a chorus against the stultifying engineering assumptions of this General Jadwin who has happened to succeed to a high place in their ranks.

General Jadwin, from his high perch as Chief of Engineers, with an Army-constituted halo about him, as an oracle, on December 1, 1928, issued his original manifesto, announcing the birth of the "Jadwin plan," an abortive engineering monstrosity of 50 years' gestation, which Congress, for the honor of its country, should order to be smothered and buried as soon as possible very darkly at dead of night, with only the light of that halo to guide them.

If the Jadwin plan was the result of one deranged brain, it would be called pitiable; but as the Army engineers' conclusion, after 50 years' continuous failure under the hallucination of their goddess, "levees only," the only word which properly defines the Jadwin plan is "monstrosity."

The woeful want of knowledge concerning the basic, underlying, and fundamental laws of physics and their applications, misstatements, and misrepresentations of facts which General Jadwin, Chief of Engineers, United States Army, has exhibited, are stultifying. His revised statements at the hearings before the Committee on Commerce, United States Senate, on the 11th day of February, 1928, replying to the inquiry of the United States Senate concerning it, to be found in the appendix, will make that evident to anyone.

On September 29, 1914 (14 years ago), when the House had under consideration a river and harbor bill, and at which time H. R. 18169, embodying the Riker spillway project, practically as of now, was before Congress, the following statements by the author are to be found in the CONGRESSIONAL RECORD. And how true his predictions then made were is proven by the flood of 1927.

"The plans of the United States Army engineers for control of the Mississippi River are the greatest engineering blunders which have ever been perpetrated upon a nation. These plans show that they do not understand the underlying first principles which naturally govern the flow of a river. If an advisory board of consulting engineers be appointed, who are not graduates of West Point, to investigate these plans and they use as data only that which is printed and officially indorsed by those Army engineers, they will certainly confirm the above statements after less than 24 hours of actual consideration.

"Thirty-four annual reports of the Mississippi River Commission concurred in by the various Chiefs of Engineers, United States Army, then acting, are mute witnesses against them that can never be effaced.

"They are now preparing a trap for the unconscious, confiding settlers in the valley of that river, which will terminate in a terrible catastrophe as certain as the sun is to rise, unless the present program be radically modified."

The succeeding 15 years, climaxed by the recent devastating flood of 1927, show that they were the greatest engineering blunders which had ever been perpetrated upon a nation, and time will verify the author's present statements and prove that the Jadwin plan is a monstrosity.

This pamphlet shows that the Jadwin plan embodies but a continuation of the antiquated, embalmed fallacies and lack of good judgment and foresight upon the part of the Army engineers who support it, which has caused one disaster after another in the valley for more than 50 years; and that the Jadwin plan, if carried out, will be the greatest national engineering abortion ever perpetrated upon a nation.

General Jadwin admits that he is unable to determine what his plan will cost, or the cost of maintenance; but other authorities estimate his plan may cost eventually more than $1,500,000,000 and more than $50,000,000 yearly for thorough upkeep. He further states that, should his plan work to the best possible advantage, there will be more than 6,000,000 acres of land in danger of overflow at all times from the fuse plugs of his levees, or from backwater, while should his plans not work to the perfection he expects (but others do not) there would be the greatest catastrophe this country has ever known.

Its great initial cost, that of continuous maintenance, inefficiency, and the property damages which General Jadwin shows and admits are sure to occur, even should his plan meet his most sanguine expectations, make its adoption without a full and competent inquiry as to whether there is a better plan, preposterous.

Under authority from Congress, General Jadwin, the Mississippi River Commission, and an engineer appointed by the President, have agreed upon a plan for control of this river hereinafter called the adopted Jadwin project. The plan they have adopted again depends only upon levees for protection, as has been the slogan of the Army engineers for the past 50 years. For many years they have continuously ridiculed suggestions for the use of controlled spillways by which an excess of water behind the levees, especially the height of the cap of a flood wave could be relieved, and the gates then closed. And in the place of such emergency relief, which could be under man's absolute control, they have substituted what General Jadwin calls "fuse plugs," which are stretches of levees made so tender and at such an elevation that they will let go or can be blown up at just the proper time and thereby relieve the situation, but without any power to close these openings until the flood is over, and the destruction which their uncontrolled volume and duration has inflicted upon the valley into which they empty has occurred.

That the Army engineers are incompetent to formulate a plan for control of the Mississippi compatible with the advances of mechanical engineering, is the consensus of practically every engineer who has given thought to this matter, and even Washington newspapers (who feel they must tread gingerly on Army toes) express that opinion. The following is reprinted from the Washington Post, April 1, 1928:

"The success or failure of flood control hinges upon the commission that is to be created. If this commission is composed of the best engineering ability in the United States, unhampered by preconceived notions and with ample power to adopt and execute any plan it may adopt, it will succeed in controlling the Mississippi. But if it is composed principally of Army engineers, who are more or less bound to follow old and discredited methods, or if it is fettered by a plan foisted upon it by Congress, it will fail, no matter how much money may be appropriated.

"Congress will merely retard and confuse this task if it adopts any plan in advance. It should create a strong commission, with extraordinary and ample powers, and charge it with the sole duty of controlling the floods of the Mississippi River. The question as to the method of control would be left entirely to the commission."

The Manufacturers Record, Baltimore, Md., April 19, 1928, states:

"In view of the sad failure of the Engineer Corps in the past to recognize that levees alone could not solve the problem—which they now freely admit—neither the country at large nor Congress can have full confidence in any plan which the Engineer Corps submits."

Quotation from Manufacturers Record, continued:

"The President has found himself in a most peculiar situation, which has developed in this fashion: Last December General Jadwin submitted to Congress his plan for control of the Mississippi floods which he estimated, would cost $296,400,000 for construction plus the costs of the rights of way. The States to be 'protected' by the

plan were to pay for the rights of way plus 20 per cent of the $296,400,000, leaving a cost of $237,120,000 for the Federal Government's share. Since General Jadwin is the President's official advisor in such matters and since the cost figures he presented were so much lower than had been expected, the President indorsed the plan.

"But when civilian engineers came to examine the plan they found untried experiments, they found proposals considered unsound by able engineers experienced in river work, and expert testimony accumulated to overwhelming proportions in condemnation of the engineering features of the plan. Then the estimates of the cost of the rights of way, which General Jadwin had concealed by scattering them through the plan in fragments at wide intervals, were correlated, and it was found—and General Jadwin has admitted—that the rights of way necessary to his plan would cost over $1,000,000,000.

"Congress had upon its hands a plan which contained engineering features feared and distrusted by the States it proposed to protect; and Congress rightly concluded that it could not force the plan upon these States unless it would put upon the Federal Government full liability for damages resulting from a failure, in any future flood, of the Jadwin plan. Also, it found that the plan demanded of three Mississippi Valley States a contribution of approximately $1,250,000,000 while requiring of the Federal Government an expenditure of a little over $237,000,000. Since the contribution demanded of the States to be protected was manifestly absurd and impossible, it put all of the cost—approximately $1,500,000,000—upon the Federal Government.

"Further, all of this vast expenditure was proposed to be made in permitting the undiminished Mississippi floods to overflow half the lower valley by confining them between higher levees; while the thousands of miles of valleys of the Ohio, Missouri, Arkansas, and other tributaries, which would pay by far the larger part of the cost, would remain subject, as they now are, to devastation by the floods which, when combined, overflow the Mississippi Valley. So far as these rich valleys are concerned, they would remain to be protected after the outlay of $1,500,000,000 had been completed in the lower valley.

"This is the untenable position into which General Jadwin has gotten himself and his corps. No wonder Congress has repudiated him."

THE RIKER SPILLWAY PROJECT FOR CONTROL AND UTILIZATION OF THE WATERS OF THE MISSISSIPPI RIVER AND THE DRAINAGE OF ITS VALLEY, BASED UPON THE ABILITY OF THE RIKER MISSISSIPPI SPILLWAY TO CARRY SAFELY TO THE GULF TWICE THE FLOOD WATER THAT HAS EVER PASSED THROUGH THE MISSISSIPPI VALLEY

The spillway would consist of a strip of land about 3 miles wide, from which the buildings, trees (except their stumps), and other large obstructions had been removed, extending in an almost straight line about 530 miles long from near the junction of the Ohio with the Mississippi River at Cairo to the Gulf of Mexico, except from near the junction of the Red River with the Mississippi, whence to the Gulf it would be about 4 miles wide.

This spillway would pass through the lowest undrained swamps and almost entirely through the least valuable parts of the St. Francis, the Yazoo, Tensas, and Atchafalaya Basins of the Mississippi Valley, crossing the Mississippi River about 20 miles below Memphis and recrossing it about 20 miles above Vicksburg.

This spillway strip would be located in the center of a strip of land 5 miles wide, all of which would be purchased by the Federal Government from the States which it traversed at the upset price of $25 per acre, the States making their own settlements with the landowners. This land would become Federal property forever and remain free from all State taxation.

The narrow strip on each side of the spillway situated between it and the other property in the valley is hereinafter called the intervening territory.

This spillway strip, 3 miles wide, would be provided with a levee on each side having a minimum height of about 40 feet, a width at its base of about 300 feet, and at its top of about 130 feet, while the levees on each side of the 4-mile strip would be larger. These levee tops would afford a continuous, practically straight, and level roadbed for railroads and vehicular traffic from Cairo to the Gulf.

The earth from which these great levees would be built is procured from a ditch about 250 feet wide and 50 feet deep just outside the spillway, which parallels the levee at a distance of not less than 250 feet therefrom.

As the spillway would pass through the lowest parts of the valley, millions of acres on the outside of these ditches would drain their waters into them, and they being straight, and kept so by a new and inexpensive means, would have a capacity for carrying all the water which empties into them, as all the large rivers in the valley would empty directly into the Mississippi.

By these means millions of acres in the Mississippi Valley, which are now malaria-breeding swamps, would be drained into these ditches, as also many lagoons and other subaqueous lands, when they were filled in, as hereinafter described.

Great floating dredges should be employed to construct these levees, each cutting, such a ditch for its own flotation while placing the excavated materials into the levees.

These dredges would each have a discharge pipe about 9 feet in diameter, supported upon a series of railroad cars, traveling forward with the dredge upon a temporary series of short, parallel railroad tracks, and each dredge would have a dredging capacity of valley soil of not less than 250,000 cubic yards every 24 hours, and most of it would be so solid that as discharged it could be walked upon and remain standing in the levee.

Each of such dredges would have a greater capacity than that of any 100 dredges in existence for the delivery of such dredged material from the bottom of the ditch to the top of such levee over the intervening distance.

The inner side of each levee would be protected from erosion by a close and heavy growth of willows. The bottom of the spillway would be leveled by cleaning and plowing the high places and by then inducing the erosion therefrom and the matter suspended in the flood waters to be deposited in the low places when passing over them.

There would be about 10 reinforced concrete dams crossing the spillway, each would be provided with a continuous series of gates extending the full width of the spillway, and superimposed upon each dam would be a roadbed forming a bridge for railroad and vehicular travel across the spillway. There would be additional bridge crossings over the spillway, where required for travel, and roads across it at the spillway level, at convenient intervals for vehicular travel where there was no flood. The latter crossings would be of reinforced concrete and so constructed as not only to be uninjured by the floods but to function as eveners of the depth of flood waters passing through the spillway and to influence the deposit, where required, of matter passing over them.

The waters which during floods now pass through these basins of the Mississippi Valley as a shallow inundation, at times from 50 to 75 miles wide, would then be confined to this spillway strip about 3 miles wide, between its levees, except from where the spillway crossed the Red River, the spillway strip from that point to the Gulf of Mexico being about 4 miles wide between its levees; therefore the intervening territory would be less.

There would be many places where the height and other dimensions of these levees would be increased in such proportion, or with a proportionately greater base, as where they pass through a lake or lagoon, and in the Atchafalaya Valley about west of Baton Rouge, where there would be a stretch of levee exceeding a minimum height of 50 feet.

A reinforced concrete tube about 12 feet in diameter would extend through the center of both the 3-mile and the 4-mile spillways, for their entire length. Through it water, silt, sand, and gravel would be pumped from great, deep lures at several points in the bottom of the Mississippi River and elsewhere. This tube is hereinafter called the terraqueous conduit.

Material so pumped would be deposited in advance of the construction of the terraqueous conduit to a height of about 10 feet below the level of the levee tops, having a width on top of about 30 feet and a slope depending upon the character of the material pumped. Upon this levee so constructed, the terraqueous conduit would be embedded to a depth of about 10 feet.

By this means, the spillway would practically be divided into halves, thus permitting the examination of, or work upon either half, while the other was carrying an ordinary flood. By such division of the spillway, one half might be kept dry for years, while the other half was performing the functions of both.

Branches from this terraqueous conduit would extend as part of the concrete structure of the dams to each side of the spillway, through which the flow could be from or into the central spillway or across the same.

Boosters or propeller pumps would be employed at requisite places in the terraqueous conduit to maintain or accelerate the flow therethrough; and lures would also be provided in the spillway, for the removal of superfluous, heavy, or suspended matter deposited therein, which would be removed through the terraqueous conduit.

As soon as the Riker Mississippi spillway is completed, work upon the Mississippi River looking to its complete canalization should begin; first, by the construction of the master dams across the river; one just below the spillway's mouth near Cairo, one just below where the river is crossed by the spillway near Memphis, one below the recrossing near Vicksburg, and also one below where the river is connected with the spillway near Red River Landing or Morgan's Bend.

These master dams should be provided with gated control of the waters passing them down the river, also with locks for navigation, and with plants for the generation of electric power.

Several batteries of steam vacuum pumps, each battery having a common suction pipe about 8 feet in diameter, would connect with the bottom of the lures at least 100 feet deep, just above each master dam in the Mississippi River and at such other points as just below where the Arkansas River would empty into it, or at places in the spillway where there might be great accumulations of silt, and the discharge from these pumps would be into the terraqueous conduit.

Each dam in the spillway would effectively determine the height (or depth), and thereby the velocity of the water in the spillway between it and the preceding dam, whether the flow of the water in the spillway be a slight excess rejected by the master dams in the river or a flood twice that of 1927.

The lip or entrance to this spillway mouth would be practically level and about 6 miles long, thoroughly protected by reinforced concrete. When a flood as of 1927 was passing over it the water would be about 10 feet deep at the lower end, gradually increasing in depth to the upper end, and if it were swallowing a flood double that size it would be about 15 feet deep at the lower end, increasing in depth toward the upper end.

The gates in the first dam across the spillway below Cairo would control the height of the water passing over this lip. By increasing the depth of water at this dam and closing its gates the water at the lip of the spillway could be raised to the double flood level—15 feet deep—and very little pass down the spillways; while by lowering the height of the water at that dam by opening its gates such a velocity could be secured that a 1927 flood could be made to pass over the lip at a depth of 10 feet.

Similar concrete lips and dams would be placed across the spillway below where it crossed the Mississippi River, and where it crosses the Red River, also below where it connects with the Mississippi below Red River Landing.

There have been many estimates made, but a close determination of the area and the velocity of the Mississippi River during great floods never has and never can be made under past or present conditions. This is largely due to its quickly changing area and to the many centrifugal current actions engendered, especially by varying bank contours and sudden bar formations and eliminations, which cause its current to change very quickly at so many places in both its width and its depth, and vice versa. For these reasons all estimates of the river's flow which have been made are not closely dependable.

However, a rough comparison between the capacity of the spillway and that of the river can be made by estimating the river's area below Cairo as averaging when in flood one-half mile wide and 60 feet deep to within 1 foot of the top of the levees, and that of the spillway 3 miles wide.

The spillway, with a 10-foot depth of water passing through it, would have the same sectional area and the same capacity as the river at the same velocity; with 20 feet of water passing through the spillway it would have twice the sectional area and capacity at the same velocity, and with water 30 feet deep passing through the spillway at the same velocity as the river it would have three times that capacity. When the velocity of the water so passing through the spillway had twice the velocity of the river it would have six times its capacity, or more than twice the flood which General Jadwin predicts as possible.

One of the passes at the river's mouth should be provided with a center channel of restricted width, and all other passes or exits for the waters of the river should be closed.

By properly shaping and maintaining this pass as a jetty, it would quickly deepen the channel far out into the Gulf of Mexico, and the entrance to the pass would then be navigable for the largest vessels, and permit their passing at full speed.

Most of the light and all of the heavy silt and gravel would be removed from the river by the spillway, and by the lures situated in the Mississippi River near Cairo, Memphis, Vicksburg, and the Red River Crossing of the spillway and such other points in the river or the spillway as should be necessary. This material would be conveyed by the terraqueous conduit to places where required, so that there would be practically no filling in of the river or of the Gulf by its silt.

The amount of silt that is now carried by the Mississippi and delivered into the Gulf of Mexico yearly has been estimated by a number of supposedly competent authorities as averaging sufficient to cover 1,000 square miles 1 foot deep.

The canalization of the Mississippi River would limit the greatest possible flood height in the river to an average of more than 25 feet below the tops of its present levees for about 1,000 miles of its length. There would then be recovered from overflow along the river a very large area of most valuable land.

This area between the river's surface, when it shall be canalized, and the backsetting levees on the west, together with the area between such water level and the highlands on the east, constitutes an area estimated at about 4,000,000 acres, which is hereinafter called "riverside." This riverside would then become the most valuable land in the entire Mississippi Valley, as its increased value per acre would be at least $400. Such increased valuation of $1,600,000,000 would be greater than the cost of the spillway and the estimated cost of the canalization of the river and the terraqueous conduit, together with the purchase of the 1,750,000 acres of land required for the spillway strip estimated as not worth $24 per acre, or about $42,000,000.

The spillway levees are designed to have such height that when a Jadwin's greatest predicted flood was passing through the spillway, its waters would only rise to between 20 and 25 feet below its top, which is 130 feet wide, while those of the Jadwin project, according to his statements, would rise to about 1 foot above the top of his greatest predicted flood, and his levee is but 12 feet wide on top.

The soil of the Mississippi Valley where levees are to be built is generally of an alluvial nature, having little tenacity or power of adhesion, especially when wet, but has great capillary capacity, so that the Jadwin levee becomes easily saturated and so ready to erode or dissolve and float away that the least invitation of water in rapid movement against it to elope is accepted, to be quickly followed by a separation in some quiet spot.

The great weight in the levees of the spillway is such that it compresses this alluvial soil, both in the levee itself and the soil of the valley upon which the levee is built. Such pressure, together with the close willow growth which it is proposed to cultivate upon the inside of each levee, will effect a solidity and tenacity of the levee against erosion by the waters of the spillway passing through it, even at great velocity, that will prevent any such elopement of the soil with the water as is a feature of the Jadwin plan.

Some of the additional advantages which the Riker spillway project would produce are the benefits to be derived by the United States in case of war, which include the navigation of the river for the largest battleships or any other vessel now afloat to Cairo; the increased facilities for freight and passenger traffic from Cairo (almost the center of the United States) to the Gulf and vice versa, and incidentally the construction of vessels for ocean navigation at almost any point along the thousand miles of the river's length; the unequaled length of water surface and smooth landing fields for the landing of airplanes in time of peace or war, extending for 500 miles, if desired, free and clear from any obstructions.

The Hon. FRANK R. REID, in one of his communications to Congress upon flood control, makes the following statement:

"The need of the Mississippi as a carrier of United States and foreign commerce, the havoc wrought to interstate commerce, and the interference with the United States mail when uncontrolled; the increase to the National Treasury when industry is not stopped, the safety of life and property, and the promotion of the general welfare, * * * to these might be added one thing that would be worth all the cost—national defense. No foreign foe can ever conquer us as long as navigation is kept open on the Mississippi."

It would prevent interruption of United States mail in case of floods, which the Jadwin plan would cause.

The thorough drainage which the Riker spillway project would effect in the valleys and surrounding country, according to many authorities (including Army engineers), would undoubtedly lessen the rainfall in the valley, and the moisture then retained in the clouds passing over that valley would travel toward the foothills of the Rocky Mountains, because once having escaped the chilling, condensing tendency of the moisture-laden valley they would move westward under the ascending influence of the heated areas to the west; they would then rise and their moisture be condensed as rain by the cooler, upper strata of the atmosphere over those heated thirsty sands, instead of over a valley saturated by the cold flood waters of the Mississippi from the north, from its backwaters, and its own continuous rains.

The construction of the proposed Missouri River reservoir above Bismarck, N. Dak., capable of retaining a 30-day flood of the river, would so regulate its flow that instead of its flood waters, as now, bringing down millions upon millions of tons of alluvium or silt, according to the Army engineers, to be eventually deposited in the Gulf, there will be a great decrease. Any that there might be from the Missouri, the upper Mississippi, or the Ohio, would be removed from the great lures at the spillway mouth near Cairo, and transported by pumping and electrically driven boosting to such points between there and the Gulf of Mexico as might be required for filling in of old river beds and lagoons, and specifically for raising the surface of those lands in the Atchafalaya Valley which are now undrainable because of their slight elevation above the Gulf, or are under certain conditions overflowed by the Gulf.

It is proposed to construct a great ocean terminal with warehouses for the reception of ocean freights in transit, where solid trainloads of grain or other gross freight could be unloaded in a very short time and thereby remove the present expense incident to terminals which delay such unloading. Starting with untrammeled surroundings as would be possible here, the safest, most easily approached, and the most economical freight terminal in the world could be constructed at a nominal cost.

That the author is competent to express an opinion on that subject, and how it should be done, is borne out by his past experience, and shown by the following letter from the late General Goethals, the constructor of the Panama Canal, and who at the date of his writing of the letter below, was the consulting engineer for the Port of New York Authority.

GEORGE W. GOETHALS & CO. (INC.),
New York, March 30, 1921.

Mr. CARROLL L. RIKER,
East Falls Church, Va.

DEAR MR. RIKER: The plans for an international terminal transportation and shipbuilding undertaking, outlined in your recent letter to Senator WESLEY JONES, a copy of which I have read, appeals so favorably to me, that I should be willing to afford them my personal support and the engineering support of my corporation.

Sincerely yours,

GEO. W. GOETHALS.

TIME AS A FACTOR—TIME PROVES ADVICE REJECTED BY ARMY ENGINEERS FOR 13 YEARS WOULD HAVE AVERTED 1927 DISASTER

The Riker Mississippi spillway and ramifications, with their mechanical details, have been before Congress and the Army engineers for the past 15 years.

On April 21, 1913, the United States Board of Flood Control pronounced this plan "most interesting and fascinating," and later requested that details be furnished at the earliest possible moment.

Five days thereafter House Resolution 4296 was introduced, and on July 31, 1914, H. R. 18169, Sixty-third Congress, was introduced, which in its 68 pages gave full details of the Riker spillway project and the method of its construction, with its controlling gates, its dams, locks, power plants, etc., for the control and utilization of the waters of the Mississippi River.

On December 6, 1927, Senator FRAZIER introduced Senate Joint Resolution 7, which in its 84 pages embodies the Riker Mississippi spillway plan introduced 15 years ago, together with interlocking plans, for control and utilization of the waters of the Mississippi River and its tributaries, from Montana to the Gulf.

As war was declared in Europe on August 1, 1914, the day following the introduction of the House resolution of July 31, 1914, the bill was not given the consideration by Congress at that time which otherwise it might have received, but the president of the Mississippi River Commission and the Chief of Engineers, United States Army, were specifically made acquainted with its contents.

The only direct comment ever made by either of them, as far as ascertained, was that the levees were amply sufficient, or would shortly be made so, to fully protect the Mississippi Valley from any flood that might occur, and Col. C. McD. Townsend, then president of the Mississippi River Commission, sent the author a printed copy of an address made by him at Memphis, Tenn., September 26, 1913, containing the following:

"The Mississippi River Commission has explained with great detail in its reports its reasons for relying on levees for protecting the country from overflow, but they appear to be unknown not only to the country at large, but to many who reside in the Mississippi Valley and are most vitally interested in the problem.

"I therefore consider it proper to appear before you, accept the invitation of the illustrious speaker who preceded me, and state briefly reasons for rejecting the various methods of flood control, other than levees, which have been suggested.

"I also believe that the effect of outlets in reducing flood heights is not as great as is popularly supposed. The last flood, however, clearly demonstrated that wherever there was a large crevasse, which is but another name for outlet, the river ceased to rise."

It is surprising that even the then "last flood" should have clearly demonstrated to him the supposedly elementary fact that it was difficult to add without addition or subtract without reduction.

"And another lesson to be derived from this flood is that if you are going to reduce flood heights by this means, you must also control your outlet."

It is not surprising that it should have required more than 60 years of the Army engineers' experience with the river, for the commission and its president to have learned the lesson that this particular flood seems to have been required to teach them.

"Another serious objection to an outlet is the difficulty in regulating the velocity with which the water will flow through it at varying heights of the main stream.

"If it is so constructed that it will discharge at a greater velocity than the river itself, there is danger of its enlargement to such an extent as to divert the greater part of the flow down it, and transfer the main stream itself into an outlet; and if, on the other hand, it discharges at a lower velocity, it will tend to fill with sediment."

There is no engineering difficulty in maintaining a gated outlet for flood waters of the Mississippi River, which would regulate the quantity and the velocity of the water flowing through such outlet.

"Under these conditions it was necessary for the commission to establish a grade line for levee construction, and they announced a provisional grade, which was neither as low as many persons considered ample, nor as high as others thought necessary. This grade was generally accepted as a line to build to, the ultimate grade to which levees were to be constructed to be afterwards determined by observation.

"This was a most happy solution of the problem, as was forcibly demonstrated during the last flood, during which less than 1 per cent of the length of the levee line was destroyed."

This was, indeed, an amazing engineering solution of the problem; as 1 per cent of the levee's length is more than 10 miles, it would be an outlet more than sufficient to let out five times all the water in the river.

It will be remembered, however, that with this "most happy solution of the problem" before him, General Jadwin was unable to see the benefits of an outlet until after the city of New Orleans had forcibly demonstrated at Caernarven during the recent flood that subtraction did reduce. Though all the engineers in the country might advocate controlled spillways, it would be heresy for a Chief of Engineers to accept any suggestions that his predecessors had turned down, and he therefore, instead of committing such an unpardonable offense, has substituted what no one has ever before conceived, what he terms "fuse plugs," sections of the river's levees purposely made so tender that when the flood has reached a predetermined height they are expected to let go (or be blown up) and thereby create an uncontrolled crevasse which will relieve the river.

As an argument against plans for control of the Mississippi River being determined by other than Army engineers, it is stated by their supporters that it would affect "their prestige" before the world; whereas, if they be permitted to execute the Jadwin plan, their prestige, of which the past has already deprived the Army engineers, will be converted into criminal responsibility in the eyes of the world.

When Congress realizes the seriousness of the deception which the Jadwin plan would practice upon it, as it ultimately will, the author's plain statement of facts and caustic handling of that plan will be pardoned.

CONTROL OF THE MISSOURI, ITS MASTER DAM, AND RAMIFICATIONS—HOW THEY WILL TRANSFORM THE MISSOURI RIVER FROM AN UNCONTROLLABLE FLOOD BREEDER INTO A PRICELESS ASSET

Probably nowhere in the world is there existent a better opportunity for checking a river's flood by the construction of a great reservoir to receive it, than exists near the headwaters of the Missouri River, just north of Bismark, N. Dak.

On the premises Senator FRAZIER and the author examined various sites for dam and finally located the site for the master dam hereinafter described (which was afterwards indorsed by survey), and which is referred to in the following letter of the late Governor Sorlie, of North Dakota, to the builder of the Panama Canal, General Goethals (also deceased) just before his death.

STATE OF NORTH DAKOTA,
OFFICE OF THE GOVERNOR,
Bismarck, October 19, 1927.

Gen. GEO. W. GOETHALS,
40 Wall Street, New York, N. Y.

MY DEAR GENERAL GOETHALS: We are very much interested in North Dakota in an engineering problem which has been presented to us by Mr. C. L. Riker, and which has been partially worked out by him.

Is it possible for you to come here to look this project over so that we might have your opinion as to its feasibility, practicability, and the cost of construction of the dam? I hope it may be possible for you to come to North Dakota immediately.

We are expecting to go before Congress to ask for appropriations covering this project.

Very truly yours,

A. G. SORLIE.

The physical features of the Missouri River Valley below the junction of the Yellowstone with that river are such that they make its flood control and fitness for navigation impossible when undertaken by the present methods, but by the construction of a great master dam across this river in North Dakota where nature has provided a site for it and for a great reservoir, its flood control, navigation, and power production become not only possible and practicable but inexpensive and alluring beyond first conception.

To control this river so as to maintain navigation with its varying currents and floods has been the duty of the United States Army engineers for more than half a century, but because they have spent many millions of dollars in their senile petty combats with nature and have failed is no reason it can not be done, when nature is cooperated with and her great provisions to that end are embraced.

To this end, the first step is a great master dam across the Missouri River just below the junction of the Little Missouri with it, capable of impounding water to a depth of 150 feet. This would produce a lake or reservoir extending to Williston, near the Montana line, about 138 miles long, averaging about 2 miles wide and which would contain about 500,000,000,000 cubic feet of water or amply sufficient to make nearly uniform, or to otherwise control, the flow of this river, which would then be absolutely under man's control at this point.

As proposed, this dam would reach to a height of 210 feet above the present river level and could impound water 200 feet deep if required, which would increase the contents of the lake to about 1,000,000,000,000 cubic feet, and extend it to the Montana line.

This dam would be composed of clay, sand, and silt pumped into position somewhat as was the dam at Gatun, Canal Zone, and would contain nearly 100,000,000 cubic yards, upon a foundation of stiff clay. (The author twice visited the Canal Zone and examined both the substrata and the placing of the material in the dam, at the request of General Goethals, upon the suggestion of Gen. Peter C. Hains, Chief of Engineers, United States Army.)

This earth would be placed in the dam by great floating dredges of the most improved construction at a very low cost, probably by the dredges previously used upon the Riker Mississippi spillway; and they could complete the work in less than one-fourth of the time and less than one-fourth of the cost which would be required to provide a dam

made of concrete or of masonry having equal capacity, strength, and safety.

The earth required would be dredged from above the dam, which would be about 2 miles long, about one-half mile wide across its base, and about 300 feet wide across its top, which would be about 210 feet above the present river level; the slope of its banks would be about 1 to 7.

The most dangerous feature in an earthen dam is an overflow, especially over a dam of this height. This would be eliminated and instead an overflow would be provided at a distance of a mile or more from the dam by a spillway detour around it about 2 miles long, which the topography of the country has already practically provided.

Great steel tubes, thoroughly incased in reinforced concrete, would extend through this dam to the power plants, which would be situated on the lower face. These tubes under the great head or pressure would have an aggregate area sufficient to pass at least twice the normal flow of the river, so that an excessive amount of water behind the dam would be relieved before the height of the spillway overflow was reached.

It is proposed to have a marine railway over this dam capable of raising and lowering boats of 750 tons displacement between the river and the surface of the lake above it, and vice versa.

Railroads and other roads, gas, water, electric, and other utilities could pass over this dam, occupying, if needed, most of its flat top or crest, which would be about 300 feet wide.

The immense body of water restrained by this master dam calls for an integrity that can not be questioned.

This would be accomplished by an asphaltum-covered plate, or boiler iron, or steel in the form of a great apron, wall, or core, extending through the center of the dam for its whole length and height.

This metal core would be embedded in reinforced concrete about 12 inches thick, securely tied through the steel plate by anchor bolts. The concrete provision to supplant the metal plate in centuries to come, when the steel may have rusted away, and also effect a drainage which will prevent water settling against the metal core on the lake side.

It is believed that this master dam would be invulnerable as against anything that might occur, and that it would fully protect the Missouri Valley below it from the water it confined.

An earthquake that would render the neighboring hills asunder would not cause a dangerous rupture in the sheet-steel wall, but it would simply yield to the water's pressure at the point of rupture and confine the flow to such a gap slightly enlarged.

The quantity of water impounded by this master dam would be greater than that confined by any other reservoir made by man.

The system, including the master dam and its subsidiary dams along the river to St. Louis, would generate more power than any other power plant in existence. The system would permit 7-foot draft navigation from St. Louis to Montana. Full canalization later would supply sufficient depth for much deeper draft.

After completion of the master dam, it would be practicable by use of the four mammoth dredges proposed for it to construct the dam near the South Dakota line so as to restrain water 45 feet deep, and to canalize the river as described; to fill the old bends to above the present river surface by its own action, as work proceeded, and to dredge a new straight channel for the river as described, in less than four years and at a very low total cost.

The four large dredges, when handling river silt with the aid of great electric power derived from the master dam, should each handle at least 200,000 yards of material every 24 hours. Placing their joint output at half that amount or 400,000 yards per day, the 400,000,000 yards to be dredged could be moved in less than four years.

SOME OF THE ADVANTAGES RESULTING FROM THIS DAM

Instead of the annual spring flood caused by the melting of the snow in the headwaters of the Missouri and the Yellowstone sweeping down to the Mississippi in an irresistible volume, it would be restrained by this dam, and this now destructive volume of water and mud would be liberated in any desired quantity, to be determined by man, and not by the elements; and as a stream of crystal pure water. It would enable the Missouri to be made a navigable river of uniform flow, and with its sisters, the Ohio and Mississippi, when also improved, form the greatest inland freight highway in the world.

Lake Dakota, formed by this master dam, would afford deep-water navigation for about 140 miles above this dam or nearly to the Montana line and deep-water navigation below the master dam to the Mississippi River could be effected by a system of by-plane canalization, as follows:

The river's bottom just below the master dam should be deepened to about 40 feet below the level of the present river bottom for a width of about 700 feet and straightened by the same pumping dredges that had made the master dam. This depth would gradually decrease until at a few miles below Bismarck it would meet the backwaters of another dam at Fort Rice, forming Little Dakota Lake.

Below this dam the river bottom would be again lowered and the same by-plane system employed as just described, lowering the bottom of the river until this deepened channel met the backwaters of another dam in South Dakota, and this method of by-planing should be continued until it reached the Mississippi.

The size of the facilities for handling boats over the master dam has been limited to 750 tons displacement for safety only, but the facilities for passing the lower dams can be of any size, type, or kind desired.

By thus lowering the bed of the river below each dam the inclination of the river bed would be lessened from about 8 inches to about 2 inches to the mile and the current velocity reduced from a maximum of 8 miles per hour to a uniform velocity of about 2 miles. Boats drawing 10 feet of water, displacing not more than 750 tons, could then navigate this river at full speed north or against the current without pilot from the Mississippi to Montana, and tows of considerable size and length, fully as large as those now on the Ohio and Mississippi, could do the same.

The river channel thus lowered and deepened would afford drainage for much bottom land now useless, and the material thus dredged from deepening and straightening these channels would be ample to fill most of the vacated old river channels.

The channel width, depth, and velocity of current are based upon an assumed controlled average yearly flow of 30,000 second-feet at the line between North and South Dakota. This figure is obtained from the best reliable, available data, which, however, is very meager; and although the Army engineers have had control of this river for more than an average man's lifetime, there are no records of this river's flow obtainable based upon any premise that is reliable and no map of the river is obtainable made later than 1895, while the large-scale maps of the river below North Dakota are not to be had at all until they are reprinted at purchaser's expense.

Under these circumstances it was impracticable for the author to formulate plans for any specific, comprehensive improvements below the North Dakota line.

Although the power which would be developed at the master dam and by the fall of the water at the canalization dams between the master dam and the Mississippi River amounts to millions of steady horsepower, it would be quickly in demand at a premium for commercial and domestic use, but it is believed that a large part of it should be used to pump water from the river for irrigation purposes beyond the immediate watershed through which the river travels.

Instead of permitting this 30,000 second-feet of water to flow into the sea for every second of time in the future as it has in the past, the thirsty soil of the States through which it passes should be enabled to retain it as far as possible by all practicable means.

When it is considered that these wasted waters are constantly pouring into the sea, it is evident that the rainfall, snow, or other moisture which continuously provides this flow must initially come from the sea. If this rainfall is just sufficient to maintain the flow continuously, it is evident that by retaining a part of this flow to fill by irrigation and otherwise some of the near-by thirsty soils of the States through which this river passes, that it would soon begin to change the climatic conditions somewhere as to moisture. To those who object to the water of this river being used for irrigation purposes in such volume as would actually and appreciably reduce its flow at its junction with the Mississippi when inaugurated, it should be apparent that, should every drop now passing into the Mississippi be used for irrigation in these thirsty States, that ultimately the lacking water in the parched soil would be replenished, the water table rise at least to its previous level, and the springs again begin to flow; also that the water which would then be evaporated would fall in greater volume near by to reenforce the present rainfall.

JADWIN'S REPLY TO THE SENATE

The following letter from General Jadwin to the President of the Senate is in reply to a request by the Senate for "a report upon the merits of the Riker Mississippi spillway" is taken verbatim from the CONGRESSIONAL RECORD:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, April 28, 1928.

The PRESIDENT OF THE SENATE,
Washington, D. C.

SIR: Referring to the resolution passed by the Senate April 25, 1928, requesting the Chief of Engineers to report to the Senate upon the merits of the Riker Mississippi spillway plan for flood control, I attended the hearing of the Committee on Commerce on February 11, 1928, and heard Mr. Riker describe to the committee his Mississippi spillway plan for flood control. My comments thereon are printed on pages 652 and 653 of the hearings before the Committee on Commerce, United States Senate, Seventieth Congress, first session, part 3.

On April 16 I examined the model of the Riker spillway plan on exhibition in the basement of the Senate Office Building.

Flood ways for the relief of the main river below the mouth of the Arkansas are essential for flood control of the Mississippi if the maximum possible flood is to be protected against. But flood ways in the St. Francis or Yazoo Valleys are not an essential part of the plan and would result in claims for damages as lands have not been subject to overflow frequently in recent years.

The levees proposed along the Riker flood ways are, in my opinion, too high for safety, and the estimated cost for the whole project, $785,000,000, is too low. The low unit cost for earthwork is out of line with the experience of contractors and of the Government on work of a similar nature. The dredge proposed by him for use in building these levees is of a design that has not been proved. Drainage of the alluvial valley itself would be expensive and unsatisfactory, as most of the water would have to be pumped. The proposed dams would be expensive and uncertain in their operation. There are other matters of hydraulics and engineering, such as capacity and velocity of flow in the spillway and erosion of the bed and banks of the spillway, that are open to objection, as, for example, the natural slope of the ground from Red River to the Gulf of Mexico is very small, and a cleared flood way 3 miles wide with such a small slope will have insufficient capacity to carry the water brought to it from above, and therefore more water would be thrown down the main Mississippi River and pass New Orleans than can be carried in its channel between existing levees.

In general the plan would involve much greater costs than are necessary to a sound solution and can not be depended upon to secure the desired results.

Respectfully,

EDGAR JADWIN,
Major General, Chief of Engineers.

All of the above statements made by General Jadwin, except those which specifically refer to the Riker Mississippi spillway (which are disproved below) are disproved by well-known facts, the printed conclusions of the Committee on Flood Control of the House, those of the Mississippi River Commission, a host of civilian engineers and the presentation herein.

His statement that "the low unit cost of earthwork is out of line with the experience of contractors and the Government on work of a similar nature" has no foundation whatever in fact, because there never has been any work of a similar nature having one-hundredth part its magnitude. His opinion that the earthwork or levee cost of the Riker Mississippi spillway is too low is no doubt based upon his experience with an ass and a scoop placing earth in a river levee, or the inability of his giant Mississippi River sand suckers to accomplish it at any cost. As this work can be done by many other means than that proposed by the author at the price named, and as many builders of large earth-handling machinery would contract to construct machinery which would accomplish this work at the price named by the author (30 cents per cubic yard), he does not propose to disclose the design of the dredges which he would construct. Suffice it to say, however, that they can perform this work at a great deal less than that price and that they have the support of "precedent" (which is the deity of the Army engineers), both in filling in the Potomac Flats (the Speedway) at 50 per cent of the estimated cost by the Army engineers and of the appropriation therefor, in the baring of miles of bedrock of the Rio Grande in New Mexico, and in use elsewhere.

The Jadwin project will not aid the drainage of one acre of land in the entire Mississippi Valley, but Jadwin admits it will cover millions of acres with backwater should his project work to his most sanguine expectations. The Riker Mississippi spillway will aid the drainage of every acre in the valley, will not allow one acre to be covered with backwater, and the very small amount of pumping required will be performed by power derived from the flood waters themselves passing through the spillway. If the river be canalized, there will not be an acre subject to backwater and all the rivers confluent with the Mississippi will find it ready to receive their discharges at an elevation below its bank-full stage, thereby doubling and trebling the discharge and drainage capacity of those rivers when a largest Jadwin-predicted possible flood was passing through the valley.

The Riker levees referred to average about 50 feet high and 300 feet on the base, 3 miles apart, built on the surface of a practically level valley. The Jadwin levees can not be made high because of insecure foundations on river banks, lack of available material, river erosion, etc., not one of which objections are even tenable in the case of the permanent supersafety levees of the Riker Mississippi spillway.

By the growth of small willows along the inner banks of the levees and larger willows extending out a few hundred feet therefrom, bank erosion would be practically eliminated, and as the spillway would not be in continuous operation, an impairment of its banks or erosion of its bottom could be cared for when dry.

The criticism of the proposed dams of reinforced concrete, with steel gates controlled by man, could come only from one Maj. Gen. Edgar Jadwin, fortified by his fuse plugs, or gates of mud, which he places not in the power of man to control but unconditionally in the power of the river itself, both to open and to close.

The Riker Mississippi spillway is about 90 miles long from Red River to the Gulf and is straight as an arrow. The Mississippi River is 300 miles long and crooked as a snake. The spillway would have twice the area and average three times as much fall as the river in every mile of its length, and at the same velocity the discharge would be more than twice that of the Jadwin-predicted possible flood. It will require a dam at the Gulf of Mexico and another in the valley to check its velocity to twice that of the river, with four times its capacity.

SUMMARY OF THE BENEFITS FLOWING FROM THE RIKER MISSISSIPPI SPILLWAY PROJECT

No one to-day can foresee all the benefits to this country which would be derived from an absolute control of all the flood waters flowing through the Mississippi Valley. Many of them which are inconceivable to-day will be evident to future generations.

The Mississippi Valley is the very heart of the country, the Mississippi River the great artery, and the tributaries of the Mississippi the veins of this country. Its valley would be the agricultural center, its river banks would be the manufacturing and commercial center, and the Father of Waters the center of inland navigation and transportation, and when harnessed with his tributaries, their power, the greatest on earth, would be nationally available.

The plans herein submitted are believed to be the royal solvent for all the great and many of the small difficulties which have impeded previous efforts to control and utilize these rivers; and the near future will see these plans carried out and their ability to quickly repay their cost be demonstrated.

The plans presented will be found to incorporate no new, untried principle; they embody only constituent aggregations of simple units for producing which ample facilities exist, which careful engineering analysis would support, and their construction quickly demonstrate. The amount and the value of the power which could be economically developed by proper reservoiral and through conservation of the waters of the Mississippi and its tributaries near their sources thus increasing the minimum flow of the Mississippi when needed, is almost beyond comprehension.

The area which the spillway would occupy, 5 miles wide, extending mostly through the lowest part of the present swamps of the Mississippi Valley, would be less than the area that is embraced within the levees of the Mississippi River and the highlands which restrain it, and which territory would then become the most valuable in the valley and a profitable and attractive place in which to produce, manufacture, and to live.

In the description of the Riker Mississippi spillway project every effort has been made to avoid ambiguity, and especially to avoid the typical Jadwin straddle. Various estimates which supposed authorities have made concerning the amount of alluvium which the Mississippi deposits in the Gulf vary greatly, and at their best are only a guess; nevertheless, by means of the terraqueous conduit which the project incorporates, provision is made to handle the maximum. In such event it would take less than a man's lifetime to convert most of the low-lying part of the Atchafalaya Valley into a veritable Garden of Eden, at an elevation that would afford drainage and protection from high water in the Gulf.

If the report of the Committee on Flood Control (which is the only committee in Congress devoted exclusively to flood control) upon the merits of the Jadwin project is not sufficient to cause Congress to appoint a board of competent, unprejudiced engineers to determine upon a better project, it is to be hoped sufficient amplification will be found in the previous statements.

All other plans for flood relief have raised the question as to who shall pay the cost. If the United States should issue 4 per cent bonds for its construction, redeemable in 50 years, they could be quickly amortized. While the great improvement of the land values is an indirectly collectable asset, there would be directly collectable charges alone, if made, amply sufficient to quickly amortize the bonds. This is shown by the balance sheet presented herein.

The author has spent about $10,000 to present Congress with an ocular demonstration of the Riker Mississippi spillway project in the construction of the model exhibited under running water in the basement of the Senate Office Building, and to his knowledge there has never been an unfavorable comment made upon it by anyone (including all the engineers who have visited it during the past year), except by the Chief of Engineers, United States Army. The author has endeavored to present in the foregoing a sufficient description of the Riker Mississippi spillway project, both technical and otherwise, to enable the engineer or the layman to fully understand its simplicity and its engineering details; also the absurdity of and the danger which will result should the Jadwin adopted project be carried out.

Congress has expressed itself as incompetent to determine upon a plan for flood control of the Mississippi River, but in order that legislation might be quickly enacted for the reconstruction and strengthening of the levees to commence at once which could only be done under the management and control of the Army engineers, who now have all the machinery and organization to effect such a purpose, many Members of both Houses supported the bills as reported from the Senate and House committees who would not have voted for the bill as afterwards amended, whereby the determination of the project to be adopted was also practically placed in the hands of the Chief of Engineers.

The education of the Chiefs of Engineers of the United States Army has not been such as to qualify them as experts upon large engineering undertakings, especially any for which there is no actual precedent. The education which is obtained at the Military Academy at West Point, or later at the War College specifically fits them for engineering connected with the military affairs of this country and it is a well-known fact that

much of the education and experience of Chiefs of Engineers, in other than military engineering, is obtained from Government contractors; this necessarily dwarfs their experience to precedent. Their incapacity to deal with the problem of the Mississippi River is shown by reoccurring disasters for more than half a century and is officially shown by the report of the Committee on Flood Control of the House.

There should be a board to determine upon the plan to be adopted and to supervise its execution to consist of at least 11 civilian engineers, personally disinterested in any plan, or unprejudiced in favor of or against any plan, of whom 2 should be hydraulic engineers, 2 mechanical engineers, 1 civil engineer, 2 engineers expert in concrete and steel construction, 2 expert in the construction of locks and dams, 1 in the construction of machinery for the movement of earth, and 1 electrical engineer.

The Riker Mississippi spillway project embodies vast construction in iron and steel, locks, power plants, and electric generators, largely consisting of great aggregations of well-known factors; and the author for one would be unwilling to submit his plans to a board composed of Army engineers or civilian engineers whose horizon and large engineering experience is principally bounded by the levees of the Mississippi River. Details imparting the author's experience of more than half a century, and plans worked out to their finest details, which would cover at least a month to fully discuss, will not be submitted by him to be passed upon by those whose engineering experience is limited to the leveed banks of the Mississippi River or by the precedent derived from experience with the River Poe, the Dnieper, or the Yangtze-kiang.

(Several estimates of different well-protected parts of the Delta valley result in an average price per acre of $224 when towns and all property, such as houses, roads, railroads, land, etc., are included. The total area of the valley originally subject to overflow is 29,790 square miles, or 19,065,600 acres, 12,000,000 acres of which is usable. This 12,000,000 acres at $224 per acre is worth about $2,688,000,000. Adding the probable value of New Orleans would bring this sum up to about $3,500,000,000. Movable property added would make it something like $5,000,000,000.)

APPENDIX

The author explained the Riker Mississippi spillway as presented in Senate Joint Resolution 7, Seventieth Congress, introduced by Senator FRAZIER, December 6, 1927, to both the Committee on Flood Control of the House and the Commerce Committee of the Senate. And General Jadwin was specifically invited both by the author and by Senator JONES, chairman of the Senate committee, to be present and ask questions as the project was explained.

Senator FRAZIER had written Mr. SINCLAIR, of the Committee on Flood Control of the House, to qualify the author as an expert, and presented a copy of that letter for the same purpose to the chairman of the Commerce Committee of the Senate when the Riker Mississippi spillway was before it.

"Senator FRAZIER. Mr. Chairman, I do not care to take the time to make any statement, but I have here a copy of a letter that was published in the House hearings in regard to Mr. Riker's qualifications that I should like to have printed in your record without taking the time to read it.

"The CHAIRMAN. All right."

(The matter referred to is as follows:)

"Mr. Riker's career as an engineer eminently qualifies him to formulate plans for flood control, as represented by the Riker spillway project; and all engineers to whom it has been presented within my knowledge have unqualifiedly indorsed it.

"To show that he is not a novice in matters of flood control in the Mississippi Valley, I would draw your attention to the fact that his plans for the Riker spillway project were presented to the United States Board of Flood Control in 1913, which board on April 21 of that year pronounced this project 'most interesting and fascinating,' and later requested that full details of it be furnished at the earliest possible moment; thereafter, on April 25 of the same year, H. R. 4296 was introduced, and on July 31, 1924, H. R. 18169, Sixty-third Congress, second session, was introduced, which gave in its 68 pages full details for such spillway project respecting the Mississippi below St. Louis. It will be noted that July 31, 1914, was the day before the declaration of the Great War in Europe, and H. R. 18169 was not given the consideration by Congress at that time which otherwise it might have had.

"I would also draw your attention to statements in the CONGRESSIONAL RECORD, on page 15984 of volume 51, part 16, second session, Sixty-third Congress, concerning Mr. Riker.

"On September 29, 1914, when the House had under consideration a river and harbor bill, and at which time H. R. 18169, embodying the Riker spillway project, was before Congress, Hon. JAMES A. FREAR, of Wisconsin, referred to the prediction which Mr. Riker made at that time that a terrible catastrophe would be certain to follow if the program of the Army engineers relative to the control of the Mississippi River was not radically modified. Mr. FREAR, in his discussion of this matter at that time, said in part:

"A strong, fearless man who has a long list of accomplishments to his credit, and who has frequently pointed to me the disastrous Mississippi River policy now being undertaken by the Government, is Mr. Carroll L. Riker, of Brooklyn, an engineer of large experience in the waterway work.

"Mr. Riker is a mild-mannered man, who, however, does not mince words when he says in a statement made to me:

"'The plans of the United States Army engineers for the control of the Mississippi River are the greatest engineering blunders which have ever been perpetrated upon a nation. These plans show that they do not understand the underlying and first principle which naturally governs the flow of a river.

"'If an advisory board of consulting engineers be appointed who are not graduates of West Point to investigate these plans, and they used as data only that which is printed and officially indorsed by those Army engineers, they would certainly confirm the above statement after less than 24 hours of actual consideration.

"'When the engineering profession have had their attention specifically drawn to the facts connected with the present plans of the Army engineers, for control of this river it will entail a national engineering disgrace that is unavoidable. Thirty-four annual reports of the Mississippi River Commission, concurred in by the various Chiefs of Engineers, United States Army, then acting, are mute witnesses against them can never be effaced. There is not one word that can be uttered in extenuation of these blunders which have been perpetrated by these engineers upon the citizens of the United States for a lifetime. They are now preparing a trap for the unconscious, confiding settlers in the valley of that river which will terminate in a terrible catastrophe as certain as the sun is to rise unless the present program be radically modified.'

"As far back as 1870 he was an owner in the steamboat *Huguenot*, engaged in a Government contract to carry stone to the Black Island breakwater. The same year he designed the hull of the steamboat *Castleton*, for more than 30 years the fastest boat of her length and breadth that plied the waters of New York Bay. Again, in 1886, he designed, built, and, in partnership with Joseph Cummings, president of the Morris & Cummings Dredging Co., owned the Riker dredging pump which filled in the Potomac flats now known as the Speedway, at about half of the estimated cost and of the amount appropriated—a description of which is given in the report of the Chief of Engineers, herewith sent you.

"The Riker dredging pump which filled in the Potomac flats below Long Bridge, now known as the Speedway, at 50 per cent of the estimated cost by the Army engineers, and of the appropriation made therefor, after the original contractor, Rittenhouse Moore, had failed when using ordinary appliances, is referred to in the Annual Report of the Secretary of War for the Year 1886, in volume 2, part 2, Appendix J, commencing on page 780 at the bottom of said page, and ending at the top of page 782 thereof.

"The suction and discharge pipes were each 36 inches in diameter in the apparatus used on the flats, and one stone weighing 1,300 pounds was pumped through it and forced out on the flats. At another time an old iron safe 25 by 16 by 14 inches was pumped out.

"Under favorable circumstances the pump discharged about 1,500 cubic yards per hour, and comparatively little delay was experienced from breakage of machinery after it got fairly in operation.

"It should be noted that the Government-rated output of this dredging pump has never since been approached, and Mr. Riker states its maximum output as at the rate of more than 90,000 cubic yards of solid material per day, 30 feet above the Potomac's level, more than ten times the output to that elevation of any other pump ever constructed, and his plans now contemplate a dredging plant for the construction of the levees on each side of his spillway having an average daily capacity of more than 500,000 cubic yards.

"A patent for a steam-vacuum dredging pump was granted to him April 9, 1872, and for more than 17 years, while Mr. Cummings's partner, he was consulting engineer for the Morris & Cummings Dredging Co., then the largest dredging concern in the world. He surveyed and estimated for them upon work which they did in Sabine Pass, Galveston, Charleston, Savannah, Norfolk, New York, Boston, etc., and surveyed the harbor of Habana, Cuba. This company dredged the approaches to St. Petersburg, Russia, and he made surveys and estimates for the proposed work at the mouth of the River Seine, France. The Riker water-tube boiler, installed in the tugboat *Greenville*, was the first water-tube boiler tested by the United States, at the port of New York, and the only instance of a boiler being allowed higher pressure at its second inspection.

"Mr. Riker was placed in command of the steamship *St. Paul* when ashore, and superintended her removal from the beach of Long Branch, as also of the steamship *Otranto* from the Fire Island beach.

"He is believed to be the only man without a license who was permitted to handle an ocean steamship in the waters of the channels of New York Harbor, that vessel being the British steamship *State of Alabama*, which was also the only vessel that ever flew a foreign flag while working in American water on a United States Government contract.

"Mr. Riker visited Panama twice at the instance of General Hains, in charge of the filling of the Potomac flats, and of General Goethals in respect to the dam at Gatun, and other engineering matters connected with the canal, prepared plans for the improvement of New York lower

bay, which General Goethals, then consulting engineer for that port, indorsed.

"Mr. Riker's studies respecting ocean currents, which were carried on in the Mediterranean, the Atlantic, and the Pacific Oceans, enabled him to determine the present accepted cause therefor.

"Jetties designed and placed in the Magdalina River, United States of Colombia, by him near Barranquilla, saved the buildings of the Bolivar Ice & Lumber Co., which he constructed, as also the town, from destruction by that river.

"From my personal observation, extending more than 15 years, including the recent flood, I believe Mr. Riker is thoroughly familiar with the situation there and fully competent to deal with the Mississippi flood problem, and more.

"LYNN F. FRAZIER."

"Senator FRAZIER. Now, Mr. Riker will be glad to explain this spillway proposition of his and will be glad to have any of the engineers ask questions.

"The CHAIRMAN. At his suggestion I asked General Jadwin to come up, and I understand that he will welcome questions from General Jadwin as he proceeds to explain his project. As it is an engineering proposition, I think it is very well for General Jadwin to ask questions if he desires to do so.

"Mr. RIKER. Mr. Chairman, if I have any statements that the engineers of the Mississippi River Commission or Chief of Engineers would like to question me about, I would be very glad to answer them. It may be that I have been misunderstood. If so, I would like to have an opportunity to explain it or discuss it, and I say further that I make my presentation on the ground that I have no retractions to make. I have no modifications, or changes which I will be compelled to make. I have studied this thing for about 20 years, with an experience, that when my past is reviewed in that prospectus or the letter which the Senator has presented, you will see has been somewhat diversified.

"The CHAIRMAN. I would say that Mr. Riker stated that he would be glad to have the Army engineers here to ask him any questions, and I have asked General Jadwin to be here. If there is any question that General Jadwin feels like asking, he is at liberty to do so.

"Senator FLETCHER. I would like to ask General Jadwin, to begin with about that proposal, how he thinks it would operate.

"General JADWIN. Mr. Chairman, Mr. Riker's project has been studied by him very carefully and it is very alluring in many ways, but we could not bring ourselves to recommend it, largely on quantitative grounds, and on the ground that the way that we believe the river wants to work, it does not incline to work very much in straight lines. The estimate was about $775,000,000, on the assumption that those flood ways would carry the velocity that Mr. Riker assumed. He assumes 20 feet a second. Our calculations indicate that we would have difficulty in getting over 2 feet a second through there, which is only about one-tenth of the velocity that he assumes. You can get a little check on that when you recall that the maximum flow of water in the river itself when it is 80 feet deep is rarely up to 10 feet a second.

"Then also we were somewhat afraid of those earthen dams up to a height of 70 feet. We feel that the average of 18, and a super of 30, which has already been obtained, is of questionable safety, on the foundation that exists there. It was largely matters of that kind that caused us to feel that if this plan was practical, it would run very much higher in cost than the plan we recommend. We have a river-side flood way, running for a few miles below Cairo. Mr. Riker continues that straight on down to the St. Francis Basin, and puts a flood way in there forever. That will cost a good deal more than a shorter flood way, so that there are no further questions that we think of that we want to ask. If the committee desires to ask us any questions, we are entirely at your service.

"Mr. RIKER. Mr. Chairman, may I reply to just one statement that General Jadwin makes that there is difficulty in the river maintaining a straight line? He assumes that this is a river. There must be no such associations. It is simply like a gutter from the eaves to carry off the water. It is a spillway—not used all of the time—and the statement that a river is not supposed to take a straight course I defy him to put in plain language, for this reason: There is no force in existence, except that of centrifugal force, or the force of straight direction, which increases as the square of its velocity, and where a river starts in a certain direction it is its natural course to be as straight as an arrow, and it is only impediments that force it out of its straight course. In fact, there is not the least little disposition to deviate from a straight course.

"I know what I am talking about and I am ready to demonstrate it; and if the Chief of Engineers reiterates his statement that the natural inclination of water in motion is to take other than a straight line, then he places himself in a position that I know he dare not put upon the record.

"The CHAIRMAN. Are there any other questions of Mr. Riker?

"Mr. RIKER. I am through, unless there is some other assertion that I have made that the engineers would like to question me about. I should be pleased to answer any questions any member of the committee or anyone else interested in the matter cares to ask me.

"The CHAIRMAN. No one desires to ask any other questions.

THE CASE OF JACKSON BARNETT

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD an article from Latta's Fortnightly Review entitled "The Case of Jackson Barnett," together with a letter addressed to the Senate Committee on Indian Affairs by E. B. Meritt, Assistant Commissioner of Indian Affairs.

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

[From Latta's Fortnightly Review]

THE CASE OF JACKSON BARNETT—A FORMER FIRST ASSISTANT SECRETARY OF THE INTERIOR WRITES FOR READERS OF THE FORTNIGHTLY REVIEW HIS VIEWS OF THIS REMARKABLE INDIAN CASE

By Alexander T. Vogelsang

In the Review of January 25, I note an article entitled "The Indian Commissioner in Hot Water," which is devoted to a discussion of the celebrated Jackson Barnett case, wherefore I am moved to make a few observations thereon.

Let me say in the beginning that I have no personal acquaintance with Jackson Barnett, Mrs. Barnett, Commissioner Burke, nor anyone else involved in the business.

From 1916 to 1921 I occupied the position of First Assistant Secretary of the Interior under Secretaries Lane and Payne, and during that time had considerable contact with the Indian Bureau, then under Commissioner Cato Sells.

I always understood Jackson Barnett to be a Snake Indian by birth, but a member of the Creek Tribe by adoption. I was advised that when the lands of the Creek Nation were allotted in severalty, Barnett refused to make selection and declined any allotment, claiming that he and his ancestors had roamed that country from time immemorial, that all his life he had hunted and fished thereon without let or hindrance, that he expected to so continue, and that he declined to limit his liberty to any specific portion of the tribal land. Because of his refusal, and in order that the allotment books might be closed, the last remaining and apparently worthless tract of 160 acres was arbitrarily allotted to him.

Subsequently, oil discovery was made and it was found that the Barnett allotment was the center of a wonderful oil pool and he suddenly became the wealthiest Indian in America. Barnett was allowed the sum of $250 a month for his support and maintenance, which was ample and even far beyond his simple needs. He lived in a little cabin by a creek where he drowsed and fished in contentment. During the war the department invested a million or more of his funds in Liberty bonds.

I well remember the day in 1920 when Commissioner Sells burst into my office, a picture of consternation, and announced that Barnett had been abducted and married. We believed at first that it was the result of a conspiracy engineered by some active and alert member of the legal profession in Oklahoma, for it was a common expression in our office that he was a poor lawyer in the Indian territory who could not arrange a profitable marriage or who did not have concealed somewhere "out in the sticks" an heir to every rich Indian in the State.

IF CONSPIRACY, THEN IT IS COMMON

However, as I understand it, this marriage has been thoroughly investigated during the past eight years, and it has been found that the lady in the case is no more guilty of conspiracy than are any of the others of her sex who have in the past and even in the present, through the marriage bond, riveted their charms upon a rich man. Indeed Judge Pollock, United States District Judge for the Eastern District of Kansas, in dismissing the suit instituted by the Department of Justice against an attorney for the recovery of a fee that he is said to have received through Mrs. Barnett, said, "Now, the fact is, if Anna Laura wanted Barnett for her husband, she had a right to go out and get him if she could, and as they are for all the purposes of this case at least lawfully married, nothing can be done about that in this litigation in this court." Thus it would seem that the marriage was lawful, firm, and fixed.

I also recall that before his marriage Barnett and the Bureau of Indian Affairs were pestered and besought for contributions from various churches and charitable institutions, and no doubt such beseechment has continued ever since.

It is conceded on all sides that since her marriage Mrs. Barnett has been a true, faithful, and attentive wife, and has conferred many of the attributes of higher civilization upon her husband.

I understand the law of Oklahoma to be that upon the death of the husband, the wife inherits one-half of his estate, unless he should make a will giving her more or less.

Several years ago the Barnetts agreed to dispose of about $1,100,000 of his money by giving one half to the wife and the other half to the American Baptist Society for the benefit of Bacone College and the Murrow Orphan Home at Muskogee, both institutions devoted to the education and care of Indians; this latter half to be deposited with the Equitable Trust Co. of New York and the income thereof to be paid to Barnett during his life and at his death to pass to these two institutions. Of Mrs. Barnett's half, $200,000 was deposited in the Riggs National Bank, of Washington, with the proviso that the income thereof should go to Barnett during his lifetime. In other words, so far as these funds were concerned, Jackson was assured of an income from the trusts of $27,500 annually, and he was not financially denuded, as will appear.

Under the Creek agreement the restrictions upon him would expire in 1931, and unless extended he would not thereafter have any protection from the Government, and this may have influenced the making of the trust agreements.

A FAIR DISPOSITION OF WEALTH

Aside from the trusts and the funds retained by Mrs. Barnett in her own right, Barnett now has over $500,000 in bonds, securities, and money, and also his allotment, which still produces $1,000 per month in royalty. The income from these sources is sufficient to make his monthly income in excess of $5,000 or more than $60,000 annually. So it would appear that if the trusts and transfers above referred to shall stand, Barnett will still have free for his further disposition more than a half million dollars, plus an annual income exceeding $60,000.

On the whole, it seems to me that an entirely unreasonable clamor has been raised over this man's affairs. Surely it is not wrong for a husband to give any part of his estate to his wife if it be done not in fraud of creditors. Surely no uneducated Indian could make better disposition of a large fund than Barnett has attempted for the benefit of the Indian college and orphan home. It may well be doubted if the various lawyers engaged in overturning the trusts and transfers are actuated by entirely altruistic motives.

Some of them may believe that pickings are better in an estate of several million dollars than in one only exceeding a half million. If the efforts to destroy the trust in favor of the college and orphan home are successful, what better use can Barnett make of the money? He can not possibly use any part of the principal, nor can he even reasonably consume the income.

For its efforts to defeat the college and the orphanage the bar will be amply rewarded, because, as I am advised, the United States court in New York made an allowance to the attorneys for the "next friend" of 25 per cent of the moneys, including accumulated interest, held by the trust company, which, together with $10,000 additional allowance for expenses and $7,500 to the "next friend" personally, will, if eventually paid, aggregate about $190,000. Surely this is a high price for "next" or any other kind of friendship and is an extreme penalty for Barnett's estate to pay for his effort to make a sensible, proper, and beneficial distribution of a part of his surplus funds.

The article in question states that a quarter of a million dollars has been paid in attorney and guardian fees since Barnett's marriage. I am assured that this is not true and that only a small amount has been paid from his funds, the expense of the litigation in the New York case having been borne entirely by the American Baptist Society; but if the fees allowed by the New York court are paid finally, of course, the statement is approximately correct.

THE PIKES AND BUZZING FLIES

Macaulay says in Virginia:

"Where'er ye shed the honey, the buzzing flies will crowd;
Where'er down Tiber garbage floats the greedy pike ye see."

I have always thought these lines singularly apposite to the affairs of rich Indians. The greedy pike and the buzzing flies are ever about them. In the Barnett case, all things considered, it seems to me that the disposition which Barnett and his wife have attempted to make has a tendency to defeat rather than to encourage the "pikes" and the "flies." I think any white citizen should be congratulated on making similar disposition of his surplus funds.

Oklahoma is not a stranger to judicial nor to legislative spectacles, but I feel sure she will witness a star performance if Barnett dies with all his estate intact except what his "next friends" and their attorneys have stripped off. The wife, if she survives, will get her share perhaps, but the remainder will be scattered to the four winds and the charitable uses to which the owner now desires to devote a large part of it, will get nothing.

As I stated in the beginning, I am entirely unacquainted with the Barnetts, the Indian Commissioner, the trust companies, or the Baptists, and I hold no brief for any of them. But, in my judgment, none of them should be in hot water on account of this transaction. That treatment should be administered to the greedy pikes, the buzzing flies, the busybodies who are engaged in this mephitic scramble to defeat a wise and beneficial disposition of surplus moneys.

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, March 2, 1929.

Hon. LYNN J. FRAZIER, *Chairman*,
Hon. BURTON K. WHEELER,
Hon. W. B. PINE,
Hon. ELMER THOMAS,
Senate Indian Investigation Committee.

MY DEAR SENATORS: In compliance with your oral request of yesterday while before your committee, that I submit to you from time to time my personal views regarding needed constructive improvements in the Indian Service, I wish to take this opportunity of thanking you for this evidence of your confidence. I promise to give you the benefit of my nearly 25 years of careful study of the Indian problem and my intimate knowledge of all phases of this subject after personal visits to nearly all the Indian schools and reservations. I wish it distinctly understood, however, that these are my personal views, submitted in accordance with your request, and in no way commit or bind the Indian Bureau or the Interior Department.

My first thought is to impress the committee with the bigness of the Indian problem, its many complications involving 350,000 Indians, 225,000 of whom are restricted, consisting of about 200 tribes speaking 58 different languages, living on 190 reservations, scattered over 26 different States, with quite varied problems for each reservation, administered under about 2,500 different laws and 300 treaties, involving Indian property, individual and tribal, valued at about $1,600,000,000, and the Indian country covering an area as large as all the New England States and the State of New York combined.

Speaking from an experience of over 35 years in the Government service, I say with confidence that there is no other bureau in the Government service so difficult to administer, which needs such a broad knowledge of so many different, complicated, and difficult subjects, which requires so much patience, human understanding, and sympathy. It is also well to understand and fully appreciate that Congress has a responsibility and a duty equal to that of Indian Service officials and employees in the handing of the Indian problem. Indian Service officials are too frequently criticized for doing things they are required to do because of legislation enacted by Congress or failing to do things they should do because Congress has not passed laws that should be enacted or furnished funds that should be provided to relieve the condition of the Indians and improve Indian administration generally. Also, the Indian Service is frequently criticized for not asking for appropriations when, as a matter of fact, the Indian Bureau has submitted the needed estimates, but under the Budget system those estimates have not been transmitted to Congress. Senator THOMAS has recently had printed in the CONGRESSIONAL RECORD (see pp. 4368 to 4371, both inclusive, CONGRESSIONAL RECORD of February 26, 1929) information showing that during the past two years the Indian Bureau has prepared estimates totaling more than $12,000,000 that have not been transmitted to Congress, and under the Budget system we are not permitted to ask for $1 of those $12,000,000 before a committee of Congress. The foregoing is not intended as a criticism of Congress or the Bureau of the Budget or the Budget system, but as a plain statement of fact that must be known and appreciated if there is to be a fair and just understanding of the difficulties of the Government's Indian problem.

With this preliminary statement I wish to submit the following concrete suggestions:

1. Take the Indian Service entirely out of politics. It is a human problem requiring long years of study and experience, and faithful employees should not be harassed with the threats of grafters and cheap politicians with the change of each administration. The average life of Commissioners of Indian Affairs has been three years, and no man can get even a smattering superficial knowledge of the vast Indian subject in three years. These frequent political changes bring about untried and often impractical policies resulting in harm to the Indians and which are destructive of good administration by keeping the office and field force marking time waiting for new developments following each change of administration. Adopt the Canadian Indian plan of having tried, experienced, and permanent Indian Service leaders and policies.

2. Allow appropriations of approximately $25,000,000 a year instead of an average of about $15,000,000 so that the Indian work can be carried on effectively and efficiently with satisfaction to the Indians, Indian Service employees, the Congress, and the country at large.

3. Give us at least $350 per capita in our appropriation for Indian schools instead of $260 per capita so that we can run our Indian schools on a more efficient basis, feed the children with a larger variety of food, equip our school dormitories with adequate furniture and other necessities, provide sufficient equipment for industrial instruction, increase the grades of our day schools to the sixth grade, and provide more day schools so that young children can be educated up to the sixth grade near their homes; so that reservation boarding schools can have the grades increased to the ninth; and so that we can provide more twelfth-grade high schools. Also, so that we can have the in-

structors and equipment to teach more fully and efficiently practical industrial courses.

4. Provide reimbursable appropriations so as to advance money to worthy and ambitious Indian boys and girls who have completed their courses in our Indian schools so that they may take college courses to equip them for their chosen life work.

5. Provide an adequate appropriation, to be immediately available, to put in proper repair all of our Indian school and agency buildings, including adequate water supply, sewerage, and toilet and lighting systems.

6. Provide an adequate appropriation, to be immediately available, to properly furnish and equip our schoolrooms, dormitories, and shops. Our schools are sadly in need of these improvements.

7. The Indian Service very much needs at least 25 more hospitals, 5 of them to be located in Oklahoma among the Five Civilized Tribes, and 10 additional tuberculosis sanatoria, and these hospitals and sanatoria should be supplied without further delay. There is also needed money to replace a large number of old and inadequately constructed and equipped hospitals with modern, adequate hospital buildings and equipment.

8. We need now at least 200 additional field and hospital nurses, the field nurses to be provided with automobiles and other necessary equipment and supplies along medical lines.

9. We need at once a much larger trained force of medical experts on trachoma, also tuberculosis experts. Our service is woefully lacking in these experts on trachoma and tuberculosis, who should be furnished with cars and proper and adequate medical equipment. Trachoma and tuberculosis is so prevalent among Indians as to require the immediate attention of Congress.

10. We need at least 50 more good doctors, provided with automobiles and adequate medical equipment to supply the medical requirements of the Indians.

11. We need several sanatorium schools, so as to provide for the tubercular Indian children now out of school, and who are living in the inadequate homes of their parents, without proper food, clothing, or medical attention, and who are transmitting the disease to other members of the family. This is an urgent need that should be immediately provided for by Congress.

12. Providing employment for Indian girl graduates of our nurse-training schools on Indian reservations under the guidance of trained public-health nurses.

13. We need at once an appropriation to purchase dairy cows, provide adequate dairy barns and feed, so that we can furnish at least 1 quart of milk per day for all our Indian school children.

14. We need at once a large reimbursable appropriation, to be made immediately available, to provide for the construction of new homes for Indians or to improve old homes by providing wooden floors, additional windows, and some necessary furniture and household equipment. The bad home and living conditions of Indians has much to do with the sickness and high death rate of Indians. A real campaign for better homes for Indians requires money to make it successful and effective.

15. We need a much larger reimbursable appropriation for industrial assistance to Indians who want to begin or enlarge their industrial activities, but are handicapped because of lack of funds.

16. We need an appropriation, to be immediately available, to provide for an Indian employment force to find jobs for Indians. We have too many idle Indians on reservations who could become self-supporting and independent if they were properly placed in suitable jobs away from the reservation.

17. Much of the reimbursable appropriations now charged to Indians for roads, bridges, and irrigation work should be charged off. It has been for about 15 years the policy of Congress to make the appropriations in reimbursable form when it was known that there was little chance of these appropriations being reimbursed. For example, the Fort Peck and Blackfeet and other Indians of Montana should be relieved of much of the reimbursable charges for irrigation, all the irrigation appropriations made reimbursable by the retroactive act of 1914 should be wiped off the books, the California irrigation charges should be greatly reduced, the Pima, Pueblo, Navajo, and other bridge-reimbursable items should be charged off, also much of the reimbursable appropriations charged against the Pueblo and Navajo Indians should be reduced or charged off entirely. These reimbursable appropriation items are the cause of much dissatisfaction among the Indians and the basis of unjust criticism of the Indian Service. There are many millions of dollars of reimbursable appropriations that might well be entirely eliminated and the Indians relieved of this indebtedness that they can never repay.

18. Legislation is needed to wind up the tribal affairs of the Five Civilized Tribes and dispose of the tribal property of these Indians. Also there is need for changes in the probate and other laws affecting the property of the Indians of the Five Civilized Tribes.

19. Legislation is needed to more adequately regulate law and order on Indian reservations. The present laws are wholly inadequate and are resulting in harm to the Indians. This legislation is an urgent necessity.

20. We need more and better equipped and paid educational leaders to supervise and conduct our Indian schools and bring them up to a higher and more modern standard of efficiency.

21. We need more and better equipped and paid industrial leaders so as to provide more efficient industrial leadership for our Indians. There is a great opportunity for the industrial awakening of the Indians. There should be definite, well-planned industrial programs worked out for each reservation suitable to the needs and conditions of that particular reservation, which should be adhered to without regard to changes in superintendents and other employees. The Indians are now ready for this industrial awakening, but the right industrial inspirational leaders are required and there should be provided adequate reimbursable appropriations for the farming and stock-raising activities of the Indians.

22. There should be the closest cooperation with local, county, and State agencies and with other branches of the Federal Government with the view of receiving all of the technical and helpful assistance possible in handling the Indian problem, but it is my judgment that Congress at least for several years to come should recognize the fact that the Indian problem is a Federal obligation and should make its appropriations and enact laws affecting the Indians with that end in view.

23. The numerous Indian laws should be codified, brought up to date, obsolete laws eliminated, and the laws simplified and reduced regulations of the Indian Service made available to all persons handling the Indian problem.

24. Indian councils or business committees should be organized on each reservation, and these selected representatives of the Indians should be recognized by the superintendent and consulted freely and the views and wishes of the Indians should be more fully considered and the plans of the Indian Service carefully explained, so that much cause for complaint because of lack of knowledge of plans and intentions would be removed and closer cooperation brought about through mutual understanding and unity of purpose.

25. Every Indian tribe having a prima facie claim against the Government should have an opportunity to submit their claims to the Court of Claims with the right of either side to appeal to the Supreme Court under a properly worded jurisdictional act. The sooner these claims are adjudicated the nearer we will be to the final settlement of the Indian problem.

26. Continue to prohibit the use of jails at Indian schools, and not permit any severe punishment for infraction of rules, but emphasize the practice of withholding privileges as a deterrent so as to insure good conduct of Indian school children.

27. A careful study should be made of the status of the New York Indians, and their jurisdiction should be definitely settled. These Indians are wards of the Government, yet the Federal Government at this time exercises but little jurisdiction, and they are now largely under the jurisdiction of the State of New York. This conflicting and indefinite jurisdiction has brought about inevitable dissatisfaction, and these Indians are entitled to the consideration and relief of Congress.

28. Specific reimbursable appropriations should be obtained to enable the Pima Indians to put in cultivation within the next three or four years the 40,000 acres of additional irrigable lands made available by reason of the construction of the Coolidge Dam on the San Carlos Reservation. We have worked out a definite program for this purpose, and if we can obtain the required appropriations from Congress, this 40,000 acres of land will be actually under cultivation within a few years.

29. Make it clear to all Indians that the Government does not intend to interfere with their customs, traditions, or religion; also their ceremonial dances, so long as they keep within the bounds of reason and do not transgress moral laws.

30. Encourage Indians to have local Indian organizations for self-improvement. An example of constructive improvements and benefits to the Indians may be cited in the holding annually of the Pueblo and Navajo Councils. No doubt councils could be held with profit among other Indians similar to the Navajo and Pueblo Councils.

31. There is an urgent need in the Indian Office at Washington for about 15 additional stenographers and clerks so as to keep the work of the office current.

32. Established community bathhouses and laundries in thickly populated Indian communities with spare room for reading and community meeting purposes with the idea of developing social-service work and the community spirit.

33. Trained social-service workers are needed on each Indian reservation as home demonstration agents to improve home and community conditions. These home demonstration agents, if properly trained in social-service work, could materially improve the home and living conditions of the Indians.

34. We need more trained and expert advisors to the Commissioner of Indian Affairs along educational, agricultural, stock raising, medical,

and social-service lines so as to make surveys, reports, and recommendations to the Commissioner of Indian Affairs and to assist in bringing about closer cooperation with local, State, and other Federal agencies in handling the Indian problem.

35. Change the existing allotment laws and do not make further allotments on Indian reservations under the present laws for the reason that under these laws Indians are gradually losing possession of their lands. Personally I am strongly opposed to the allotment of the Menominee, Red Lake, Pueblo, Navajo, and other unallotted Indians in the Southwest at this time and under existing laws.

36. We need a large gratuity appropriation each year to build and maintain roads on Indian reservations and at the same time furnish employment to Indians.

37. Enact legislation for relief of Indians who are wards of the Government but who do not reside on Indian reservations. Under the comptroller's decision we are unable to extend relief to these Indians who often are in need of assistance and are worthy of the help of the Federal Government.

38. Eliminate as much paper work as possible, reduce wherever practicable correspondence, and place more responsibility upon the local superintendents. We are endeavoring at this time to work out a feasible plan along this line.

39. Increase the capacity of the Sequoyah Orphan Training School from 300 to 500, so as to provide for 200 additional Indian orphan children in Oklahoma. After a personal visit to this school I worked out the details for this increased capacity and we will be glad to furnish this information to your committee.

40. Be conservative in the issuance of patents in fee and certificates of competency, but allow young educated able-bodied Indians with small degree of Indian blood an opportunity to handle their property free from Government supervision. Also allow other Indians full opportunity, consistent with their best interest, to handle their property and develop business experience while their lands are held in trust.

The foregoing by no means includes all of the constructive requirements of the Indian Service. These suggestions are necessarily general in form, and if it is the wish of the committee we will be glad to draft necessary legislation, with justifications therefor, to carry the foregoing constructive suggestions into effect. It will require an appropriation, preferably in lump-sum form, amounting to approximately $15,000,000, to supplement existing appropriations for the Indian Service to carry out the suggestions herein made, which would very greatly increase the efficiency of the Indian Service and would be a good investment for the Federal Government. Hereafter, in my judgment, there should be an annual appropriation of approximately $25,000,000 if we are to run the Indian Service on the efficient basis that will meet the approval of the Congress, Indian Service officials, and friends of the Indians.

If it is the wish of your committee, I will submit in more detail the constructive needs of every Indian school and reservation. This necessarily will require some time and considerable work. Better still, I will take pleasure in going with the committee to the various schools and reservations and pointing out to the committee on the ground the constructive needs of our Indian schools and reservations. I wish each member of the committee to feel free to request any information they desire and we will endeavor to cooperate in every way possible to see that full information is furnished in regard to our Indian activities.

While the foregoing suggestions indicate considerable need for additional funds for the Indian Service, in closing I wish to emphasize that the funds now appropriated by Congress are being economically, judiciously, and efficiently administered, and it is my judgment that more has been accomplished for the Indians of this country and there has been greater progress among the Indians during the past eight years than ever before in a similar period of time during the more than 100 years of Federal jurisdiction in handling the Indian problem in this country, and what is more important, we have laid the foundation for a still greater progress during the immediate years to come. With the help of your committee and the Congress this progress can be intensified and made permanent and outstanding. We bespeak your earnest assistance and cooperation in this great constructive work in behalf of the American Indian.

Cordially yours,

E. B. MERITT,
Assistant Commissioner.

ENTRY OF CERTAIN ALIENS TO THE UNITED STATES—CONFERENCE REPORT

The VICE PRESIDENT laid before the Senate the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 5094) making it a felony with penalty for certain aliens to enter the United States of America under certain condition in violation of law having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That (a) if any alien has been arrested and deported in pursuance of law, he shall be excluded from admission to the United States whether such deportation took place before or after the enactment of this act, and if he enters or attempts to enter the United States after the expiration of 60 days after the enactment of this act, he shall be guilty of a felony and upon conviction thereof shall, unless a different penalty is otherwise expressly provided by law, be punished by imprisonment for not more than two years or by a fine of not more than $1,000, or by both such fine and imprisonment.

"(b) For the purposes of this section any alien ordered deported (whether before or after the enactment of this act) who has left the United States shall be considered to have been deported in pursuance of law, irrespective of the source from which the expenses of his transportation were defrayed or of the place to which he departed.

"(c) An alien subject to exclusion from admission to the United States under this section who is employed upon a vessel arriving in the United States shall not be entitled to any of the landing privileges allowed by law to seamen.

"(d) So much of section 3 of the immigration act of 1917 (U. S. C. title 8, sec. 136 (j)) as reads as follows: 'persons who have been reported under any of the provisions of this act, and who may again seek admission within one year from the date of such deportation, unless prior to their reembarkation at a foreign port or their attempt to be admitted from foreign contiguous territory, the Secretary of Labor shall have consented to their reapplying for admission' is amended to read as follows: 'persons who have been excluded from admission and deported in pursuance of law, and who may again seek admission within one year from the date of such deportation, unless prior to their reembarkation at a place outside the United States or their attempt to be admitted from foreign contiguous territory the Secretary of Labor has consented to their reapplying for admission.'"

(e) So much of section 18 of the immigration act of 1917 (U. S. C. title 8, sec. 154) as reads as follows: "or knowingly to bring to the United States at any time within one year from the date of deportation any alien rejected or arrested and deported under any provision of this act, unless prior to reembarkation the Secretary of Labor has consented that such alien shall reapply for admission, as required by section 3 hereof" is amended to read as follows: "or knowingly to bring to the United States any alien excluded or arrested and deported under any provision of law until such time as such alien may be lawfully entitled to reapply for admission to the United States." The amendment made by this subsection shall take effect on the expiration of 60 days after the enactment of this act, but the provision amended shall remain in force for the collection of any fine incurred before the effective date of such amendment.

"SEC. 2. Any alien who hereafter enters the United States at any time or place other than as designated by immigration officials, or eludes examination or inspection by immigration officials, or obtains entry to the United States by a willfully false or misleading representation or the willful concealment of a material fact, shall be guilty of a misdemeanor and, upon conviction, shall be punished by imprisonment for not more than one year or by a fine of not more than $1,000, or by both such fine and imprisonment.

"SEC. 3. An alien sentenced to imprisonment shall not be deported under any provision of law until after the termination of the imprisonment. For the purposes of this section the imprisonment shall be considered as terminated upon the release of the alien from confinement, whether or not he is subject to rearrest or further confinement in respect of the same offense.

"SEC. 4. Upon the final conviction of any alien of any offense under this act in any court of record it shall be the duty of the clerk of the court to notify the Secretary of Labor, giving the name of the alien convicted, the nature of the offense of which convicted, the sentence imposed, and, if imprisoned, the place of imprisonment, and, if known, the place of birth of such alien, his nationality, and the time when and place where he entered the United States.

"SEC. 5. Terms defined in the immigration act of 1924 shall, when used in this act, have the meaning assigned to such terms in that act."

And the House agree to the same.

That the House recede from its amendment to the title of the bill.

HIRAM W. JOHNSON,
WILLIAM H. KING,
DAVID A. REED,
COLE L. BLEASE,
HENRY W. KEYES,
Managers on the part of the Senate.

ALBERT JOHNSON,
BIRD J. VINCENT,
GEO. J. SCHNEIDER,
A. J. SABATH,
Managers on the part of the House.

Mr. JOHNSON. Mr. President, at the opening of the session this morning I asked the concurrence of the Senate in the conference report that was submitted yesterday and printed in the RECORD at page 4872 by the House and the Senate conferees on Senate bill 5094, known as the Blease bill. At that time the Senator from Alabama [Mr. HEFLIN] asked that the matter be continued briefly. I am now advised that he has examined the conference report, and that he accepts it. The Senator from South Carolina [Mr. BLEASE] has so advised me.

Mr. BLEASE. That is correct, Mr. President.

Mr. JOHNSON. I ask that the Senate agree to the conference report.

The report was agreed to.

CHARLESTOWN SAND & STONE CO.

Mr. BRUCE. Mr. President, yesterday or the day before the Senator from California [Mr. SHORTRIDGE] made a request of one of his brother Senators that he should do something, I forget now just what, and then he added with his happy gift for apt quotation:

Give Ajax light and Ajax asks no more.

I wish to say that if the Senate will only do me the favor to take up and consider and pass, in case there is no discussion, a bill which has just been placed upon the calendar, then under the circumstances that surround me at the present time, in the closing hours of my senatorial life, I think I can safely promise the Senate that I will trouble it no more.

The PRESIDING OFFICER. What is the bill?

Mr. BRUCE. It is House bill 11659, for the relief of the Charlestown Sand & Stone Co., of Elkton, Md.

The bill was passed by the House, it came over to the Senate, and has been favorably reported by the Senate Committee on Claims to the Senate. There is no opposition to it so far as I know.

The object of the bill is simply to make good to the claimant losses inflicted on it during the World War by extraordinary freight rates and other burdens.

Mr. WALSH of Massachusetts. Mr. President, I hope the Senator's request will be granted.

Mr. KEYES rose.

Mr. ROBINSON of Arkansas. Mr. President, it will require only a moment to dispose of the bill. Under the circumstances I hope no objection will be made.

Mr. KEYES. I simply wanted to be sure that the unfinished business is protected.

The PRESIDING OFFICER (Mr. MCNARY in the chair). This will not displace the unfinished business.

Mr. BRUCE. I will withdraw the request if there is any discussion.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Charlestown Sand & Stone Co., of Elkton, Md., out of any money in the Treasury not otherwise appropriated, the sum of $12,385.99 in full settlement of the additional freight charges and the increased cost of labor and materials incurred by said company in the fulfillment of the requirements of the United States engineer office under the contract of August 23, 1917, for furnishing and delivering cement, sand, and gravel (or broken stone) to Fort Saulsbury, Del., for the construction of gun and mortar batteries.

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

COLUMBIA RIVER BRIDGE AT ENTIAT, WASH.

The PRESIDENT pro tempore. The Chair lays before the Senate a bill from the House of Representatives.

The bill (H. R. 17122) to extend the times for commencing and completing the construction of a bridge across the Columbia River at Entiat, Wash., was read twice by its title.

Mr. JONES. A similar bill was reported from the Senate Committee on Commerce yesterday, and placed on the calendar. I ask unanimous consent for the present consideration of the House bill.

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

Be it enacted, etc., That the times for commencing and completing the construction of the bridge authorized by the act of Congress approved June 2, 1926, to be built by Fred H. Furey, his heirs, legal representatives, and assigns, across the Columbia River at Entiat, Wash., are hereby extended one and three years, respectively, from the date of the approval hereof.

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

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

The PRESIDENT pro tempore. Without objection, the similar bill, Senate bill 5888, on the calendar, will be indefinitely postponed.

PAY OF RETIRED AVIATORS

Mr. BINGHAM. Mr. President, I have been requested by the Senator from Pennsylvania [Mr. REED] and several friends, officers of the American Legion, to say a few words with regard to the so-called pioneer aviators' bill, which came over from the House some months ago and was not acted upon by the Senate Committee on Military Affairs. The provisions of that bill were later put on a Senate bill granting the privilege to the President of the United States to award the distinguished flying cross to visitors to the United States who distinguished themselves by extraordinary achievement in an aerial flight. There was no objection to that bill either in the Senate or in the House committee, but the House committee chose to amend it by adding as a section the bill known as the pioneer aviators' bill, which they had previously reported. That bill and the amendment are now in conference. I am not one of the conferees, but I have been asked by the conferees to say in a few words to the Senate what I said to the conferees more at length, speaking on behalf of quite a number of pilots in the Army who felt that it was very unwise that the bill should pass.

The reasons, briefly, are that, in the first place, the bill takes a very small number of aviators, not more than six or seven, in the active service in the Army, and permits them to have flying pay to the extent of 75 per cent of their regular pay, instead of the 50 per cent allotted to all regular flying officers of the Army. In the old days military aviators were all given a 75 per cent increase of pay. During the World War a great number of our aviators, with half a dozen exceptions, were reserve military aviators, so called, and received a 50 per cent increase for flying pay. After the World War the Congress decided that a 50 per cent increase for flying pay was proper for all of them. Consequently, that has been the rule ever since, except for three or four favored ones. This measure is an effort to change that provision for the benefit of a very small group of aviators who began flying early and all of whom, with one or two exceptions, gave up flying due to its extra hazardous nature and did not come back into the service until the time of the World War, but have remained since. It is felt by a number of the aviators in the Army that if any were given this privilege it should be those who came into flying in the early days and remained continuously in that hazardous service during all the time of its greatest difficulty.

The second feature of the bill to which objection is made is that it permits a few aviators to be retired immediately, placed on the retired list, and granted 75 per cent of their flying pay just as if they had continued flying. The Senate Committee on Military Affairs have felt that this was a most dangerous innovation; that to give flying pay to retired officers was not in accordance with the desire of Congress when it awarded flying pay to those actively engaged in flying.

Those are the reasons why some officers have opposed the bill and why I was asked to oppose it before the conferees.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed the following bills and joint resolutions of the Senate:

S. 150. An act for the relief of former officers of the United States Naval Reserve Force and the United States Marine Corps Reserve who were released from active duty and disenrolled at places other than their homes or places of enrollment;

S. 2594. An act transferring a portion of the lighthouse reservation, Ship Island, Miss., to the jurisdiction and control of the War Department;

S. 4354. An act for the relief of the Atlantic Refining Co., a corporation of the State of Pennsylvania, owner of the American steamship *H. C. Folger*, against U. S. S. *Connecticut;*

S. 5875. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Niobrara, Nebr.;

S. J. Res. 132. Joint resolution to create a commission to secure plans and designs for and to erect a memorial building for the National Memorial Association (Inc.), in the city of Washington, as a tribute to the negro's contribution to the achievements of America; and

S. J. Res. 216. Joint resolution to establish a joint commission on airports.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 4385) to establish the Teton National Park in the State of South Dakota, and for other purposes.

The message further announced that the House had passed the bill (S. 4721) to extend the times for commencing and completing the construction of a bridge across the Potomac River at or near Great Falls, and to authorize the use of certain Government land, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 17237) to extend the times for commencing and completing the construction of a bridge across the Calumet River at or near One hundred and thirtieth Street, Chicago, Cook County, Ill., in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 5730. An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458); and

H. R. 15715. An act authorizing Eugene Rheinfrank, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Maumee River at or near its mouth.

RELATIONS WITH CHINA

Mr. BINGHAM. Mr. President, I should like to speak for just a moment on our greatly improved relations with China and the Far East, especially China.

Senators will remember that a few days ago we ratified a new treaty with China granting China full rights with regard to their tariff. This has had an extremely favorable effect in China on our relations with the Chinese. To-day I received word from Shanghai, the largest business city in China, that one of the great clubs of Shanghai, the American Club, had at last opened its doors to Chinese membership. This is an epoch-making event in the relations between the white races and the yellow races. Nowhere in India or China have prominent social clubs controlled by members of the Anglo-Saxon race ever before admitted Asiatics to membership.

It is said by those best informed that this action on the part of the American Club in Shanghai will have more to do with cementing friendly relations between the Chinese and our citizens than any other single action that has been taken in recent years.

I hope very much that the time may come in the not distant future when we may realize that the gentlemen of China and the gentlemen of India and the gentlemen of Japan are just as gentle and just as well bred and just as courteous as the gentlemen of America. I hope that the day may not be far distant when in recognition of the character of those races and their civilization they may be accorded equal privileges under the immigration quota with the other races and nations of the world with whom we are on friendly terms.

REIMBURSEMENT OF STATE OF NEVADA

Mr. PITTMAN. Mr. President, there was some discussion earlier in the day with regard to a notice which I gave a few days ago to move to reconsider the vote by which the second deficiency appropriation bill passed the Senate.

Some time ago I introduced a resolution to have the Comptroller General restate the amount due the State of Nevada for the employment of soldiers during the Civil War. In response to that report the Comptroller General stated there is now a balance due of $595,076.53. A bill was then introduced by my colleague the junior Senator from Nevada [Mr. ODDIE], reported favorably by the Judiciary Committee, which passed the Senate and went to the House.

Under the belief that there might not be time for action upon the Senate bill in the House my colleague offered an amendment to the second deficiency appropriation bill providing the money to pay that account. The Committee on Appropriations declined to receive it upon the ground that it was a private claim and had to go to the Claims Committee. The amendment was then offered upon the floor by my colleague and a point of order made upon the same ground. There is no question in my mind that the point of order should have been overruled, although it was sustained. It was not a private claim; it was for money due the State of Nevada under an act of Congress authorizing the enlistment of soldiers by the State and a subsequent act of Congress approving the legislative act of the Territory of Nevada, which provided the money to enlist them.

Therefore on day before yesterday I gave notice that I would move to reconsider the vote by which that appropriation bill had passed. I am very happy to say, because I have no desire to delay the passage of the appropriation bill, that the House has just passed Senate bill 5717 authorizing the payment of this account. I withdraw the notice which I gave. I feel perfectly confident that at the next session of Congress the distinguished chairman of the Committee on Appropriations of the Senate will see that this last act of Congress with reference to the matter is carried out by an appropriation.

Mr. WARREN. Mr. President, I take this occasion to thank the Senator from Nevada and assure him it was only on the ground that it was a private claim that the item was barred from the deficiency appropriation bill. That was the reason which caused us to omit it from the bill. I shall be very glad to assist the Senator in any way I can.

FIRST DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15848) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1929, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal year ending June 30, 1929, and for other purposes.

Mr. HEFLIN. Mr. President, before a vote is taken on the conference report on the deficiency bill I want to reiterate what I said a little while ago, that there is no testimony before the Senate in any particular case of a refund of taxes that will inform any Senator intelligently as to the facts in the case in question. There is no testimony before the Senate that will justify any Senator in voting for a single refund to anybody listed for refunds by the Secretary of the Treasury. It is one thing to have a volume with names in it giving the amount refunded opposite the names, but it is quite another thing to have a volume with each case set forth in it, together with the testimony in that case and the judgment entered in the case. I challenge any Senator to show me such a record.

Mr. President, I want the RECORD to show the facts about this legislation. With the Senator from Tennessee [Mr. MCKELLAR], I have fought here for six years or more to have this system changed; and I am now going to give notice that hereafter there must be submitted a list of the names, the amounts to be refunded, and the reason for the refunds in every instance, together with testimony that will justify this body in acting favorably.

Mr. COUZENS. Mr. President, because of the long and persistent opposition of the Secretary of the Treasury to any reform in the method of paying tax refunds or to any legislation which will bring about more efficient and satisfactory methods in the administration of the Bureau of Internal Revenue, it seems that we will have to continue to suffer from maladministration in that bureau. The same statement as applying to the Bureau of Internal Revenue also applies to the Bureau of Prohibition and to the refinancing of the Government's debts. The department reeks with inefficiency. The Secretary of the Treasury is either dishonest or gullible, because such conditions could not continue to exist for a period of eight years without any substantial results in reforming present methods if he were alive to the situation.

I hesitate to take up the time of the Senate at this late hour in the present administration of the Treasury Department, but from all of the reports we receive that administration is to continue. It seems, from press reports, that we are going to continue to have the same sort of administration in the Treasury Department, the greatest department of the Government, that we have had for a period of eight years. No effort on the part of anybody has been able to change the methods employed there in conducting the Government's business; and, as every Senator knows, on every occasion when a tax bill or a deficiency bill or other appropriation bill providing for a tax refund has come before the Senate, an amendment has been attached in this body providing a better method of making such refunds and throwing safeguards around payments. The Senate and the body at the

other end of the Capitol have repeatedly made appropriations for tax refunds running into the hundreds of millions and aggregating billions of dollars without any competent testimony as to the necessity for such appropriations or for the purpose to which they were to be devoted. When the first deficiency bill, the conference report on which is now before us, was under consideration in the Senate no figures were submitted to show how the appropriation of $75,000,000 for tax refunds was to be expended. We were to be satisfied with the mere statement that that amount of money was to be appropriated to refund taxes which had been erroneously or illegally collected. No evidence had ever been submitted, no evidence is now before us, that the money that is proposed to be refunded has been illegally or improperly collected. We are asked to take the judgment of some one else as to that. No matter what sort of amendment, imposing restrictions and reservations, we have attached to the appropriation, or revenue bills, or attempted to attach to them, the amendment has been taken out in conference at the instigation of the Secretary of the Treasury.

The Senator from Tennessee [Mr. McKELLAR] this morning went into considerable detail with respect to the amendment which was adopted by the Senate when the first deficiency bill was passed by this body. After that amendment had been adopted by the Senate the Secretary of the Treasury wrote to the chairman of the Appropriations Committee [Mr. WARREN] a letter in which he opposed that amendment. It was merely a continuation of the previous opposition which he has shown toward all such amendments. He offered no constructive suggestions which would enable Congress to enact legislation insuring that information would be furnished it as to how the tax refunds are arrived at or the policies or precedents used in arriving at them.

I wish to quote from the letter which the Secretary of the Treasury wrote to the chairman of the Appropriations Committee under date of January 29, 1929, as it appears on page 2973 of the CONGRESSIONAL RECORD:

THE SECRETARY OF THE TREASURY,
Washington, January 29, 1929.

MY DEAR MR. CHAIRMAN: I submit the following for your consideration in connection with the Senate amendment to the first deficiency appropriation bill providing as follows:

"That no part of the funds herein appropriated for tax refunds where the claim is in excess of $10,000 shall be paid out except upon hearings before any committee or officer in the department conducting the same, which hearings shall be open to the public, and the decision shall be a public document."

The portion of the amendment which provides for public hearings is open to serious objection. In the judgment of the responsible officials of this department, this proposal is not consistent with sound administrative practice.

In order that the effect of the proposal may be clearly seen and the necessity for it correctly estimated, let me review briefly the usual procedure on a claim for refund.

After a claim for refund is filed by a taxpayer it regularly goes to the office of the revenue agent in charge in the taxpayer's district and is assigned to an agent for examination. Conferences are held with the taxpayer or his representative, the necessary examinations of the taxpayer's books and papers made, and a report prepared. This report is then reviewed in the office of the revenue agent in charge and is finally submitted to the revenue agent in charge. Further conferences in his office may be held. If he approves, the papers are forwarded to the Income Tax Unit in Washington and assigned to an auditor for complete review and consideration. The auditor's conclusion must then be reviewed and approved by his superiors before a final decision is reached. Frequently further conferences with the taxpayer or his representative are necessary. If the claim is in excess of $50,000, the entire file is sent to the general counsel's office and there assigned to a special group for another complete review and again conferences may be held with the taxpayer at this stage. The work of the attorney or attorneys who make this review is then submitted to the head of the division, and, if approved, then to the general counsel or one of his assistants for final approval.

In that connection I should like to raise the point that only one general counsel passes upon a claim. No matter how much controversy there may be between subordinates in the department, on all claims in excess of $50,000 the general counsel has the final say as to whether or not the claim shall be allowed. There is no review. He may entirely disagree with all his subordinates, but the records are sealed; they are not open to public inspection or to any review outside of the Treasury itself. So in effect the whole Treasury Department in the matter of large tax refunds is dominated by the chief counsel and his organization. It is evident, as the volumes of testimony which I have on my desk indicate very clearly, that after a decision has been rendered no subordinate is in a position to upset that decision or to question it without serious risk to his own official position. So, notwithstanding the long list of supposed checks which are placed upon the allowance of refunds, there is no opportunity for anybody to object to the final decision because it is all under one head.

It might be compared with a bank examination or with an examination of a corporation's books. No board of directors of a bank or a trust company or a corporation is willing to take its own auditor's review of the actions of the corporation or the conduct of its business, particularly if that board intends to submit such statements to public inspection or for the purpose of obtaining credit. There is no other department in the Government where there is not an audit by the Comptroller General or some outside organization, but in the Treasury Department there is no external audit or examination whatsoever. So, notwithstanding the Secretary's contention that many steps are required to be taken before a refund can be made, it is obvious that the refunds can be controlled without regard to the record.

Further on the Secretary, in his letter to the chairman of the committee, says:

In every important case the file and recommendations go to the commissioner's office, where the commissioner or one of his assistants reviews the case. In addition, if the amount allowed is in excess of $75,000, the general counsel, before transmitting the file of the commissioner prepares a complete statement of the case, which is submitted to the Joint Congressional Committee on Internal Revenue Taxation and the matter held in abeyance for the 30-day period provided by law.

At some later time in my address I want to draw attention to the Joint Congressional Committee on Internal Revenue provided for in the 1926 revenue act and to point out how that joint committee has not functioned and is not now functioning and, so far as Congress is concerned, has been valueless. The joint committee have obtained some results in the relations between themselves and the Treasury Department, but there has been no report made to the Congress as the result of the establishment of that joint committee. Quoting further from the Secretary's letter:

During that time the staff of the joint congressional committee examines the claim, and, if they have any doubt as to the propriety of its allowance, present their views, either by letter or conference, to the general counsel's office for reconsideration.

It will thus be seen that no claim is allowed as a result of the action of one or two individuals, but that on the contrary every claim has to run the gantlet of thorough and complete audits, examinations, and legal review by a staff of competent men, certain of them especially chosen and trained for this work. It is my opinion that this system completely and adequately protects the Government's interests.

With this picture of the procedure in mind it is difficult to see the exact point at which a public hearing could properly be injected. Surely the Congress would not contemplate a requirement that all these proceedings be open to the public, including the initial conference of the revenue agent in the taxpayer's office in his examination of the books?

Of course no Senator who has offered any of the amendments in regard to tax refunds contemplated any such ridiculous procedure. Such amendments have all provided for a final review and final hearing, but have made no provision for any intermediate hearing.

Continuing to read:

Each of the subsequent proceedings are steps in the department's efforts to reach a correct conclusion by ordinary administrative practices. There is no point in the procedure for formal arguments and the presentation of evidence as in a court of law or before the Board of Tax Appeals.

That is a statement contrary to the facts, because in these volumes of testimony taken before the special committee appointed by the Senate to investigate the Internal Revenue Bureau reference after reference is made to hearings and to conferences with groups of the Bureau of Internal Revenue, together with the taxpayer or his attorneys. To the extent that there may not be any stenographic report made of these hearings the Secretary is undoubtedly correct, and that is one of the weaknesses of the present system. There are no stenographic reports of what takes place in these conferences, and there is no record to look up hereafter to determine what was said or done. That is one of the great weaknesses of the present method of settling these tax cases, as is evidenced by the volumes of testimony that we have.

Continuing to read:

The record consists of evidence submitted from time to time by the taxpayer, frequently in affidavit form with his claim and sometimes

furnished at a later point in the form of further affidavits and documentary proof; of facts obtained by the revenue agent from examinations of the taxpayer's books and papers; at times of reports of agents of the intelligence unit; and frequently of reports of engineers sent to make examinations of the condition or value of tangible property. The conferences consist of informal discussions of the facts thus established and the application of the law thereto. The record in each case is necessarily an accumulation of work extending frequently over a long period of time.

That is undoubtedly true; but all we have ever required in any of these amendments put in in the Senate is that this accumulation of records on which they base their conclusions may be open to examination either by the Joint Committee on Internal Revenue Taxation or by the public, as the case may be. The Senator from Tennessee [Mr. McKellar] suggested the Board of Tax Appeals the last time we had this bill up, and at that time his proposal seemed wholly impracticable because of the accumulation of work.

The Secretary continues to say:

It is misleading to speak of the present procedure as a secret one. Conferences between the only persons who have any real interest in the matter should not be called secret simply because the idly curious are not privileged to be present.

That statement is so perfectly absurd that I should be surprised if it were made by a schoolboy. It is perfectly obvious that the public has an interest in all of these tax matters. It is perfectly obvious that the more of these tax refunds, the more of these tax credits, the more of these abatements there are, the higher the tax rate is on all the rest of the public; and to say that anyone outside of the Government representatives and the taxpayer himself is actuated by idle curiosity because he has an interest in these tax cases is absurd. The idea that the taxpayer and a representative of the Government are the only persons at interest is the statement of a child, because, as a matter of fact, the whole people of the Government are interested, and they are represented only by two or three clerks at modest salaries. That is the extent to which the Government is represented, and that is the kind of representation and that is all the representation that the Secretary thinks the Government of the United States is entitled to, and that is the only interest he thinks we should have—the interest between two or three clerks and the taxpayer. I submit that two or three clerks in the Treasury Department can not represent the public or the Government of the United States.

Every taxpayer is interested. Must a person who is interested in his taxes be "idly curious"? He has a monetary, a very real interest; and to say that the public which is interested is only "idly curious" is to say the ridiculous.

The Secretary continues to say:

or because the procedure does not permit the divulgence of facts of interest only to the taxpayer and the Government—

A repetition of the absurdity that only the taxpayer and the Government are interested in these facts—

or because it does not authorize the presence of tax experts seeking information of interest to possible prospective clients or to competitors of the taxpayer.

Now, we will see just how absurd that is.

Every time a taxpayer is assessed by the Treasury Department and resists the assessment, he must either negotiate with the Government and secure an abatement, or he must appear before the Board of Tax Appeals or before the Federal courts. What happens when an assessment is made against a taxpayer which he resists and which the department refuses to concede? He appeals to the Board of Tax Appeals or he appeals to the Federal court. As a matter of fact, the joint congressional committee says there are 18,000 cases pending before the Board of Tax Appeals, and that the cases are being filed at the rate of 600 a month.

Let us see how many of these people are willing to go and expose all of their records when they have a pecuniary interest. When they want to secure a refund, when they want to secure an abatement, they have no objections whatsoever to exposing these records that the Secretary so jealously guards. They are perfectly willing to submit everything to the Board of Tax Appeals or to the Federal courts, all of which becomes a public record.

We can look at Docket No. 7216 before the Board of Tax Appeals in the case of R. Hoe & Co. In that case they submitted a complete story of patents, the value of these patents, and all the intricacies of their business, for the purpose of securing $95,000. So the taxpayer, when he has a financial interest, is not jealous of his patents or the intricacies of his business. He is perfectly willing to expose them to the world. That is one case; and I have lists of other cases where companies have gone before the Board of Tax Appeals and submitted their records to prevent an assessment or to secure a refund.

So if in these cases which in the judgment of the Treasury Department must go to the Board of Tax Appeals or a Federal court the taxpayers must expose all of their records, why are the records of those who do not have like cases so sacred? Why must they all be kept secret? Why must a man who is required to go to court by the Treasury Department expose all his records, and why must the records in all other cases in which the Treasury Department settles with the taxpayer be considered as secret and private?

We can take Docket No. 6926, the Deltox Grass Rug Co. case. That case contained a complete story of patents, the values placed on them, and all of their intimate business relations.

We can take Docket No. 7519, the H. B. Smith Machine Co. There they tell the whole story of their stock ownership, their relationship to investors, and every other detail of their business, when, as a matter of fact, there was only $10,000 involved.

We can take Docket No. 9368, the American Steel Co. It tells of its trade relations with its subsidiaries and the history of its business, all for the sum of $46,000, which was involved in the suit.

There is before the Court of Claims a whole group of subsidiaries of the General Motors Co. They are laying bare the story of their patents and business relations. The affairs of the Perlman Rim Co., the Delco Light Co., and others of their subsidiaries are all submitted to the Court of Claims, because they have a monetary interest.

In these cases there is no sacredness about the secrets of their business. There is no sacredness about their financial relations; but when the settlement is made in the Treasury Department all of these so-called trade secrets, all of these details of business administration must be regarded as secret, and the public has no interest whatsoever in them, because anyone who does is "idly curious"!

The Secretary continues in this letter:

There is a real purpose accomplished by the provisions of the act forbidding such disclosures. While certain large corporations may publish from time to time their balance sheets, there are many smaller taxpayers, particularly new and struggling corporations, whose business could be ruined, for the disclosure of their financial position would frequently encourage unfair business practices designed to eliminate them from the field and possibly permit competitors to take advantage of perhaps a temporarily weak condition.

That statement coming from a banker is the most absurd I ever heard, because there is not a business organization, there is not a banker, there is not a financier, there is not anyone who knows anything about business who does not know that he can go to the trade agencies or to the banks with which he is doing business and find out the financial status, the earnings, and the condition of any corporation in the United States. The Secretary knows this. The Secretary is advancing that specious argument for the purpose of beguiling Congress into making these appropriations for the purpose of making refunds at will to those to whom he chooses to make them.

It is silly to think that anybody is going to be ruined because we let other persons see the financial statement or the earnings of some corporation which makes a return to the Treasury Department.

When a taxpayer wants anything out of the Treasury, when he wants an abatement, there is no hesitancy about his exposing all of these records.

The Secretary continues:

In addition it would reveal secret formulæ—

There is nothing in a tax-return statement that makes a taxpayer reveal any secret formulæ. I defy any one to present a tax return of any corporation in which there is a question requiring him to divulge or disclose his secret formulæ. My colleague [Mr. Vandenberg] suggests that perhaps the Secretary means the secret formulæ by which the taxpayer secures the refund. That is probably correct.

Then the Secretary goes on to say:

In addition it would reveal secret formulæ, secret trade processes, and vital statistics, such as costs of production.

I again ask the Secretary to produce any tax form published by the Treasury Department that requires the taxpayer to disclose his costs of production. I defy him to produce any form which requires a corporation to submit any vital statistics.

The Secretary continues:

Furthermore, it must be borne in mind that taxable net income is an arbitrary figure—

I will agree with that.

often having but slight relation to the true business income of the concern and seldom any relation to the financial condition or standing of the taxpayer.

Why, certainly. That is what I am contending. The mere return showing his earnings is not a criterion as to his financial standing. His financial standing may be as strong as the Rock of Gibraltar, and yet he may have had a poor year in earnings.

That would not in any way affect his financial standing, because he happened to have one year of poor returns. The Secretary said:

Taxable net income may be greatly in excess of, or much less than, true income.

You can put any kind of interpretation you like on that. I continue:

The publication, therefore, of taxable net income would necessarily be misleading.

That is a specious argument. No one has asked in any amendment that we publish the taxable net income. No proponent of these amendments from time to time has ever suggested that the net incomes be published. That is just an argument to mislead the public. All the proponents of these amendments in this legislation have ever contended for is that these records be public records and accessible to the public, just the same as a tax return in a State or a municipality is public property and accessible to the public.

As I said before, the tax returns of Senators in their municipalities, or the tax returns of corporations with the secretaries of state, are public records, and accessible to those who choose to go and look at them. That is all we request under this system, that these records be made public records, and there is always an attempt to confuse the public mind by attempting to have the public think that the proponents of this legislation want the income-tax statements published in the newspapers. The newspapers themselves have helped to create that sort of absurd theory of what we mean by these returns being public records. They continue to say that we are curiosity seekers, that we are idly curious, that we want all these records published in the press, and that has been responsible for creating the public opinion that these records should not be public records, and that the secrecy that exists should continue to exist. There never was a case in my public experience where the people were so misled as to what the proponents of this legislation wanted.

The Secretary continues:

It might destroy public confidence in a well-managed business.

How could you destroy public confidence in a well-managed business? If a business is well managed, the records will show that it is well managed. The Secretary said:

It might destroy public confidence in a well-managed business, or might unfortunately establish an unjustified confidence in the minds of creditors or investors.

That is so absurd that if the whole matter were not serious, one would have to laugh over it, because it is not suspected that creditors or investors are so gullible that they rely upon some public statement to justify their confidence or lack of confidence. Any careful investor, any careful creditor, gets the facts, and he has many agencies through which he can get the facts. The fact that these returns were public records in the Treasury Department would have no effect whatever on the public confidence or lack of confidence in any corporation.

The Secretary says:

Particularly would this be probable, since the publication of the figures would necessarily be incomplete and fragmentary.

No one asks for the publication of the figures. No one has requested it. No amendment we have offered has suggested any such absurd thing. I continue to read from the Secretary:

Taxpayers should be permitted to contribute to the revenues of the Government and adjust their tax liabilities without being forced to disclose their business affairs and policies, of interest only to competitors and the curious, and without being subjected to the risk of improper and unwarranted deductions.

There may be some truth in that, if all of these hundreds of thousands of returns, with the complete data, were published in the press of the country, which no one suggested and no one wants, and which, of course, no newspaper would undertake to do. The Secretary says:

Furthermore, in cases involving the so-called special assessment provisions, the decision rests upon the data secured from competitors' returns, and these companies could rightly object to publication of the figures when they have no pending claim.

No one suggests any publication of any statement; but it is perfectly obvious that the taxpayer ought to know, when he gets a special assessment, what sort of competitors he is being compared with, so as to get this average assessment called "special assessment."

For the above reasons I respectfully urge that the provision for a public hearing on these matters be eliminated.

Whether the final decision of the department should be made a public document of record presents a somewhat different problem, though it would seem such action is open to most of the objections above enumerated. At the present time all the larger cases are formally presented to the joint congressional committee, and all the records of the department relating to refunds are at all times open to the scrutiny of the members of that committee and their agents. What more effective safeguard can be provided?

The Secretary concludes his letter to the chairman of the committee, as follows:

I am sending similar letters to Senator SMOOT, chairman of the Committee on Finance, Congressmen ANTHONY and WOOD of the House Committee on Appropriations, and Congressman HAWLEY, chairman of the Committee on Ways and Means and the Joint Committee on Internal Revenue Taxation.

That is just a continuation of the Secretary's fight and persistency in keeping from Congress all of the information that Congress ought to have in making appropriations of billions of dollars for refunds.

Not only that, but Congress, in fixing the tax rates, in lowering them, and in all probability having to raise them in a very short time, has no figures whatever, no statement, no facts, from which they may judge the methods of the Treasury Department in allowing these enormous abatements, refunds, and credits.

This matter has been before Congress for many years. For five years we have been endeavoring to straighten out this tangle. As the Senate knows, a special committee was appointed by resolution of the Senate, of which the senior Senator from Indiana [Mr. WATSON] was first chairman, and later I had the honor to be, which went very extensively into the workings of the Internal Revenue Bureau. We pointed out in these many volumes the incompetency, the inefficiency, and the favoritism existing in the department.

As the result of that effort, when the 1926 tax valuation came before Congress, the Finance Committee, of which three or four of our special committee were members, invited some of the staff of the special committee before it, and we went into discussions at length to show the weaknesses of the department, and endeavored to get some remedial legislation.

The outcome was, as most Senators will remember, that incorporated in the 1926 act was section 1203, which provided for the Joint Congressional Committee on Internal Revenue Taxation. Section 1203 reads as follows:

SEC. 1203. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Internal Revenue Taxation (hereinafter in this section referred to as the "joint committee"), and to be composed of 10 members as follows:

(1) Five members who are members of the Committee on Finance of the Senate, three from the majority and two from the minority party, to be chosen by such committee; and

(2) Five members who are members of the Committee on Ways and Means of the House of Representatives, three from the majority and two from the minority party, to be chosen by such committee.

(b) No person shall continue to serve as a member of the joint committee after he has ceased to be a member of the committee by which he was chosen, except that the members chosen by the Committee on Ways and Means who have been reelected to the House of Representatives may continue to serve as members of the joint committee, notwithstanding the expiration of the Congress. A vacancy in the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original selection, except that (1) in case of a vacancy during an adjournment or recess of Congress for a period of more than two weeks, the members of the joint committee who are members of the committee entitled to fill such vacancy may designate a member of such committee to serve until his successor is chosen by such committee, and (2) in the case of a vacancy after the expiration of a Congress which would be filled by the Committee on Ways and Means, the members of such committee who are continuing to serve as members of the joint committee may designate a person who, immediately prior to such expiration, was a member of such committee and who is reelected to the House of Representatives, to serve until his successor is chosen by such committee.

This is where I want to lay emphasis:

(c) It shall be the duty of the joint committee—

(1) To investigate the operation and effects of the Federal system of internal-revenue taxes.

Whether the committee has done anything of that sort we have no report.

(2) To investigate the administration of such taxes by the Bureau of Internal Revenue or any executive department, establishment, or agency charged with their administration;

(3) To make such other investigations in respect of such system of taxes as the joint committee may deem necessary;

(4) To investigate measures and methods for the simplification of such taxes, particularly the income tax;

(5) To publish, from time to time, for public examination and analysis, proposed measures and methods for the simplification of such taxes, and to make to the Senate and the House of Representatives, not later than December 31, 1927, a definite report thereon, together with such recommendations as it may deem advisable; and

(6) To report, from time to time, to the Committee on Finance and the Committee on Ways and Means and, in its discretion, to the Senate or the House of Representatives, or both, the results of its investigations, together with such recommendations as it may deem advisable.

As a member of the Finance Committee of the Senate I find no report has ever been made to that committee, and I doubt whether any has ever been made to the Ways and Means Committee of the House.

(d) The joint committee shall have the same right to obtain data and to inspect returns as the Committee on Ways and Means or the Committee on Finance, and to submit any relevant or useful information thus obtained to the Senate, the House of Representatives, the Committee on Ways and Means, or the Committee on Finance. The Committee on Ways and Means or the Committee on Finance may submit such information to the House or to the Senate, or to both the House and the Senate, as the case may be.

No committee action has been taken, so far as I am able to find, by the tax commission, by the Finance Committee of the Senate, or by the Ways and Means Committee of the House to report any of their findings after the passage of this law in 1926.

(e) The joint committee shall meet and organize as soon as practicable after at least a majority of the members have been chosen, and shall elect a chairman and vice chairman from among its members and shall have power to appoint and fix the compensation of a clerk and such experts and clerical, stenographic, and other assistants as it deems advisable.

(f) The joint committee, or any subcommittee thereof, is authorized to hold hearings and to sit and act at such places and times, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems advisable. The cost of stenographic services in reporting such hearings shall not be in excess of 25 cents per hundred words. Subpœnas for witnesses shall be issued under the signature of the chairman or vice chairman.

The other paragraphs contain provisions with reference to the members not receiving any extra compensation and providing that the expense of the committee is to be paid out of the contingent funds of the two Houses.

Mr. President, I submit that Congress adopted this means in an effort to correct all of the evils that were disclosed by the committee which investigated the Bureau of Internal Revenue. It passed this law expecting that the joint commission would do the things that the special committee had been doing in the way of investigating the administration of the department and for determining the advisability of the many credits and refunds that were made. By hearsay and by inquiry I have learned that they have done some very good work, but I also submit that they have absolutely no authority whatsoever. The Secretary lays emphasis on the fact that before these large refunds are made the records must be sent down to the joint tax commission for investigation and they must remain there 30 days before payment is made. But I submit that when the committee has protested settlements based on these papers, the Treasury Department has gone ahead and made them anyway. That shows what a farce the whole effort of Congress has been to secure any reliable control over the disbursements of moneys by refunds or to control abatements and credits which have been given to the corporations and individuals.

In the first deficiency bill that went to conference and which was held up in conference for such a long time was contained the amendment proposed by the Senator from Tennessee [Mr. McKellar]. I want to draw attention to the language in the amendment adopted by the Senate and which went to conference, and the form of agreement which comes back in the conference report. The amendment which the Senate placed in the first deficiency bill provided:

That no part of the funds herein appropriated for tax refunds, where the claim is in excess of $10,000 shall be paid out except upon hearings before any committee or officer of the department conducting the same, which hearings shall be open to the public and the decision shall be a public document.

When the conference report came back to the Senate we found that the conferees had changed this language to read:

Provided, That no part of the foregoing appropriation shall be used to pay any refund of any income or profit tax pursuant to a claim allowed under the enactment of this act in excess of $20,000.

The conferees raised it to $20,000. I submit they had no authority to raise it to $20,000. I submit that that amount was not mentioned in either House, and they had no right to put in the amendment agreed upon anything that was not in the amendment of either House.

I want to point out next the language which is used. The purpose of it is very obvious. It is provided that "The refund shall not be made pursuant to a claim allowed after the enactment of this act." It is months since this list of $75,000,000 was sent down here by the Budget for an appropriation to pay claims for refunds. It was contended, as I understand, before the Appropriations Committee that they did not know at that time where this money was going, that the appropriation was to pay claims that would be settled in the future. I do not believe that statement. I believe they knew then the claims that they were going to allow, otherwise they would not have been able to estimate the $75,000,000. I contend that since that time many claims have been allowed for which the $75,000,000 will be used and, therefore, will not come under the act because the provision is "the profits tax pursuant to the claim allowed after the enactment of this act." Of course, this act will probably not be signed until Monday, and by that time, in all probability, all of the $75,000,000 will be allowed in refunds and, therefore, all claims having been allowed, they will not come under the amendment.

The agreement between the conferees contained this language:

Other than payments in cases in which a suit in court or a proceeding before the Board of Tax Appeals has been or shall be instituted, or payments in cases determined upon precedents established in decisions of courts or the Board of Tax Appeals.

Who determines whether a precedent has been established? The same secret agencies that determine all the tax refunds, the same secret agencies that determine all abatements, the same secret agencies that determine all credits, will determine in making these refunds whether a precedent has been established by a decision of the Board of Tax Appeals or by a decision of the court. So we are placed in the perfectly silly and absurd position which we occupied before we ever enacted the provision.

Then the provision continues:

Unless a hearing has been held before a committee or official of the Bureau of Internal Revenue and the decision of the Commission of Internal Revenue in such refund allowance in cases of $20,000 shall be a public record.

Of course the decision is a public record. Every time they publish a list, as a matter of fact, of the refunds made that is a decision in itself. But assuming that that is taking a rather limited view of the situation and assuming that they would be required to give us more than a mere statement of a refund, it is a perfectly simple matter for the general counsel of the Bureau of Internal Revenue to say, "I have examined the papers in such and such a case and my decision is that a refund of $50,000 is justified," and that would be the decision and that would be all we are entitled to. The absurdity of the proposition is so apparent that I would rather see nothing in the bill than such a ridiculous provision.

Mr. President, in view of the lateness of the session I do not want to take up any more time of the Senate to discuss the matter. I just want to express the hope that our new President will take some interest in seeing that a proper method of checks and balances is established so this absurdity can not be persisted in.

Mr. McKELLAR. Mr. President, the senior Senator from North Carolina [Mr. Simmons], who for the moment is absent from the Chamber, had a good deal to say about the present commission for internal revenue taxes doing its full duty. The representative of that commission is Mr. Parker, whose proof was taken by me in the hearings.

Mr. Parker is a very competent man, I think, and here is what Mr. Parker had to say about the duties of that commission in so far as the tax refunds are concerned:

Senator MCKELLAR. In other words, you are powerless under this?

Mr. PARKER. The statute gave us no power, but we went further than that. I had a conference with Judge Green, who was chairman of the committee at that time, and we went over it very carefully, and we wanted to do whatever Congress intended. We did not think that it was the intent of Congress to say that we had no duties, and we concluded that probably Congress intended that we should examine these refunds and find out the general cause of them, so that it could be informed as to why these amounts were expended and how. That was one purpose.

Another purpose was for the committee itself in its work to keep in touch, not only in general with tax matters, but specifically to find how the law worked, and to see the practical application of the various provisions of the act.

And, third, we thought that it was proper to make to the Bureau of Internal Revenue certain comments, criticisms, or suggestions in regard to these particular cases.

Now, in general, it was agreed between Judge Green and myself that no definite statement of approval or disapproval was required—

Meaning in any tax-refund case—

and that if we raised certain issues to the bureau it was thought that they would cooperate and that they would examine that case again on those issues that we raised. Having raised the issues we thought that our duties were accomplished under the act.

Senator MCKELLAR. Now, let me ask you: Did you approve of the settlement by which $26,000,000 was returned to the United States Steel Co.?

Mr. PARKER. Just as I stated, we did not approve or disapprove; but we looked over the case. Mr. Chesteen, chief examiner, looked over the case. We went into the principal issues and one issue was about consolidated returns, that is, consolidated invested capital. The bureau very frankly admitted that they were in a dilemma about that computation, that the decisions of the courts, the Board of Tax Appeals, and their own regulations were in conflict. The result was that they had to make a settlement of that issue as best they could. It is admitted that it does not follow exactly any one of the three rules.

Now, Mr. President, I wish to say about this that the Joint Committee on Internal Revenue Taxation by the statement of its executive officer admits it has no power to pass upon tax refunds; and it has not done so. The power has been taken out of the provision creating the joint committee. It was emasculated in conference when that matter was up nearly two years ago, just as the power of this amendment was taken out of it by the conference. So, it seems to me that this bill ought to be sent back to conference; we ought to vote down the conference report; and I hope the Senate will do so. If we are going to vote on the conference report now, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. COUZENS. Mr. President, what is the question?

The PRESIDING OFFICER (Mr. EDGE in the chair). The question is upon agreeing to the conference report on House bill 15848.

Mr. COUZENS. I ask the Senator from Tennessee if he is going to ask for a separate vote on amendment No. 15 or permit the vote to be taken on the bill in its entirety?

Mr. MCKELLAR. We can not ask for a separate vote; we have to vote on the conference report as a whole. If the report should be rejected that would send it back to conference, when the conferees can again meet and insert a real provision in the bill if they desire to do so. I desire the conference report voted down, and I hope Senators will vote it down and send it back to the conference committee in order that the conferees may bring in another report containing an effective provision, which will properly safeguard the payment of tax refunds. Ample time remains to do that.

Mr. WARREN. Mr. President, of course, as Senators very well know, there can not be a separate vote on any provision of the conference report. The vote must be "yea" or "nay" on agreeing to the report.

Mr. BRATTON. Mr. President, a parliamentary inquiry. In what form is the question to be taken?

The VICE PRESIDENT. The question is on agreeing to the conference report. The clerk will call the roll.

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. PHIPPS], but I am advised that if present he would vote as I expect to vote on this question. I am, therefore, at liberty to vote. I vote "yea."

The roll call was concluded.

Mr. REED of Pennsylvania (after having voted in the affirmative). I transfer my pair with the Senator from Delaware [Mr. BAYARD] to the Senator from Massachusetts [Mr. GILLETT] and let my vote stand.

The result was announced—yeas 66; nays 16, as follows:

YEAS—66

Ashurst	Fletcher	Mayfield	Smoot
Barkley	George	Metcalf	Steck
Bingham	Gerry	Moses	Steiwer
Blease	Glass	Neely	Stephens
Borah	Glenn	Norbeck	Swanson
Bratton	Goff	Oddie	Thomas, Idaho
Broussard	Gould	Overman	Thomas, Okla.
Bruce	Greene	Pittman	Trammell
Burton	Hale	Ransdell	Tydings
Capper	Harris	Reed, Pa.	Vandenberg
Caraway	Hastings	Robinson, Ark.	Wagner
Copeland	Hawes	Robinson, Ind.	Walsh, Mass.
Curtis	Hayden	Sackett	Warren
Dale	Jones	Sheppard	Waterman
Deneen	Kendrick	Shortridge	Watson
Edge	Keyes	Simmons	
Fess	McNary	Smith	

NAYS—16

Black	Dill	King	Nye
Blaine	Frazier	McKellar	Tyson
Brookhart	Harrison	McMaster	Walsh, Mont.
Couzens	Heflin	Norris	Wheeler

NOT VOTING—13

Bayard	Johnson	Phipps	Shipstead
Edwards	La Follette	Pine	
Gillett	Larrazolo	Reed, Mo.	
Howell	McLean	Schall	

So the conference report was agreed to.

SENATOR THOMAS F. BAYARD

Mr. HASTINGS. Mr. President, the name of Bayard will on the 4th of March next disappear from the rolls of the Senate. I think it quite worth while at this time to call to the attention of the Senate the fact that the senior Senator from Delaware [Mr. BAYARD] is the fifth distinguished person of the same name and the same family who has represented the State of Delaware in the United States Senate.

James Asheton Bayard, sr., the great-grandfather of the present Senator, served in the United States Senate from November 13, 1804, to March 3, 1813, when he resigned. He had also served in the House of Representatives in the Fifth, Sixth, and Seventh Congresses. He was a member of the commission which negotiated the treaty of Ghent, signed December 24, 1814. He had declined the appointment of minister to France, tendered by President John Adams in 1801, and also declined the appointment to Russia, tendered by President James Madison in 1815.

This Senator Bayard had two sons who served in the United States Senate—Richard Henry Bayard, from June 17, 1836, to September 19, 1839, when he resigned to become chief justice of Delaware, and again from January 12, 1841, to March 3, 1845. This son was a great-uncle of the present Senator. The other son was James Asheton Bayard, jr., who served as United States Senator from Delaware from March 4, 1851, to January 29, 1864, and again from April 5, 1867, to March 3, 1869. This son was the grandfather of the present Senator.

Probably the most distinguished member of this family was Thomas Francis Bayard, sr., who served in the United States Senate from March 4, 1869, to March 6, 1885, when he resigned to become Secretary of State in the Cleveland administration. He was also a member of the Electoral Commission created to decide the contest in the presidential election of 1876. He was ambassador to Great Britain from 1893 to 1897. This was the father of the present Senator, THOMAS FRANCIS, BAYARD, JR., who is now about to retire after a service here of a little more than six years.

To this remarkable record must be added this additional fact: The grandfather of the original Senator Bayard, Richard Bassett, served in the United States Senate from March 4, 1789, to March 3, 1793.

It will be observed that there have been four Bayards in direct line serving in this body—the present incumbent, his father, his grandfather, and his great-grandfather. In addition to that there were a great-uncle by the name of Bayard and a great-great-grandfather, Senator Bassett.

I doubt whether any family from any State has any such record of public service anywhere, and I am quite sure there is no record which compares with this in a body as important as that of the United States Senate.

Senator BAYARD married Miss du Pont, another one of those old and distinguished families of Delaware. The Du Pont family is also prominent in the public service of this country. In the history of the Army and Navy the name of Du Pont is prominent, and two members of that family also have served as United States Senators from the State of Delaware—Henry A.

du Pont and T. Coleman du Pont. Senator and Mrs. BAYARD have five children, and this record will show that eight of their ancestors served in the United States Senate from the little State of Delaware.

What a wealth of inheritance this is! And at the same time what a responsibility such a distinguished ancestry places upon these children!

It has been no freak of fortune which has made a record like this; there has been a real substance back of it all. Greater opportunities may have come to some in this list that make them stand out bolder than others, but no man in the Senate, and I doubt any man or woman in Delaware, will doubt but that THOMAS F. BAYARD, Jr., has conscientiously and with fidelity performed his duties as a United States Senator, and I am sure as he leaves this Chamber he carries with him the good wishes of every Senator here from the oldest in the service to the youngest.

SETTLEMENT OF CLAIMS AGAINST THE UNITED STATES

Mr. McMASTER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9285) entitled "An act to provide for the settlement of claims against the United States on account of property damage, personal injury, or death," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 7.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, with two related amendments, as follows: On page 8, line 25, and page 9, line 1, strike out the following: "if the claim accrued after April 6, 1925"; on page 19, strike out in lines 19, 20, and 21, the following: ", and except that any claim accrued after April 6, 1925, but prior to the passage of this act, may be filed within one year after the passage of this act"; and the Senate agree to the same.

W. H. McMASTER,
THOMAS F. BAYARD,
Managers on the part of the Senate.
CHARLES L. UNDERHILL,
ED. M. IRWIN,
Managers on the part of the House.

The report was agreed to.

TETON NATIONAL PARK, S. DAK.

Mr. NORBECK submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 4385) to establish the Teton National Park in the State of South Dakota, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with amendments as follows: In line 2 of the matter inserted by said amendment, after the word "when," insert the following: "a quantum, satisfactory to the Secretary of the Interior, of," and at the end of section 4 of said amendment add the following: ": *Provided*, That in advance of the fulfillment of the conditions herein the Secretary of the Interior may grant franchises for hotel and for lodge accommodations under the provisions of this section"; and the House agree to the same.

PETER NORBECK,
JOHN B. KENDRICK,
GERALD P. NYE,
Managers on the part of the Senate.
DON B. COLTON,
ADDISON T. SMITH,
JOHN M. EVANS,
Managers on the part of the House.

The report was agreed to.

REPRESENTATIVE HOMER W. HALL

Mr. NORRIS. I wish to call up a joint resolution passed by the House which was transmitted to the Senate to-day.

The joint resolution (H. J. Res. 434) to appoint HOMER W. HALL a member of the subcommittee of the Committee on the Judiciary, established under House Joint Resolution 431 to inquire into the official conduct of Grover M. Moscowitz, United States district judge for the eastern district of New York, was read twice by its title and considered as in Committee of the Whole.

Mr. NORRIS. The Senate passed a House joint resolution the other day permitting the subcommittee of the Committee on the Judiciary of the House to operate during the recess after the adjournment of the present Congress. One of the members of that subcommittee has died since we passed the joint resolution, and this simply names Mr. HALL in place of the deceased member.

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

TRIBUTE TO RETIRING SENATORS—COMMITTEE APPOINTMENT

Mr. ROBINSON of Arkansas. Mr. President, the friends of the Senator from Delaware [Mr. BAYARD], particularly those on this side of the Chamber—and every Senator who sits on this side is his friend—feel keen appreciation for the tribute just paid to the Senator from Delaware by his colleague [Mr. HASTINGS]. It is a most extraordinary and unusual circumstance in the proceedings of the Senate. The Senator who has just spoken is allied with the majority party, the party that dominates the business of the Senate. The senior Senator from Delaware throughout his life has been a faithful member of the Democratic Party. Speaking without regard to partisan alignment, the State of Delaware has been ably represented by the Senator who will retire on the 4th of March, Mr. BAYARD. He has been uniformly courteous, always kind and generous, and exceptionally able in the performance of his duties.

May I take just a moment to refer to the fact that by the chances of politics, and the misfortunes of political warfare, a number of Senators will not serve in this body following the 4th of March, at least until their constituents rectify the mistakes they made in the last election and vote to return them here. Among them are the cultured Senator from Maryland [Mr. BRUCE], the faithful and diligent Senator from New Jersey [Mr. EDWARDS], the loyal and painstaking Senator from Rhode Island [Mr. GERRY], the genial and able Senator from Texas [Mr. MAYFIELD], and the brilliant Senator from West Virginia [Mr. NEELY].

There have been times when, in the heat of debate, feeling has run high in the Senate; but on occasions like this those times are forgotten. I think we may all join in a brief and just tribute to these Members who have so well performed their duty.

There is another Senator who has sat by my side during the last few years who is voluntarily leaving the United States Senate. Recent times have not brought to this body an abler, more determined, more eloquent, or faithful Senator than the senior Senator from Missouri [Mr. REED]. Aggressive by nature, unyielding in his assertion of principle, he commands the respect and the confidence of all of his colleagues.

A few days ago he asked to be relieved from service on a special committee of the Senate, the select committee charged with the investigation of campaign expenditures in senatorial primaries and elections. No action was taken on his request at the time it was made. The duties which that committee has been called upon to perform have been in their nature arduous and somewhat disagreeable. Under the leadership of the Senator from Missouri, the committee has performed its duties in a spirit of fidelity to the highest traditions and the undying glory of this great body.

I now ask unanimous consent that the Senator from Missouri may be relieved from further service on the select committee, and that the Chair, at his convenience, appoint a Member to succeed the Senator from Missouri.

I thank the Senate for its courteous consideration.

The PRESIDING OFFICER (Mr. McNARY in the chair). Without objection, the senior Senator from Missouri [Mr. REED] will be relieved from further service on the select committee. At a later date the Presiding Officer of this body will appoint his successor.

Mr. NORRIS. Mr. President, the request made at that time by the Senator from Missouri had another part to it. Technically speaking, the suggestion made by the Senator from Arkansas is correct. The Chair under the original resolution will appoint the successor of the Senator from Missouri; but I take it that we should pay further respect to the Senator from Missouri for the work he has done as chairman of the committee if we complied with his further request, which was that the Senator from Arkansas [Mr. ROBINSON] should succeed him on the committee.

I ask unanimous consent that that be done, and that the Senator from Arkansas be appointed to succeed the Senator from Missouri as chairman of the special committee.

The PRESIDING OFFICER. The Senator from Nebraska asks unanimous consent that the Senator from Arkansas [Mr.

ROBINSON] be appointed to succeed the Senator from Missouri [Mr. REED] as chairman of the special committee. Is there objection? The Chair hears none; and the Chair appoints the Senator from Arkansas in place of the Senator from Missouri.

Mr. ROBINSON of Arkansas. Mr. President, the service required is not an easy one. It will be impossible for anyone to fill the place vacated by the Senator from Missouri. I would not accept this assignment if it were made under other conditions; but, under the circumstances, I will attempt to serve.

SECOND DEFICIENCY APPROPRIATIONS

Mr. WARREN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 17223) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1929, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1929, and June 30, 1930, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 33, 36, 37, 43, 44, 56, 69, 70, and 92.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 9, 10, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 34, 35, 38, 39, 40, 41, 42, 46, 47, 48, 49, 50, 51, 52, 54, 55, 57, 59, 60, 62, 63, 64, 65, 66, 71, 72, 73, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, and 93, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lines 10 and 11 of the matter inserted by said amendment strike out the following: "by contract or otherwise as the President" and insert in lieu thereof the following: ", in the discretion of the President, by contract or otherwise, as he"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"CIVIL SERVICE COMMISSION

"Salaries: For an additional amount for personal services in the District of Columbia and in the field, fiscal years 1929 and 1930, $161,000.

"Traveling expenses: For an additional amount for traveling expenses, including the same objects specified under this head in the independent offices appropriation act for the fiscal year 1929, fiscal years 1929 and 1930, $34,500.

"Contingent expenses: For an additional amount for contingent expenses, including the same objects specified under this head in the independent offices appropriation act for the fiscal year 1929, fiscal years 1929 and 1930, $4,500."

And the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: ": *Provided*, That in the expenditure of any appropriations made under such public resolution, the commission is authorized to delegate to a board of alternates, designated by the commission for that purpose, any of the powers and duties vested in the commission by such public resolution, and the acts of such board of alternates shall have the same force and effect as though performed by the commission. The commission or the board of alternates may authorize the disbursement of funds, approved for disbursement by either of them, directly through a disbursing agent appointed or designated by the commission for that purpose, or may authorize such disbursing agent to advance funds to the insular treasury for effecting approved disbursements"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: After the word "Congress)," where it appears in such amendment, insert the following: "fiscal years 1929 and 1930," and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$100,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the sum "$12,000,000," in said amendment, insert the following: "$7,400,000, to be allocated in equal amounts to each vessel and"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"BUREAU OF PROHIBITION

"Narcotic enforcement: For an additional amount for the enforcement of the acts relating to narcotics, including the same objects specified under this head in the act making appropriations for the Treasury Department for the fiscal year 1930, $200,000."

And the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: In line 3 of the matter inserted by said amendment, strike out "$185,000" and insert "$150,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In line 13 of the matter inserted by said amendment, after the article "a," insert the following: "laboratory and"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: At the end of the matter inserted by said amendment, strike out the period and insert the following: ": *Provided*, That no part of this appropriation shall be available for demonstration work in rural sanitation in any community unless the State, county, or municipality in which the community is located agrees to pay one-half the expenses of such demonstration work"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment as follows: Strike out all of lines 14 and 15 of the matter inserted by said amendment after the syllable "ar*y*" and insert in lieu thereof the following: "25, 1929"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"CORPS OF ENGINEERS

"Interoceanic canals: For every expenditure requisite for and incident to the investigation and survey to determine the practicability and cost of enlarging the Panama Canal to the extent which may be necessary to meet the future needs of shipping, and the practicability, necessity, and cost of an interoceanic ship canal over Nicaraguan territory, $150,000, to remain available until expended."

And the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SHORT TITLE

"This act may be cited as the 'second deficiency act, fiscal year 1929.'"

And the Senate agree to the same.

F. E. WARREN,
HENRY W. KEYES,
LEE S. OVERMAN,
CARTER GLASS,
Managers on the part of the Senate.

WILL R. WOOD,
LOUIS C. CRAMTON,
JOSEPH W. BYRNS,
Managers on the part of the House.

Mr. WARREN. I move the adoption of the report.

Mr. BROOKHART. Mr. President, I shall occupy but a few moments. I ask the chairman of the committee if this is the bill that rejected the employees' pay amendment adopted by the Senate?

Mr. WARREN. It is the bill which contained the proposition coming from the House to cover deficiencies for the current year; and also the proposition made by the Senator from Iowa; both of which in the end were cut out of the bill because it was not considered that the conferees could give the matter sufficient time to bring out a bill that would be satisfactory perhaps to the Senator himself, and certainly not to all.

Mr. BROOKHART. Mr. President, of course I regret that this amendment had to be rejected, especially since everybody seemed to agree to its justice. Unfortunately, other propositions were improperly tied to it, and that was what prevented the agreement.

On the merits of this proposition there can be no doubt. These are the underpaid employees. We had a proposition presented from the House calling for a reduction of certain salaries. It is not due to anything coming from the Senate. Objections to that situation grew out of action by the House in the original bill.

The Senate accepted the provision in the House bill a year ago as to those increases, and later a ruling of the Comptroller General seemed to aggravate the situation to some extent.

Whether those positions should be reduced or not, there is no doubt that these advances voted by the Senate should have been made. Now they can not be made. I regret that that is so and promise that the future will bring this matter to an issue, and, I hope, a successful issue.

Yesterday Doctor COPELAND, the Senator from New York, said that a man lives on one-third of what he eats, and the doctors live on the other two-thirds. Mr. President, we will have to say to the Government employees, instead of the advances to which they are justly entitled they must eat less and save doctors' bills.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

SALT CREEK OIL LEASES

Mr. WALSH of Montana. Mr. President, I rise to submit some observations upon an address made some days ago by the chairman of the Committee on Public Lands and Surveys [Mr. NYE] in relation to the report submitted to the Senate by certain members of that committee concerning the so-called Salt Creek royalty oil contracts.

Although the report is frequently referred to as the Walsh report, and perhaps properly enough so, seeing that it was prepared and submitted by me to the committee, it will bear repetition that it is signed and approved by 7 of the 15 members of the committee, 1 of the members of the committee, it is understood, being ill and unable to participate in the work of the committee. It is quite proper here to observe that that is the only report which has been submitted to the Senate with respect to that feature of the work of the committee. Indeed, it is the only report which was submitted to the committee itself, save for a single exception.

A report was prepared and submitted to the committee by the Senator from Illinois [Mr. GLENN], but if my information is correct, he found it impossible to get any other member of the committee to concur with him in that report. It was the second draft made by the Senator from Illinois, the first having been shown to contain some errors of fact of more or less consequence, and it was subsequently withdrawn by him.

I want to remark, in this connection, that the chairman of the committee is in substantial agreement with the report submitted to the Senate, which all agree contains an accurate, substantial, and full statement of the facts developed by the committee.

The chairman of the committee agrees that the Department of the Interior is open to censure for the part it had in this transaction. The right to censure the Department of Justice is, however, questioned by him. The only objection, so far as the Department of the Interior is concerned, is that the censure of the report is too severe. That that is the attitude of the chairman will be gathered from the following extracts from his address. Referring to what he thought was the possibility of preparing a report which would have substantially the unanimous support of the committee, he said, as appears on page 3508 of the RECORD:

> Such a report, in the face of committee findings, would not have been, with my aid and consent, one necessarily free from criticism of the Departments of Justice and Interior, which are involved in this controversy, but it would most assuredly be devoid of that measure of censure which has been accorded in the Walsh report.

Again he said, as appears at page 3509:

> I am ready to agree that care and diligence were assuredly lacking on the part of the solicitor of the department when the matter was submitted to him. It appears first that he did not give the matter more than passing consideration, but close study of the record would lead one to believe that when the solicitor was asked for an opinion on the question of renewal, though the solicitor offered his opinion on the following day he had in fact given the matter study through several days and was thus prepared to render such opinion as he did upon very short notice. I feel, too, that care and diligence were lacking in a degree when Secretary Work failed to avail himself of the advice of the office of the Attorney General before renewing the contract. While it is problematical, in the absence of positive protest based upon the lack of conformity between the successful Sinclair bid and the advertisement for bids, that the office of the Attorney General would have reached any other conclusion at that time than was reached by the Interior Department, it does seem to me that the great and prominent attention which was nationally given to the question of the Sinclair deals, and the magnitude of the amount involved in the contract and its intended renewal, would have prompted a man occupying the place of Secretary of the Interior to have utilized in the fullest the available advice of the Justice Department in connection with any matter in which the Sinclair interests were involved, and this no matter how apparent the rights of parties concerned might have been on the face of the contract or other agreement.

At page 3511 the Senator is reported as saying:

> I believe that censure is owing the Secretary of the Interior, censure is owing the Solicitor of the Interior Department, but, in all fairness to them, the facts ought to be brought out to show that there has been nothing brought into the record to indicate that there was anything unworthy or unclean in the motives which moved them when they were engaged in this transaction.

The following is found at pages 3515 and 3516:

> Mr. WALSH of Montana. I have paid what I think is a just tribute to Mr. Kenyon's opinion of October 8 or October 10, but I would like to inquire of the Senator from North Dakota if he thinks that Mr. Kenyon discharged his full duty when he never called the attention of either Colonel Donovan or the Attorney General to the request of the Department of the Interior for an opinion, and does the Senator think Mr. Kenyon is entirely free from blame when he never even looked at the authorities which eventually convinced him that Kem was right?
>
> Mr. NYE. No, Mr. President; I do not think I could so argue, not by any manner of means; but I am not unmindful of the fact that Mr. Kenyon and Mr. Chandler were brought into this case last March and were given a specific duty to perform. When the case came to them, I think I can understand how they felt and why they felt that it was sent to them primarily as a matter of information which they were to mill over.
>
> Mr. WALSH of Montana. Let us take the questions one at a time. Colonel Donovan learned of this matter from a newspaper while he was in the State of New Mexico, some four months after the case went to the department. Does the Senator think that Mr. Kenyon discharged his duty when for four months he did not even mention to Colonel Donovan that the letter addressed to Colonel Donovan asking an opinion had come to his attention?
>
> Mr. NYE. Mr. President, I could not severely criticize Mr. Kenyon for that.
>
> Mr. WALSH of Montana. That was not the question I asked. Kenyon, in the Department of Justice, received a letter addressed to Colonel Donovan requesting an opinion from the Department of the Interior and did not even look at the authority cited and did not call Colonel Donovan's attention to it for four months. I ask the Senator if he thinks that is not subject to reprehension?
>
> Mr. NYE. Yes; I think that is subject to criticism. I believe the unfortunate thing all the way through is the lack of understanding on the part of Kenyon and Chandler as to angles of the question that were quite thoroughly removed from the duties which were directly before them.

Mr. President, it will appear, then, that the chairman of the Committee on Public Lands and Surveys agrees that the Secretary of the Interior is subject to censure, he agrees that the Solicitor of the Department of the Interior is subject to censure, he agrees that the subordinates in the Department of Justice to whom this matter was entrusted are subject to censure. Yet it appears that he is unable to concur in the simple declaration of the report joined in by seven members of the committee to the effect that—

> It is the judgment of this committee that both departments are open to censure for the manner in which the feature of the public business herein canvassed was handled.

The Senator is unable to concur in this report because, he says, there is an implication in it that there is some dark secrecy in the matter. Thus, at page 3509 he said:

> It is unfair to cause one to believe that the content of these renewal clauses in the contract was kept a dark secret.

At page 3511:

I think the conclusion that has been drawn as a general thing from the report submitted by the Senator from Montana has been the conclusion, first of all—I have not gathered that myself so directly as others have, but it has been drawn nevertheless—that the content within the contract which went to the Sinclair people of the option to renew was kept a dark and a great secret through all of these years, from the time it was entered into until within the last year, when all the evidence indicates that that was not the case at all; that there was never any effort made to conceal it; that the department gave out the information, gave out the contract and information about it, to all who might make inquiry for it. That it was not noted, that it was not observed, perhaps is not at all surprising.

At page 3515:

The Walsh report at least implies that an understanding existed between the Department of the Interior and the Department of Justice which would delay any action looking to cancellation of the contract.

On page 3516:

Let it be further noted that if the attitude of the Department of Justice was in any measure a part of a suggested conspiracy of silence, as is certainly implied by the report, then I must, by joining in this report, admit myself in some measure a party to the conspiracy.

Mr. President, the only portion of the report to which that objection can possibly have reference is this simple paragraph:

The protestant—

That is, the White Eagle Refining Co.—

The protestant had no knowledge of the existence of the option clause in the Sinclair Co.'s contract until learning of the fact through newspaper reports of the renewal, nor did it have any information that the renewal was under consideration by the Department of the Interior, there having been no notice given either generally or specifically of either fact.

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

Mr. WALSH of Montana. I yield.

Mr. NYE. The Senator refers to that one portion of his report as if it were the only portion of the report considered in the manner in which he has stated; but the Senator overlooks the fact that he made a part of his report which was presented to the Senate, a reprint of an article from the New York World in which the conspiracy charge is injected, and since it was printed and made a part of the report I think it altogether fair to assume that the implication of there having been something in the nature of a conspiracy of silence was well founded on my part.

Mr. WALSH of Montana. Mr. President, I might as well advert to that now. What was said by me in the New York World is obviously no part of the report of the committee or of the seven members of the committee who submitted the report; but I am perfectly willing that the Senate should know all about that statement made in the New York World article by myself.

It will be borne in mind that in the early part of the year Messrs. Kenyon and Chandler were sent to me by the Department of Justice to confer with me about the institution of proceedings for the cancellation of the contract upon the ground, as it was then understood, of fraud existing in the contract and not because of any legal imperfection in the contract itself. They came to confer with me. Subsequently they appeared before the committee and attended its hearings. Meanwhile, on the 27th day of April, 1928, there came before the Department of the Interior this protest upon the part of the White Eagle Refining Co., with a brief in support of that contention by Mr. Kem, a very able lawyer.

We continued our hearings until we finally concluded the work of the session. I heard nothing further from these gentlemen, although they had in their possession this protest with the supporting brief. I heard nothing at all about it until the latter part of the month of September, 1928. Meanwhile, according to the story told me by Mr. Kem, who came clear out to the city of Helena from Kansas City to interview me about the matter and enlist my interest in getting something done about the matter, he conveyed to me the information that this protest had got to the Department of the Interior on the 27th day of April; likewise that in the month of June he had taken this matter up with the chairman of the committee in Kansas City; likewise he had twice called the Assistant Secretary of the Interior over the telephone from Kansas City in order to endeavor to ascertain what was being done about the matter and to promote action upon his protest. He learned that the matter had been turned over as early as the month of June to the Department of Justice.

Being unable to secure any action with respect to the matter from either department he had enlisted the activity of Senator CAPPER, of the State of Kansas, who had written to the Department of Justice for information about the matter. He showed me a copy of a letter in answer to Senator CAPPER, which gave him no information at all. Senator CAPPER likewise asked for a copy of the opinion of the Solicitor of the Department of the Interior with respect to the matter and got no copy of the opinion. In that situation of affairs, in the month of September Mr. Kem came clear out to my home and having concluded, from a very hasty study of the authorities cited by him, that the contract should have been set aside, I inquire if it was not probable there was something in the nature of a conspiracy of silence between the two departments.

Mr. NYE. Mr. President——

Mr. WALSH of Montana. I yield.

Mr. NYE. I am sure the Senator did not mean to leave the impression here that Mr. Kem had called upon me during my presence in Kansas City in June.

Mr. WALSH of Montana. I perhaps misspoke. The president of the company, represented by Mr. Kem, as I understand it, called on the chairman of the committee.

Mr. NYE. Mr. President, will the Senator yield for me to explain just what occurred at that time?

Mr. WALSH of Montana. Certainly.

Mr. NYE. During my presence in Kansas City the vice president of the White Eagle Oil Co. came to my room in the hotel and laid before me verbally the contention which was his at that time, rather vague, of the right of the White Eagle Oil Co. to expect a better concession and a better opportunity than had been afforded them. He recited to me at that time the provisions of law and decisions of courts which would indicate that the White Eagle Oil Co. was right in its contention that there was no right on the part of the Secretary of the Interior to renew or, in the first place, to grant an option in connection with the Sinclair oil royalty contract. I made no note of the matter, but he was to write me at my home in North Dakota, which, so far as I know, he never did. In other words, the matter was never followed up by me.

Mr. WALSH of Montana. I regard this matter as relatively unimportant. What I said in the article printed in the New York World is here of no particular importance. I am discussing the report made by seven members of the committee, and I have simply diverted to give the facts in relation to that matter. The paragraph to which I had adverted is the only part of the report which gives any color of justification for the statement that I have charged that there was any conspiracy between the two departments.

But, Mr. President, there is another feature of the address to which I feel impelled to refer, showing a misapprehension on the part of the Senator from North Dakota of one of the basic facts in the case. He is laboring under the impression obviously that the lack of conformity between the advertised proposal for bids and the bids themselves and the contract that was entered into was a late discovery. As a matter of fact, it was known from the beginning by everyone who had anything at all to do with the transaction that the lack of conformity existed. Thus, at page 3509 of the RECORD is the following.

The contract was renewed by Secretary Work on February 20, 1928, after bond had been provided, after the requested renewal had been approved by the Director of and others connected with the Geological Survey, the Solicitor for the Interior Department, and the First Assistant Secretary, and after every opportunity had been given those who protested against the petition to present reasons why the contract should not be renewed. Again, let it be noted that the point of lack of conformity between the advertisement and the contract had not then been raised.

At page 3515:

All of this time, be it noted, the point of the lack of conformity between the advertisement for bids and the content of the Sinclair contract had never been directly raised nor did it come then to the minds of Kenyon and Chandler, who considered the submission to them of the complaint of the White Eagle Oil Co. only more material which they would have to thoroughly study in connection with their fraud case.

The first thought concerning this lack of conformity between the proposal and the bid of Sinclair occurred to Donovan or Kenyon not earlier than September 15.

Again:

After the 15th of September, the point of lack of conformity between the proposal for bids and the bid of the Sinclair people first came to

the mind and attention of Kenyon and Donovan, or both, and Donovan ordered everything else dropped in favor of an intense study of this lone point.

On the same page:

Mr. President, it was not a newspaper nor any member of the committee that brought about the cancellation of this contract. It was almost alone the work of Kenyon and Donovan, undertaken after they had found, in September, the possibility of canceling the contract on the ground that the contract did not conform with the proposal for bids. It was not a matter of five or more months between the time that this specific point was brought to the attention of the Department of Justice and the time when the order of cancellation was issued, but, instead, only four or five weeks.

Mr. President, when this matter was originally submitted for the consideration of the Solicitor of the Department of the Interior, the matter which had his special attention was the lack of conformity between the advertised proposals and the bids which were offered in response thereto, and the contract which was entered into. It was upon that ground that the Solicitor of the Interior Department held that this was a private sale by the Secretary of the Interior and not a public sale in response to an advertised proposal.

I read from the memorandum opinion of Newman and Patterson. After reciting the facts and after reciting that the contract entered into did not conform to the advertised proposals or to the bids, in that the advertised proposal said nothing whatever about the granting of an option to purchase, recalling the fact that the bids offered to take 10,000 barrels a day and that that feature was eliminated in the contract in consequence of such negotiations, recalling the fact that the bid was a day late in arriving, recalling the fact that the contract was made to the Sinclair Crude Oil Purchasing Co. and not to the Mammoth Oil Co., which was the bidder—all these things were dismissed because it was said this was a private sale and lack of conformity was of no consequence whatever. I read from the opinion:

This bid—

That is, the Mammoth bid—

was found to be the best bid. From a consideration of the bids themselves and an analysis thereof by the Bureau of Mines, it seems certain that this finding was justified. The other bids were therefore rejected. But the Mammoth Oil Co. bid was not accepted. As submitted it, too, was rejected, and in lieu thereof a private sale made of all royalty oil in the Salt Creek Field to the Sinclair Crude Oil Purchasing Co.

In the letter of Mr. Finney, which is found in the hearings at page 435, we find the following, the letter being addressed to Mr. Phelan:

You perhaps overlooked the statement in the third paragraph of said letter that advertisement for bids for the sale of this royalty oil was had, bids submitted but none accepted, and that thereafter private sale was made.

Accordingly, he argued that the sale was valid notwithstanding the contract did not conform to the advertised proposals or to the bid. In Mr. Finney's testimony, at page 433 of the hearings, we have the following:

The impression made on my mind was that when Mr. Fall made his sale for five years, with the option of renewal for another five years, that it would still be within the maximum period fixed in the advertisement.

Senator WALSH. That would be entirely immaterial if it were a private sale.

Mr. FINNEY. Well, put it this way, that the public is not misled or anything because he did not advertise it for 10 years and then make a private sale for 20 years.

Senator WALSH. Do I understand you now to say that if a private sale was made the advertised proposal became entirely irrelevant?

Mr. FINNEY. Well, in a sense it would, but from the standpoint of the bidder he might be misled.

Senator WALSH. That fact would not in anywise buttress upon the sale, would it?

Mr. FINNEY. I think that shows good faith.

Senator WALSH. But, legally, it would not affect the situation.

Mr. FINNEY. Not legally.

Senator WALSH. So that the basis of the legal right to do it was this: That it was a private sale and he had the right to make this stipulation for renewal in the contract in a private sale?

Mr. FINNEY. Now, to be frank, there is no record that I have been able to find that he formally, in writing, rejected these 12 or 13 bids.

Senator WALSH. Well, in writing or otherwise.

Mr. FINNEY. Except by implication.

Senator WALSH. There is no record that he did so; no record that he in fact did reject all bids.

Mr. FINNEY. No, sir.

The testimony of Mr. Patterson, at page 383 of the record, is as follows:

Senator WALSH. What was the general character of the contention made at that time by Mr. Phelan?

It will be borne in mind that it was on the protest of Mr. Phelan that the matter was referred to the Solicitor of the Interior Department—

Mr. PATTERSON. It was a little hard to understand just what it was, because he went back a considerable way in it. He thought the contract had not been honestly entered into. I think that was one of his contentions; and there was, in one conversation with him, talk about something of the contract we had with the Shipping Board.

Senator WALSH. You really can not now tell us why he objected to it?

Mr. PATTERSON. Yes; then he objected to it because the contract, as let, was not according to the bid and the advertisement.

Senator WALSH. In what respect?

Mr. PATTERSON. Well, he claimed there was a variance. He did not point it out to us, but he claimed it was not according to the bid and the advertisement.

May I invite the attention of the Senator from North Dakota? I am now reading from the testimony of Mr. Patterson, which is found on page 383 of the record.

Senator WALSH. So that feature of the thing was called to your attention by Mr. Phelan?

Mr. PATTERSON. Yes, sir.

Senator WALSH. As early as the spring of 1927?

Mr. PATTERSON. Well, it was some time shortly prior to the time of the Newman memorandum.

So, Mr. President, it will be understood that from the very beginning this feature of the matter was under consideration by the officers of the department, but they obviated the effect of this lack of conformity by insisting that the sale was a private sale and not a public sale; and yet when the matter was finally gone into by Kenyon & Chandler, they pointed out by letters written by Fall, by letters written by the Sinclair Crude Oil Purchasing Co., and by letters written by the Mammoth Oil Co., that they all regarded the sale as a public sale made in pursuance of the advertised proposals.

Another suggestion in the address of the Senator, to which some little attention might be paid, is that there was no formal request of the Department of Justice for an opinion from that department pursuant to the statute, but that is not in conformity with the testimony. I read what is said about that at page 3514 of the RECORD in the address of the Senator from North Dakota as follows:

Section 304, referred to, stipulates it will be noted, that the head of any executive department may require the opinion of the Attorney General. Mr. Finney was not the head of any executive department. Consequently, I am caused to feel that the section of law to which the Walsh report refers is not at all applicable to this particular inquiry, the request coming from the Department of the Interior over the signature of the Assistant Secretary, and that the Department of Justice upon receiving the letter had no reason to believe that the request was for an opinion in keeping with the statute referred to.

Mr. President, this whole business was transacted by Mr. Finney as the Assistant Secretary of the Interior and as the Acting Secretary of the Interior. The complaint I make, so far as Doctor Work is concerned, is that he turned the whole matter over to his subordinates and his own part was purely perfunctory. But the letter was, as a matter of fact, addressed to Colonel Donovan, who, as everybody recognizes, for the last four years has been the real head of the Department of Justice and the acting Attorney General. But, in any event, it operated to hold up this transaction, because when Kem called Mr. Finney over the telephone and asked when action might be expected upon the protest of the White Eagle Refining Co. he was told that the whole matter had been turned over to the Department of Justice for an opinion. Mr. Finney has exactly the same idea about it. I read the letter by which the matter was submitted to the Department of Justice for an opinion:

DEPARTMENT OF THE INTERIOR,
Washington, April 27, 1928.

Hon. WILLIAM J. DONOVAN,
Assistant to the Attorney General,
Department of Justice.

MY DEAR COLONEL: I inclose herewith for your information and such advice as you may see fit to give me, a protest filed against the renewal of the contract for sale of royalty oils in Salt Creek with the Sinclair Crude Oil Purchasing Co. The protestant, the White Eagle Oil & Refining Co., has a small refinery at Casper, and bases its protest strictly upon a legal contention, as you will note.

I also inclose a memorandum opinion prepared by our solicitor, in which he disagrees with protestant's contention, and holds that the Sinclair contract is a binding one, at least in so far as the contentions of protestant are concerned.

Very truly yours,

E. C. FINNEY,
First Assistant Secretary.

No reply coming as late as August, 1928, the letter of Mr. Finney having been transmitted on the 27th day of April preceding, on the 28th day of August, Mr. Finney wrote as follows:

The honorable ATTORNEY GENERAL.
(Attention Mr. Donovan.)

DEAR MR. ATTORNEY GENERAL: On April 27, 1928, I forwarded to the Department of Justice a communication from the White Eagle Oil & Refining Co. relative to an option of renewal in a contract for the sale of royalty oils in Salt Creek for an opinion and advice. This department is receiving numerous requests for information as to what action will be taken in the matter and would like to have information as to the status which you can give me at this time.

Very truly yours,

E. C. FINNEY.

So that Mr. Finney evidently treated it as an ordinary formal request from one department of the Government to another for an opinion to guide the requesting department in its official acts. So that matter seems to be disposed of by the record.

As I have pointed here, the chairman of the committee seems to think that the Secretary of the Interior is subject to censure only because he did not call upon the Attorney General for an opinion in this case. At page 3509 of the RECORD he has the following to say:

As to the readiness of Secretary Work to leave the matter to those officials in his department who were charged with specific duties in connection with such matters, I feel that the Secretary did what is generally done in such cases and that far less blame than is implied in the rejected report attaches to him because of that course. That the Secretary did not doubt the necessity of renewal is not strange, in view of the fact that there was utter absence of any protest against the renewal based upon the ground that the original contract with Sinclair was invalid, since its terms did not comply with the advertisement for bids—

Which I have already shown is quite contrary to the facts as disclosed—

or upon the ground that the Secretary had no right to grant an option, and it was this ground which formed the final basis for cancellation of the contract.

In other words, it is conceded, Mr. President, that the Secretary of the Interior turned over this whole matter to his subordinates, and he is in a way excused upon the ground that that is the ordinary thing to do in such cases. I deny that it is the ordinary thing to do in such cases. If this were a mere matter of whether a certain homesteader had lived upon his land the requisite time, or had cultivated the requisite area during a specific time, or any of such ordinary routine matters that engage the attention of the Department of the Interior, the Secretary would be entirely justified in allowing his subordinates to handle the matter; and when the final decision came in attaching his signature to whatever decision was made or opinion was written; but I deny, when a question of giving a contract to the Sinclair interests involving $35,000,000 comes before the Department of the Interior, that that may be shunted off onto some subordinates and the Secretary excuse himself for dereliction in the matter by endeavoring to throw all responsibility onto his subordinates.

Mr. NYE. Mr. President——

The PRESIDING OFFICER (Mr. McNARY in the chair). Does the Senator from Montana yield to the Senator from North Dakota?

Mr. WALSH of Montana. I yield.

Mr. NYE. I have agreed with the Senator that the Secretary of the Interior ought to have exhausted all available sources of information before entering into this contract or before renewing it; but the Senator speaks of a $35,000,000 deal. Mr. President, back in 1920, when the entire Salt Creek field was involved and when the rights and titles were being granted, complaints were made in a much greater degree than they were made at the time of the renewal of this contract; and yet I will point out to the Senator that the Secretary then did not seek the advice of the Attorney General of the United States, though the stakes then were many times greater than those which were involved in the renewal contract.

I do not recite this to excuse in any way the Secretary for not seeking the advice of the Attorney General with relation to the renewal of that contract, but merely to point out that such a thing is done; that this is not the first time that it has been done; that if it was not commendable on the Secretary's part last year to grant the renewal, then certainly it was not commendable that the Secretary of the Interior in 1920 should have granted these extensive rights in the Salt Creek field without taking the advice of the Attorney General of the United States.

Mr. WALSH of Montana. Mr. President, there is no difference between the Senator from North Dakota and myself with respect to that aspect of the case. We both agree that the Secretary was guilty of a dereliction in not seeking the advice of the Attorney General in this particular matter. But I am directing your attention now to another feature of it; that is to say, reposing the whole matter in the discretion and judgment of his subordinates in the Interior Department—the Assistant Secretary of the Interior, the Solicitor of the Department of the Interior, the members of the Board of Review in the Department of the Interior—without ever having the particular matter in his own mind at all; because, Mr. President, there is not a scintilla in this record to show that the Secretary of the Interior ever gave five minutes of thought to this subject. There is not an item in the record to show—and he was interrogated fully about the matter—that he ever read the protest of Phelan or of Williams, or that he ever read the protest of the White Eagle Refining Co. There is not a scintilla to show that he ever read the opinion of Newman and Patterson. He absolutely turned over the whole thing to his subordinates, and was oblivious of everything that transpired, as this record shows. That is what I complain about. His delinquencies extend to both features of it.

Mr. President, as indicative of the character of attention that this important subject had from the Secretary of the Interior, I read from page 287 of the record, as follows: Reference is made to the protest of the White Eagle Refining Co., and a letter which had been received from that company upon that subject. Doctor Work was asked:

Do you recall this letter, Doctor?—

That was the original protest of the White Eagle Refining Co.—

Mr. WORK. No. I remember it coming through, but not in detail. That was because of its transfer to the Department of Justice for their opinion.

Senator WALSH. Well, do you have in mind that the protestant put his protest upon the ground that the option clause in the contract was void, and therefore you had no authority to renew?

Mr. WORK. I have not got that in mind. Upon receipt it was transferred to the Department of Justice for their opinion. I did not go into it at that time.

Senator WALSH. Have you now in mind, Doctor, that that was the position taken; you do not know what position they took?

Mr. WORK. I do not have it in mind. That was about two months after the contract had been signed. When that protest came in it was forwarded to the Department of Justice, without any study on my part, certainly.

Senator WALSH. I am asking you whether you have it in mind that that is the position that was taken by the White Eagle Oil & Refining Co.?

Mr. WORK. I do not know whether I learned it then or since; I rather think I learned it since.

Senator WALSH. You now think that is the position they took?

Mr. WORK. I assume that is true.

In other words, Mr. President, this important protest of the White Eagle Oil & Refining Co. that resulted eventually in the cancellation of this contract, the Secretary tells us, he did not know a thing about; that he never read it; that he had no idea at that time what the nature of the objection to the contract thus made by that company was.

Mr. President, I have said all that I care to say about this matter. In it, Secretary Work occupied the position and played the part that Secretary Denby played in the leasing of the naval oil reserves. It is not charged against him by me or, so far as I know, by anyone else, that he knowingly did anything wrong. It is charged that he was ignorant of the whole affair; that he was negligently ignorant when he ought to have been fully informed; that he exhibited a callous disregard of the public interest in this matter and of his duty to the public in the responsible position that he occupied so gross as to be entirely inexcusable, and so flagrant that it can not be overlooked consistently with the obligation of this body to the people of the country.

As to the Department of Justice, I submit that a delay of five months on the opinion requested of that department, every day involving a loss to the Government of the United States of a thousand dollars, if it admits of any excuse at all, is, upon the facts disclosed in this record, entirely without excuse.

I do not care to specify, further than I already have done, as to the particular officials in the Department of Justice who are open to censure; but there is no man who can stand on this floor and justify a delay of anything like five months upon a simple request for an opinion concerning the validity of this contract upon the grounds upon which it was assailed in the protest on file in the Department of the Interior. It is not inappropriate to say, however, that after it was hidden in the files of the Department of Justice for four months, without ever being brought to the attention of the responsible head of that department, it came to the attention of Colonel Donovan on the 28th day of August, 1928; and it was almost two months after that time before an opinion such as was requested was furnished.

INTER-AMERICAN HIGHWAY OR HIGHWAYS

Mr. BORAH. Mr. President, I ask permission to submit a report from the Committee on Foreign Relations, and I ask unanimous consent for its present consideration. If there is any debate, I will not urge it.

The PRESIDING OFFICER. The report will be received, and the bill will be read by the Secretary.

The legislative clerk read the joint resolution (H. J. Res. 355) authorizing the appropriation of the sum of $50,000 to enable the Secretary of State to cooperate with the several governments, members of the Pan American Union, in furthering the building of an inter-American highway or highways.

The PRESIDING OFFICER. The Senator from Idaho asks unanimous consent for the present consideration of the joint resolution. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

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

EXTENSION OF ARBITRATION CONVENTION OF MAY 2, 1908

Mr. SWANSON. Mr. President, I ask unanimous consent, as in open executive session—the Senator from Idaho [Mr. BORAH] and myself both agreed upon this in the committee—to renew for one year the arbitration treaty with the Netherlands, known as the Root treaty, that will expire in a few days.

There being no objection, the following agreement was ratified, as in open executive session:

The Government of the United States of America and Her Majesty the Queen of the Netherlands, desiring to extend further the period during which the Arbitration Convention concluded between them on May 2, 1908, and extended by the Agreement concluded between the two Governments on May 9, 1914 and further extended by the Agreements concluded by the two Governments on March 8, 1919 and February 13, 1924, shall remain in force, have respectively authorized the undersigned to wit:

Frank B. Kellogg, Secretary of State of the United States of America; and

Dr. J. H. van Roijen, Envoy Extraordinary and Minister Plenipotentiary of Her Majesty the Queen of the Netherlands in Washington,

to conclude the following Agreement:

ARTICLE I

The Convention of Arbitration of May 2, 1908, between the Government of the United States of America and Her Majesty the Queen of the Netherlands, the duration of which by Article III thereof was fixed at a period of five years from the date of the exchange of ratifications, which period, by the Agreement of May 9, 1914, between the two Governments was extended for five years from March 25, 1914, and was extended by the Agreement between them of March 8, 1919, for the further period of five years from March 25, 1919, and by the Agreement of February 13, 1924, for the further period of five years from March 25, 1924, is hereby extended and continued in force from March 25, 1929, for the further period of one year or until within that year a new arbitration convention shall be brought into force between them.

ARTICLE II

The present Agreement shall be ratified by the President of the United States of America, by and with the advice and consent of the Senate thereof, and by Her Majesty the Queen of the Netherlands, and it shall become effective upon the date of the exchange of ratifications, which shall take place at The Hague as soon as possible.

Done in duplicate in the English and Dutch languages at Washington this 27th day of February, 1929.

FRANK B. KELLOGG [SEAL.]
J. H. VAN ROIJEN [SEAL.]

CALUMET RIVER BRIDGE

The bill (H. R. 17237) to extend the times for commencing and completing the construction of a bridge across the Calumet River at or near One hundred and thirtieth Street, Chicago, Cook County, Ill., was read twice by its title.

Mr. DENEEN. Mr. President, that is a bridge bill. I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

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

THE MERCHANT MARINE

Mr. JONES. Mr. President, I have here resolutions adopted by the Middle West Foreign Trade and Merchant Marine Conference relating to the merchant marine. They are short, and I ask that they may be printed in the RECORD.

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

Resolutions adopted by Middle West Foreign Trade and Merchant Marine Conference, auspices of the Middle West Foreign Trade Committee in cooperation with Export Managers' Club of Chicago (Ill.) Manufacturers' Association, and the Bureau of Foreign and Domestic Commerce

CHICAGO, ILL., *November 19 and 20, 1928.*

PURPOSE OF THE CONFERENCE

It is hereby declared to be the purpose of the Middle West Foreign Trade and Merchant Marine Conference to develop the foreign trade of the Middle West through all proper means to the end that the Middle West may participate in the foreign trade of the Nation to the fullest extent and upon equality of opportunity so far as that is possible.

Our distance from the sea being approximately a thousand miles greater on the average than any nation with which we compete, and our own seaboard markets nearer to foreign markets in point of freight costs than much of our own territory, transportation becomes a major consideration of this conference.

THE AMERICAN MERCHANT MARINE—TRADE ROUTES

We stand unreservedly for an American merchant marine adequately equipped with vessels of suitable types, efficiently maintained, and operated on dependable schedules.

We believe all shipping services now being operated, both by private enterprise and by the Government, are essential and should be maintained. The trade routes that have been established to the various ports of the world by the United States Shipping Board have been and are of the greatest value to American commerce and are essential to the maintenance and further development of that commerce, as well as to our national defense. It would be a disaster to our commerce and our national defense if these trade routes were abandoned or inadequately maintained.

We believe it desirable to have the merchant marine privately owned and operated and we favor such aids, both direct and indirect, as the Government may be able to properly extend to accomplish this. The Jones-White bill, known officially as the merchant marine act, 1928, is a constructive measure and was earnestly supported by the members of this conference.

This measure provides aids that if equitably distributed should enable the gradual transfer of Government lines to the local private companies, insures the necessary replacement of vessels to properly maintain the lines, and directs the proper maintenance of all Government lines until they can be transferred to private companies in accordance with the provisions of our merchant marine laws.

The Shipping Board and the Post Office Department in cooperation are endeavoring to administer the provisions of the Jones-White law in a manner to extend the benefits of this law to all sections of our country and we commend them for the progress made.

We commend the United States Shipping Board for the constant improvement made in our shipping services; for its policy in operating these services through private American companies having the support of the local communities served by those companies; for its policy in carrying out the spirit of our laws in properly distributing the services in a manner to best serve the interests of our ports and communities; and for its policy in effecting the transfer of lines to private enterprise only when it is clearly demonstrated such transfer will result in insuring the "adequate, regular, certain, and permanent service," directed by the law.

We commend the efforts being made by the United States Shipping Board to improve its contracts with the managing operators of its services to the end that these operating companies shall be given more responsibility and shall properly share in the results of the operations, to enable these private companies to test their ability to become successful owners of their lines and to enable the Shipping Board to do away with the greater part of the large overhead employed in the management of our shipping services.

APPROPRIATIONS

Our Senators and Representatives are urged to advocate and support the continued appropriation annually of funds sufficient to insure the proper maintenance of all our steamship services.

MONOPOLIES—CONSOLIDATIONS

We are opposed to a monopoly in American shipping, and we urge the Congress and the United States Shipping Board to prevent such a monopoly. We are likewise opposed to a consolidation of lines in a manner to concentrate our shipping services at a very few ports. In reaching foreign markets it is to the interest of agriculture, industry, and mining as a whole to have the benefit of the largest number of the available ports with reasonably adequate service, and it is to the interest of inland transportation, car supply, and distribution to utilize all available ports and ocean services.

RAILROAD RATES

We favor the maintenance of railroad rates on foreign commerce between the Middle West and the ports on a basis to make all outlets available on fair and equitable terms. We strongly condemn the efforts being made by certain carriers and eastern interests to destroy the great benefits afforded by the readjustments of railroad rates between the Middle West and the southern ports put into effect in and subsequent to 1919.

SUPPORT OF AMERICAN SHIPS

The standard of service now maintained by the Shipping Board and private companies with American-flag ships is superior or at least equal to that afforded by foreign-flag lines serving United States ports and these American lines should receive the whole-hearted support of American shippers and receivers.

INDUSTRIAL COMPANIES *v.* COMMON CARRIERS

The best interests of commerce will be served if our shipping lines are owned and managed by common carriers and not by industrial companies. The products of industrial companies operating shipping lines have an unfair advantage over the products of other industrial companies compelled to use these lines. Railroad lines are not permitted to be owned and operated by industrial companies, and the same rule should be applied to shipping lines. We urge the United States Shipping Board to keep in mind this fact in the disposal of lines to private companies.

PROTECTION OF AMERICAN LINES

For several years the Congress of the United States has wisely provided in the annual Shipping Board appropriation bill what is commonly known as a "fighting fund." This fund is expressly provided for the purpose of enabling the Shipping Board to take back and operate any line sold to a private American company which such company is unable to maintain on account of unfair foreign-flag competition or other reasons. Rather than make it necessary for the purchasing company to exhaust its own resources and then lose its vessels, we feel this provision should be liberalized to the extent of permitting the Shipping Board in its own discretion to aid the purchasing company so that it would not be necessary for the service to be returned to the Shipping Board and thus retard the establishment of our services in the hands of our local private companies.

INLAND WATERWAYS

We commend the progressive attitude of the Federal Government in developing transportation upon the inland waterways of the Middle West, thereby furnishing to the exporters and importers of this section another means of economical access to the ports of the world. We urge the fullest possible development of joint rates between the water carriers and the railroads, and that the needed additional equipment for the Inland Waterways Corporation, for which appropriation was authorized by the last Congress, be made available at the earliest possible moment, that the needs of the shippers for this low-cost transportation service may be more adequately cared for.

LOAD LINES ON VESSELS

The Congress of the United States has had under consideration for several years legislation to establish load lines below which vessels shall not be loaded. Such legislation has passed one of the Houses of Congress on several occasions. We favor such load-line legislation as may be necessary to insure a reasonable degree of safety to both passengers and cargo.

UNITED STATES BUREAU OF FOREIGN AND DOMESTIC COMMERCE

We commend the United States Bureau of Foreign and Domestic Commerce for the practical and effective export trade promotion service it is rendering.

PARCEL POST—CUBA

We wish to go on record as being in favor of legislation which will bring about a reinstatement of parcel-post intercourse between the United States and Cuba. The lack of such legislation excludes a very large number of United States exporters from the Cuban market to the distinct detriment of United States commerce with the island Republic.

Officers: Malcolm M. Stewart, chairman, Cincinnati Chamber of Commerce; Arthur C. Pletz, treasurer, 3365 Shaw Avenue, Cincinnati, Ohio; Hardin B. Arledge, special representative, 920 Munsey Building, Washington, D. C.

Advisory committee: O. E. Bradfute, American Farm Bureau Federation; J. F. Reed, president Minnesota Farm Bureau.

Executive committee: F. C. Bryan, chairman, general traffic manager Allis-Chalmers Manufacturing Co., Milwaukee, Wis.; Robert S. Alter, vice president American Tool Works Co., Cincinnati, Ohio; J. L. Baker, president Baker Ice Machine Co. (Inc.), Omaha, Nebr.; H. G. Moebus, export manager Newport Rolling Mill Co., Newport, Ky.; A. McM. Creed, 411 Traction Building, Detroit, Mich.; Carl Weeks, president the Armand Co., Des Moines, Iowa; Edward B. Pollister, general manager Busch-Sulzer Bros. Diesel Engine Co., St. Louis, Mo.

PRAYERS OF THE CHAPLAIN

Mr. MOSES. Mr. President, I submit a resolution, which I ask to have read, following which I shall ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 346) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the prayers offered by the Rev. ZeBarney T. Phillips, D. D., Chaplain of the Senate, at the opening of the daily sessions of the Senate during the Seventieth Congress be printed as a Senate document.

WILLIAM H. CHAMBLISS

Mr. HEFLIN. Mr. President, I present an additional affidavit of Capt. William H. Chambliss, which I ask to have printed in the RECORD.

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

Affidavit, February 27, 1929, in support of bill S. 2274

In presenting the following notes to Senator HEFLIN for publication in the RECORD, I stand ready to exhibit to any or all Senators the file of fraud bills and graft bills by which Haeberle, protégé of Carr, Flanory, and Beck held up and robbed the *Lake Elkwood* at Rio de Janeiro, of her $200,000 cargo.

WILLIAM H. CHAMBLISS.

Sworn to and subscribed before me this 27th day of February, 1929.

[SEAL.] CHARLES F. PACE,
Notary Public, District of Columbia.

My commission expires February 18, 1931.

CONGRESS HALL HOTEL,
Washington, D. C., February 27, 1929.

MY DEAR SENATOR HEFLIN: In support of Senate bill 2274, favorably reported by the Committee on Claims, it will interest the Senate to hear what the acting consul at Rio did with the $200,000 cargo and provision stores on the *Lake Elkwood* after he grabbed the ship October 8, 1919. Here is what A. T. Haeberle, acting consul and favorite of the undersecretaries of State did with all.

Having fortified himself with his own false "survey" reports, mentioned in the second part of my affidavit printed February 26, Haeberle sold the whole shipload to Henrique Lage, his ship repair man, for $86,000, which was less than half market value.

I promptly made charges of fraud against Haeberle then and there, and I filed my charges personally with American Ambassador Edwin V. Morgan, and requested Mr. Morgan to forward the charges to Washington and supply Haeberle with a copy.

I personally sent copies to the United States Shipping Board and the Kerr Steamship Line, of which Kermit Roosevelt was an official.

The Shipping Board and the Kerr Line, my ship's New York agents, upheld me for opposing Haeberle's crooked acts, but the Undersecretaries of State upheld Haeberle and accepted his false reports as true.

They permitted Haeberle to sit as "judge" and try himself and take all of the testimony of his aides at Rio, with whom he whacked up the graft he made out of the fake sale to Lage of my $200,000 cargo for $86,000.

Every affidavit and witness offered by Haeberle in his defense was paid for—every man testifying was a member in some way of the band of hold-up men employed by Haeberle, Price, and Lage, his aides. The Undersecretaries of State knew the fraud that Haeberle was practicing, yet they upheld the fraud.

And for revenge on me the Undersecretaries of State have for nine years hurled the whole brute force of the Secretary of State's office at me; sending out the most vindictive letters to block and dam up all channels of justice and prevent me from getting work at my only profession, navigation. That malignant attitude of the State Department has influenced shipowners to refuse me employment. All American shipowners and operators of ships are afraid to offend the Undersecretaries of State by employing me. Thus has the Secretary of State's

office blacklisted me for punishment, because I opposed a crook in the Consular Service named Aminius T. Haeberle.

Please print this as a part of my affidavit, sworn to before a notary public.

WILLIAM H. CHAMBLISS.

The object and motive of the Undersecretaries of State in forcing the United States Shipping Board to post my name on the black list for no more employment, which all steamship companies recognize as an order to not employ me in any job, was revenge in its meanest form.

I, having opposed and exposed a crook in the consular outfit of the Latin American Bureau, had to be crushed for the good of the Government. And the surest way to crush me was to block me from getting work and shut off my bread and butter, in the Russo-Mexican way; and that is what the State Department Undersecretaries have done. All of their reports about me being dictated to please Aminius T. Haeberle, a crook in the Consular Service. They sent the same reports that Senator KING got to other Senators, and also to my wife to weaken me by breaking up my home.

Now, gentlemen of the Senate, when our State Department is infested with persons low enough to resort to such czarism, for revenge—sending false reports to a man's wife to try to intimidate her—they did intimidate my wife and made an invalid of her and turned her hair gray. I ask you, the highest body of 96 men on earth, to take action. Do something to free the State Department. I myself have been a loyal Navy man 40 years. My record is good; my service speaks for itself. And I ask fair play from the Senate and Congress who alone have power to free us from domestic enemy czars hidden behind the Secretary of State's desk, using his great signature and his letter paper and his rubber stamps for revenge.

God bless HEFLIN and all the Senators.

WILLIAM H. CHAMBLISS.

SALT CREEK OIL LEASES

Mr. NYE. Mr. President, it is not my intention at this time to endeavor to answer the thoughts expressed by the Senator from Montana this afternoon or to say more than this:

Upon the occasion of the debate upon this question two weeks ago I had quite fully determined that the matter was ended. However, at the time I did prepare a report which I was going to seek to make the majority report of the committee. Then, upon being further convinced that the matter was to rest just as it had been left at that time, I ceased polling the members of the committee upon the question and only submitted to them copies of the report.

In view of the fact that it appears this afternoon that this play, as I call it, has not been ended, I am going to ask unanimous consent to have printed the report which I now send to the desk, not as a majority report, because the majority of the members of the committee have not had an opportunity to concur in it. I can say, however, that such members as have had it submitted to them—five in number—have concurred in it.

I ask unanimous consent to have this report printed.

The PRESIDING OFFICER. Is there objection?

Mr. ROBINSON of Arkansas. Mr. President, is the Senator publishing the names of the members of the committee who signed the statement?

Mr. NYE. I shall be glad to announce at this stage that the Senators who concur in this report are the Senator from Oregon [Mr. MCNARY], the Senator from Nevada [Mr. ODDIE], the Senator from Vermont [Mr. DALE], the Senator from Illinois [Mr. GLENN], and myself. Whether other members of the committee desire to do so or not, I do not know at this stage; but it is, of course, their privilege to voice their wishes in relation to the matter.

The PRESIDING OFFICER. Without objection, the report will be printed.

J. EDWARD BURKE

Mr. BINGHAM and Mr. NORRIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. BINGHAM. Mr. President, I shall be glad to yield to the Senator from Nebraska if he desires.

Mr. NORRIS. I desire to ask the Senator from North Dakota [Mr. NYE] a question, but I presume I can not do so unless he has the floor.

Mr. BINGHAM. Mr. President, I merely wish to state that yesterday, when we were on the calendar, the Senator from Utah [Mr. KING] objected to Order of Business 2024, House bill 3047, under a misapprehension. He has since told me that he has no objection to its passage. It is a private bill, a claim for an amount of money paid in pursuance of a judgment entered upon a plea of nolo contendere under certain provisions of an act later found to be unconstitutional.

I ask unanimous consent that the bill may be considered and passed.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 3047) for the relief of J. Edward Burke.

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

BOARD OF VISITORS TO PHILIPPINE ISLANDS

Mr. KING. Yesterday the bill (H. R. 16877) providing for the biennial appointment of a board of visitors to inspect and report upon the government and conditions in the Philippine Islands, was taken up for consideration and I objected to it. I finally consented that it might be passed and that to-day I would enter a motion to reconsider, if I desired, and that the bill should be held here upon the table. I desire now to enter a motion to reconsider the vote by which the bill was passed. The bill is still here.

The PRESIDING OFFICER. The motion to reconsider will be entered.

POTOMAC RIVER BRIDGE NEAR GREAT FALLS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 4721) to extend the times for commencing and completing the construction of a bridge across the Potomac River at or near Great Falls, and to authorize the use of certain Government land, which were, on page 2, lines 1 and 2, to strike out "In constructing the said bridge the said company" and insert in lieu thereof "The Great Falls Bridge Co., its successors and assigns"; on page 2, line 2, after the word "is," to insert "hereby"; on page 2, line 5, to strike out "carry to completion the construction of" and insert in lieu thereof "construct, maintain, and operate"; and on page 2, line 5, after the word "bridge," to insert "and its approaches, and as may be approved by the National Capital Park and Planning Commission."

Mr. SWANSON. The amendments of the House are merely verbal and make no material change in the bill as it passed the Senate. I move that the Senate concur in the House amendments.

The motion was agreed to.

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the unanimous-consent agreement entered into earlier in the day the Senate will now go into executive session; the galleries will be cleared and the doors closed.

The doors were closed, and the Senate proceeded to the consideration of executive business. After 50 minutes spent in executive session the doors were reopened.

ENLARGEMENT OF CAPITOL GROUNDS

Mr. KEYES. I ask to have the unfinished business laid before the Senate and proceeded with.

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business—House bill 13929.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13929) to provide for the enlarging of the Capitol Grounds.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 13936) to amend the second paragraph of section 4 of the Federal farm loan act, as amended.

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

H. R. 16874. An act authorizing the Commissioner of Prohibition to pay for information concerning violations of the narcotic laws of the United States;

H. R. 17126. An act authorizing C. N. Jenks, F. J. Stransky, L. H. Miles, John Grandy, and Bruce Machen, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Savanna, Ill.;

H. R. 17208. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Niobrara, Nebr.;

H. R. 17218. An act authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Ohio River at or near Maysville, Ky.;

H. R. 17262. An act authorizing H. L. Cloud, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Canadian River at or near Francis, Okla.;

H. R. 17311. An act to extend the time for completing the construction of a bridge across the Mississippi River at or near Cairo, Ill.; and

H. R. 17322. An act to amend the act approved June 22, 1926, entitled "An act to amend that part of the act approved August 29, 1916, relative to the retirement of captains, commanders, and lieutenant commanders in the line of the Navy."

MISSISSIPPI RIVER BRIDGE, CAIRO, ILL.

Mr. DENEEN. I ask that the bill for completing the bridge at Cairo, Ill., be laid before the Senate.

The bill (H. R. 17311) to extend the time for completing the construction of a bridge across the Mississippi River at or near Cairo, Ill., was read twice by its title.

Mr. DENEEN. Mr. President, I ask unanimous consent that the bill be taken up and passed.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

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

HOUSE BILL REFERRED

The bill (H. R. 17322) to amend the act approved June 22, 1926, entitled "An act to amend that part of the act approved August 29, 1916, relative to the retirement of captains, commanders, and lieutenant commanders in the line of the Navy," was read twice by its title and referred to the Committee on Naval Affairs.

MISSISSIPPI RIVER BRIDGE, SAVANNA, ILL.

The bill (H. R. 17126) authorizing C. N. Jenks, F. J. Stransky, L. H. Miles, John Grandy, and Bruce Machen, their heirs, legal representatives, and assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Savanna, Ill., was read twice by its title.

Mr. DENEEN. I ask unanimous consent for the immediate consideration of the bill.

The PRESIDENT pro tempore. Is there objection?

Mr. JONES. Mr. President, I desire to ask the Senator whether a similar Senate bill has been reported to the Senate during this session?

Mr. DENEEN. I have not had time to look it up. The bill has just come in.

Mr. JONES. We do not usually pass such House bills unless that is the case.

Mr. DENEEN. I can check up on it. I will withdraw the request for the present.

The PRESIDENT pro tempore. May the Chair say that if we pass the House bill we can later indefinitely postpone the Senate bill, or leave it on the calendar to die at the end of the session.

Mr. JONES. But we do not usually pass such a bill from the House unless there is a similar bill on the Senate Calendar, or reported to the Senate. It has not had the consideration of any committee. That is creating a precedent.

The PRESIDENT pro tempore. The Senator now addressing the Chair is the chairman of the committee. Possibly he can enlighten the Senate about the matter.

Mr. JONES. I have no recollection of any such report.

The PRESIDENT pro tempore. The bill will be referred to the Committee on Commerce, and may be recalled——

Mr. JONES. I suggest that the Chair keep it on the table.

The PRESIDENT pro tempore. The bill will be returned to the table.

Mr. DENEEN. I am very sure a similar Senate bill was considered by the committee.

OHIO RIVER BRIDGE, MAYSVILLE, KY.

The bill (H. R. 17218) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Ohio River at or near Maysville, Ky., was read twice by its title.

Mr. SACKETT. Mr. President, that is the same bill that appears on the calendar as Order of Business 2096, Senate bill 5878, on which there is a favorable report. I ask that the House bill be substituted for the Senate bill and passed.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 17218) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Ohio River at or near Maysville, Ky.

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

The PRESIDENT pro tempore. Without objection, Senate Bill 5878 will be indefinitely postponed.

CANADIAN RIVER BRIDGE, FRANCIS, OKLA.

The bill (H. R. 17262) authorizing H. L. Cloud, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Canadian River, at or near Francis, Okla., was read twice by its title.

Mr. THOMAS of Oklahoma. Mr. President, an identical bill is on the Senate Calendar, Senate Bill 5881. I ask unanimous consent that the House bill may be substituted for the Senate bill, and that it may have immediate consideration.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 17262) authorizing H. L. Cloud, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Canadian River, at or near Francis, Okla.

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

The PRESIDENT pro tempore. Without objection, Senate bill 5881 will be indefinitely postponed.

ORDER OF BUSINESS

Mr. GLASS obtained the floor.

Mr. NYE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from North Dakota will state it.

Mr. NYE. I understand that by unanimous consent unobjected bills on the calendar are next in order.

The PRESIDENT pro tempore. That unanimous-consent agreement has not been entered into.

Mr. KING. There is no such understanding.

Mr. SMOOT. It was carried out last night.

Mr. NYE. Then, Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from North Dakota?

Mr. GLASS. I shall be through in a moment.

Mr. NYE. I should like to submit a proposed unanimous-consent agreement.

Mr. KING. I call for the regular order.

The PRESIDENT pro tempore. Does the Senator from Virginia yield for that purpose?

Mr. GLASS. I do not, Mr. President.

The PRESIDENT pro tempore. The Senator from Virginia declines to yield.

SENATOR GEORGE P. M'LEAN

Mr. GLASS. What I have to say will be concluded in a moment.

Mr. President, in the course of the proceedings to-day the minority leader took occasion to pay very suitable tribute to those Members of the Senate on this side of the aisle who have been retired momentarily from public life, or who of their own choice have retired from the Senate. It occurs to me that some word of tribute ought to be paid to a distinguished Senator on the other side of the aisle who is voluntarily retiring from this body and with whom I have now for nearly nine years been most agreeably associated on the Committee on Banking and Currency. I have reference to the senior Senator from Connecticut [Mr. McLEAN].

It affords me peculiar pleasure to say that in my 18 years of service on the Banking and Currency Committee of the House of Representatives, and the kindred service of nearly 9 years on the Banking and Currency Committee of the Senate, I never encountered any man in either body of the Congress who seemed to be more earnestly and conscientiously devoted to public duty than this distinguished Senator from Connecticut. Always courteous, always kindly, always intelligently informed as to matters brought before his committee for consideration, I regarded his retirement from the chairmanship of the committee as a distinct loss to the Senate and to the country.

I was so impressed with that conviction that I personally appealed to him to reconsider his decision. It was only due to ill health that he would not respond to those appeals of his associates. I consider that his retirement from the Senate is a loss to the country, and I do not know that ever before in my public career have I entertained such an attachment or such personal affection for any man with whom I have been associated, notwithstanding he and I belong to different political parties. From our intercourse, and from our cooperation in legislative matters, no human being could ever have supposed that our political affiliations were not the same, and it is with a feeling of great sadness that I consider the retirement of this worthy and altogether capable public man.

Mr. BINGHAM. Mr. President, on behalf of the people of Connecticut I want to express to the Senator from Virginia [Mr. GLASS] our very warm thanks for this unusual tribute to come across the aisle from one of the most distinguished Senators on the other side, whose record as a public servant we all know has been one of the most marked of any in this country.

The people of Connecticut did all they could to keep his friend and our distinguished statesman in this body. By public and unanimous resolution of the convention of the party of which he was a member he was in a most unusual manner told that the nomination would be his without the slightest opposition on the part of any one, and that it was the universal hope of the State that he would again serve them, but he gave it as his unalterable desire to retire from the public service after having served as governor and as Senator for nearly a quarter of a century.

It is our belief that we have lost an able, an ardent, and a loyal advocate of the State, and that our friends in the United States have lost the services of one of their most distinguished statesmen, who voluntarily retires into private life on Monday next.

MERRILL ENGINEERING CO.

Mr. KEYES obtained the floor.

Mr. STEPHENS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Hampshire yield to the Senator from Mississippi?

Mr. KEYES. I yield.

Mr. STEPHENS. I would like to have the present consideration of Order of Business No. 2097, House bill 10817, for the relief of the Merrill Engineering Co. It is a House bill, and there is a favorable report from one of the departments. It carries no appropriation. It simply relates to procedure in the trial of a case that is either pending or will be pending soon in the Federal court in Mississippi. It simply affects the suit to this extent. For reasons thought by the department to be good it is believed that a certain provision of the contract should not constitute a defense, and it is stated that the suit will go on, and that if it is found that the party entitled to judgment should have judgment despite this matter, then the department said it should not interfere with him in this matter.

Mr. ROBINSON of Arkansas. What is the calendar number?

The PRESIDENT pro tempore. Calendar 2097.

Mr. STEPHENS. It appropriates no money; it simply gives this party the right to appear in court.

The PRESIDENT pro tempore. Is there objection?

Mr. SMOOT. I would like to read the report before I consent to the consideration of the bill.

Mr. STEPHENS. The report is very brief. Will the Senator permit me to read from it?

Mr. SMOOT. Just let it be passed over temporarily.

Mr. STEPHENS. There is danger that I may not have a chance to get it up again. There was a favorable report from the committee and a recommendation from the department.

The PRESIDENT pro tempore. Is there objection?

Mr. NORRIS. I just came into the Chamber. What is the question?

The PRESIDENT pro tempore. The pending business is the Plaza bill, the question being on agreeing to the amendment proposed by the committee.

The Senator from Mississippi has asked unanimous consent for the consideration of order of business 2097, a House bill. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

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

UNDERSECRETARY, DEPARTMENT OF LABOR

Mr. REED of Pennsylvania. Mr. President, will the Senator from New Hampshire yield to me for a request that will lead to no debate?

Mr. KEYES. I am willing to do so if it will not lead to debate.

Mr. REED of Pennsylvania. Yesterday when order of business 1857, Senate bill 5614, creating the positions of Undersecretary and two Assistant Secretaries in the Department of Labor, was reached, it was objected to, I believe, by the Senator from Utah [Mr. KING]. It is a proposition to abolish two positions in the Department of Labor and create one, to abolish two positions of assistants to the Secretary, and create one position of Assistant Secretary, who can discharge the duties of the two, according to the head of that department, and who will be paid a salary approximately one-half of what the two assistants are paid.

Mr. NORRIS. It is a proposition, in other words, to make one blade of grass grow where two grew before?

Mr. REED of Pennsylvania. The Senator may put it that way. It is recommended to me as the result of a promise made by the Secretary that as soon as he could dispense with one of these employees, he would do it, and he agreed to let us know so that we might abolish one position.

The PRESIDENT pro tempore. The bill has heretofore been amended by the Senate. Is there objection to resuming the consideration of the bill?

There being no objection, the Senate as in Committee of the Whole resumed the consideration of the bill, which was read, as amended, as follows:

Be it enacted, etc., That effective April 1, 1929, there shall be in the Department of Labor an additional secretary, who shall be known and designated as Third Assistant Secretary of Labor and shall be appointed by the President. The Third Assistant Secretary shall perform such duties as shall be prescribed by the Secretary of Labor or required by law, and in case of the death, resignation, absence, or sickness of both the Assistant Secretary and Second Assistant Secretary shall, until a successor or successors are appointed or such absence or sickness shall cease, perform the duties devolving upon the Assistant Secretary by reason of section 177, Revised Statutes (5 U. S. C. 4), unless otherwise directed by the President, as provided by section 179, Revised Statutes (5 U. S. C. 6).

SEC. 2. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to pay the salary of the Third Assistant Secretary of Labor for the fiscal years 1929 and 1930, in accordance with the classification act of 1923, as amended.

SEC. 3. The act of March 4, 1927, entitled "An act creating the offices of assistants to the Secretary of Labor," is hereby repealed, effective April 1, 1929.

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

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

BANK TAXATION

Mr. NORBECK. Mr. President, I ask unanimous consent to have printed in the RECORD a report of the Minnesota Interim Commission on bank taxation, issued January 10, 1929.

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

REPORT OF THE MINNESOTA INTERIM COMMISSION ON BANK TAXATION, JANUARY 10, 1929

Hon. W. I. NOLAN, *President of the Senate.*

Hon. JOHN A. JOHNSON, *Speaker of the House of Representatives.*

The commission appointed pursuant to chapter 382 of the session laws of 1927 submits the following report:

Your commission was created because of an emergency precipitated by two decisions of the Supreme Court of the United States in First National Bank *v.* Hartford (71 L. ed. 530) and Minnesota *v.* First National Bank of St. Paul (71 L. ed. 535), rendered March 21, 1927, declaring void taxes on national banks levied pursuant to the same method and under laws in force in this State for more than 50 years past.

National banks since their creation have been held to be instrumentalities of the Federal Government, and may only be taxed by the States wherein they are located in the precise manner authorized by Congress. Since the national bank act was passed in 1864, and until 1923, the Federal statute permitted States to tax national banks only upon the value of the shares thereof. The statute authorizing the States to so tax banks (sec. 5219, R. S. U. S.) limits the State in taxing shares of national banks so that the taxes "shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State coming into competition with the business of national banks."

This limitation upon the taxing power of the States was evidently designed to protect national banks from discrimination by the States by taxing their competitors, the State banks, at a lower rate than national banks, thus forcing the latter out of existence. State banks are the only real competitors of national banks. But the Supreme Court of the United States held that individual investors in mortgages or notes, bonds or other like intangibles, when substantial in amount, constitute moneyed capital in competition with national banks, and therefore declared that the Minnesota taxes on national-bank stock were void because the mortgage registry tax rate and the tax rate on money and credits were fixed by the Minnesota laws at a lower rate than the ordinary personal property tax rate applied to bank stock and all other personal property.

In 1907 Minnesota passed the mortgage registry tax law, taxing mortgages at the low rate of 25 cents per $100. This rate was afterward reduced to 15 cents per $100 when the debt matured in five years or less, and 25 cents per $100 if the debt ran for a longer period. In 1911 the money and credits tax act was passed, taxing money on deposit, notes, bonds, etc., not secured by mortgage at a rate of 3 mills on the dollar. Prior to the passage of these low rate tax acts, such property practically escaped taxation because of its elusive character. It was found impossible to reach it for reasons which are clearly set out in

Chapter XII of the 1928 Annual Report of the Minnesota Tax Commission, and need not be repeated here.

It was because the rates on mortgages and money and credits were lower than the ordinary tax rate applied to bank stock that national bank taxes in Minnesota were declared void.

The decisions of the Supreme Court of the United States referred to were rendered near the close of the legislative session of 1927, and with a view of correcting the situation so that the State of Minnesota and its taxing districts could legally tax bank stock, bills were introduced proposing the repeal of the mortgage registry tax and money and credits tax laws. The effect of such repeal would be that such property would become taxable at the ordinary personal-property rate, and it was hoped that thereby the situation with reference to the taxation of national-bank stock would be corrected.

The bankers of the State of Minnesota, both State and national, regarded the proposed repeal of the mortgage registry and money and credits tax as highly detrimental to the business and financial interests of the State. It was a matter of common knowledge that such repeal would drive capital out of the State and would result in virtual confiscation of investments made by citizens of the State. The bankers appointed a committee and proposed to the legislature that a special commission be appointed to study the bank-tax situation, the tax laws of the State, and the Federal laws and decisions, in the hope that legislation could be recommended which would permit the mortgage registry and money and credits tax laws to remain upon the statute books of the State and at the same time permit the State to tax National and State banks in a fair and equitable manner.

The bankers proposed if such a commission were appointed they would agree to pay taxes upon national banks assessed in the usual manner upon the value of the stock, as had been done for more than half a century prior to such decisions. Two hundred and sixty-four out of the two hundred and seventy-one national banks of the State signed an agreement to pay such taxes for the years 1927 and 1928. Accordingly the legislature did not pass the bills repealing the mortgage registry and money and credits tax laws, but did pass the act creating this commission, and, among other things, provided it should be the duty of the commission "to make a study of the tax laws of this State, with particular reference to those relating to the taxation of mortgages, money and credits, shares of stock of banks, trust companies, mortgage loan companies, and investment companies, and take steps in cooperation with the authorities of other States if possible, toward such remedial legislation by Congress in relation to the taxation of shares of stock of national banks, as is for the best interests of the people of the State of Minnesota, and to make report of its work and recommendations to the next regular or special session of this legislature." The act also provided that it should be the duty of the attorney general and the Minnesota Tax Commission to assist and cooperate in the work, and appropriated $7,500 for the expense of the commission and for the employment of necessary assistance.

The commisison organized on the 21st day of May, 1927, by the election of officers, and proceeded to study the situation. On May 24, 1927, the commission had a conference with the committee appointed by the State bankers' association. The commission then undertook and pursued an intensive study of the tax laws of Minnesota, of all the States of the United States, and the Federal laws and decisions for the purpose of determining how other States were affected by the decisions of the Supreme Court of the United States and to determine what might be done to meet the situation. The work of compiling and studying tax laws of other States occupied practically all of the time until the fall of 1927, and was very painstakingly and accurately done by Mr. J. G. Armson, of the Minnesota Tax Commission.

After a very careful study of the laws of the other States, the Federal laws, and decisions of the Supreme Court of the United States this commission came to the conclusion that the most practical and effective way in which national banks could be fairly taxed by the States was not by amending or repealing State laws but by procuring Congress to amend section 5219, Revised Statutes of the United States, by removing some of the restrictions and limitations therein. In this opinion the attorney general and all the members of the Minnesota Tax Commission concurred. We found that it was not within the power of this or any other State to pass any legislation which would grant adequate relief.

It was then, and is now, our opinion that the only protection needed to safeguard national banks from adverse tax legislation is to limit the States in taxing national banks so that the rate shall not be greater than that imposed by the State banks. It is not practicable, nor even possible, to so shape State tax laws so as to tax every individual investment or form of business which in a theoretical sense may be in competition with national banks at the same rate as national banks. In a sense, every loan made by an individual, whether it be a school-teacher buying a bond or a widow investing in a mortgage, is in competition with the business of national or State banks, so far as loaning money is concerned. But there is a fundamental difference between a business institution which receives deposits in a community, ranging from $1 up to many thousands in amount and which money owned by individuals or corporations can not be used as commercial or other loans by the owners, but the bank gathering in these deposits from all sources is enabled by its banking organization to transform these otherwise idle credits into commercial and other loans. The deposits become assets of the bank, upon which the bank pays little or no interest and is enabled to loan out at a considerable margin of profit. No other form of business is a real competitor of a bank except another bank, and there is no fairer limitation upon the power of the States to tax national banks than that to limit the rate of tax upon a national bank so it shall not be higher than that imposed upon a State bank.

Prior to 1923 the only method by which the States were allowed to tax national banks was by a tax upon the value of the shares thereof. In 1923 Congress authorized two other methods—

1. A tax upon the net income of the national banks; and

2. A tax upon the dividends as individual income received by a stockholder. In 1926 the States were authorized to tax national banks by an excise tax measured by their net income.

But the acts provided that any tax by any one of these methods would be in lieu of all other taxes, and that the rate of tax, whether upon income or by the excise method, could not be higher than the rate assessed upon other financial corporations, nor higher than the highest of the rates assessed by the taxing State upon mercantile, manufacturing, and business corporations doing business within its limits.

Your commission carefully considered the alternative methods of taxing national banks provided in the Federal law, and concluded that the same were not practicable, constitutional, nor in any wise adapted to Minnesota or to any other State raising the great bulk of its taxes for State and local purposes by a tax upon the value of the property therein. In this opinion the attorney general of the State and the Minnesota Tax Commission concurred.

Immediately upon the organization of your commission there was started a voluminous correspondence with tax commissions, other tax officials and officials and persons interested in the subject of bank taxation in other States, for the purpose of interesting all such persons and officials in the situation which confronted Minnesota and which affected the other States in a very similar manner, and for the further purpose of securing opinions from other tax officials as to the best course to be pursued to meet the situation.

In the month of October, 1927, the National Tax Association held its annual meeting in Toronto, Canada. Members of the Minnesota Tax Commission and Assistant Attorney General Youngquist attended such conference, together with the chairman of your commission. Meetings were arranged, attended by representatives of 36 States, having a like interest in the bank-tax situation. After discussing the matter of an amendment to section 5219, R. S. U. S., at each of such meetings, a resolution was adopted that subdivision 1-B of section 5219, R. S. U. S., should be amended so as to read as follows:

"In the case of a tax on said shares, the tax imposed shall not be at a greater rate than is assessed upon other moneyed capital used or employed in the business of banking."

A committee was also appointed to represent all of the States interested in securing a proper amendment to section 5219, the members of which committee were as follows:

George H. Sullivan, chairman	Minnesota
M. D. Lack	California
J. V. Benton	Virginia
Henry F. Long	Massachusetts
C. P. Link	Colorado
George Vaughan	Arkansas
Wm. H. Blodgett	Connecticut
Milbank Johnson	California

In November, 1927, a meeting was had at the capitol in St. Paul, which was attended by Minnesota Congressmen as follows: Representatives GOODWIN, NEWTON, MAAS, ANDRESEN, and KNUTSON, Attorney General Youngquist and members of the tax commission were present. After a full discussion it was unanimously agreed that section 5219 should be amended so as to provide that States should be limited in taxing national banks so that they could not be taxed at a higher rate than State banks.

Through the efforts of the commission a bill was introduced in the House of Representatives by Representative GODFREY G. GOODWIN, providing for the amendment of section 5219, so that the tax on national banks should be no greater than the rate imposed on State banks. A similar bill was introduced in the Senate by the Hon. PETER NORBECK, of South Dakota, chairman of the Committee on Banking and Currency of the Senate.

The commission with the cooperation and assistance of the attorney general and the Minnesota Tax Commission prepared a printed brief showing the necessity for pressing the above legislation, to which was annexed the compilation of bank tax laws of other States herein referred to, by which it was shown that 43 States were affected as Minnesota is in reference to taxation of national banks.

A number of conferences were had between representatives of this commission and a committee of the State Bankers' Association in the month of January, 1928, and prior thereto. In these conferences the entire situation was discussed and the question of amending section 5219, so as to limit State taxation of national-bank stock at a rate no higher than the rate on State banks, was proposed by the commis-

sion. The representatives of the bankers agreed to the principle that banks, both State and National, should bear the same relative burden of taxation as borne by property used in business and owned by corporations generally, but they strongly objected to the proposed amendment. They argued that such an amendment would place national banks and State banks in a class by themselves for taxation and that all banks would thereby become the target for adverse legislation. The bankers insisted that they be placed in some classification, members of which should be drawn from all classes in the community. However, when the commission later proposed to amend the Goodwin bill by adding a further limitation thereto, that the tax rate should not be higher than the rate imposed upon real estate used for mercantile or other like business purposes situate in the same taxing district with the bank, the bankers strenuously opposed such amendment.

It is significant that the committee representing the State Bankers Association have suggested no formula or language for an amendment to section 5219 which would carry out the principle agreed to by them. They have objected to every suggestion made by this commission or other public officials. The American Bankers Association have likewise failed to offer any constructive suggestion or proposition to carry out the principle of equality of tax burden. In fact, in hearings upon the bills before committees of Congress and in the conference on the subject of bank taxation, the committees representing the State Bankers Association and the American Bankers Association, their counsel and representatives, have opposed any and every amendment to section 5219. There is a single exception to the foregoing statement, which is that Hon. T. D. O'Brien, made the suggestion at the hearing before the Senate committee in Washington, and elsewhere, that he favored an amendment to section 5219 which would have the effect of permitting the States to tax mortgages at low rates and still continue to tax bank stock at a higher rate. The only proposition that has ever been made by the State Bankers Association or the American Bankers Association, is that Minnesota adopt the so-called excise plan authorized by section 5219, which provides for an excise tax measured by the net income of national banks.

The hearing on the Norbeck bill before the Senate Committee on Banking and Currency was held February 23, 24, and 29, 1928. The commission was represented at such hearing by the chairman, Senator George H. Sullivan, Senators Blanchard and Larson, and Hon. O. K. Dahle, of the house; Mr. J. G. Armson, of the Minnesota Tax Commission; and Assistant Attorney General Youngquist. The following persons made arguments in favor of the bill:

Hon. Theodore Christianson, governor, Minnesota.
Hon. G. A. Youngquist, attorney general, Minnesota.
Hon. George H. Sullivan, commissioner chairman, Minnesota.
Milbank Johnson, M. D., California.
Hon. Paul G. Eger, assistant attorney general, Michigan.
Hon. Mark Harrison Wight, assistant attorney general, Washington.
Hon. Maxwell A. O'Brien, assistant attorney general, Iowa.
Hon. L. F. Whittemore, State bank commission, New Hampshire.
Hon. Henry F. Long, commissioner, Massachusetts.

The only persons appearing in opposition were bankers and their attorneys. The arguments and statements in behalf of and against the bill were printed in full as S. 1573.

At the close of the hearings on the Senate bill it was deemed advisable by the commission, the attorney general and the Minnesota Tax Commission, to secure the services of Mr. Patrick J. Ryan, of St. Paul, who had acted as special counsel for the State of Minnesota in many important tax cases in the Supreme Court of the United States, and accordingly Mr. Ryan proceeded to Washington and remained there for a considerable time for the purpose of promoting the passage of the Norbeck and Goodwin bills.

Notwithstanding the diligent and strenuous efforts of Representative GOODWIN, it was found impossible to secure a meeting of the House Committee on Banking and Currency until May 10, 1928, at which time the commission was represented at the hearings by the chairman and Mr. Patrick J. Ryan, special counsel. The following representatives of the various States interested were present and argued for the bill:

George H. Sullivan, Minnesota.
Patrick J. Ryan, Minnesota.
D. H. Davenport, California.
Marvin Arnold, California.
W. E. Evans, California.
L. F. Whittemore, New Hampshire.
J. P. Carleton, New Hampshire.
Harry A. Metcalf, Michigan.
John H. Leenhouts, Wisconsin.
S. H. Chase, Washington.
Harry W. Scott, Nebraska.
Clarence Smith, Kansas.
F. H. Moore, Alabama.
John H. Mooring, Alabama.
James H. Stewart, Montana.
Prof. S. E. Leland, Kentucky.
Oscar Leser, Maryland.
John M. Rose, Arkansas.

The hearing is reported and printed as H. R. 8727. Again the bankers and their counsel opposed the passage of the bill and opposed any and every amendment to section 5219. The representatives of the States clearly pointed out that under the existing provisions of section 5219, no State could legally tax national banks upon the ad valorem basis, nor upon any of the other alternative methods provided therein. The bankers and their counsel insisted that the States could and should tax banks on the so-called excise-tax plan on the net income of banks.

Congress adjourned without any action being taken by the committees of the House or Senate, and up to the present time no report has been made by either of said committees.

The annual meeting of the National Tax Association was held in Seattle, August 27–31, 1928, and it was deemed advisable that your commission be represented at such meeting. Accordingly the chairman and Mr. Ryan attended the conference; members of the Minnesota Tax Commission were also present. The conference was attended by representatives of State tax commissions, other taxing officials, and by numerous representatives and counsel for the American Bankers Association, and bankers from many parts of the United States.

At this conference the Minnesota representatives succeeded in holding several meetings of representatives of the States interested in securing an amendment to section 5219, and, as a result, a nation-wide organization of such officials was organized under the name of Association of States on Bank Taxation, the object of which association is to promote some reasonable amendment to section 5219 which will permit the States to tax property of national banks on a fair and equitable basis.

The officers of such association are:

George H. Sullivan, Stillwater, Minn., president.
Oscar Leser, Baltimore, Md., vice president.
John H. Leenhouts, Milwaukee, Wis., secretary.
James H. Stewart, Helena, Mont., treasurer.

In the month of November, 1928, at the request of the secretary of the Minnesota Bankers' Association, a meeting was had at the State capitol, attended by a committee on behalf of the State bankers' association, by members of this commission, the attorney general, and tax commission. The avowed object of the meeting, as expressed by the bankers, was to see if some compromise could not be agreed upon with this commission which it could recommend to the legislature to govern the taxation of national banks in Minnesota, pending the adoption by Congress of an amendment to section 5219. The representatives of the bankers urged that the excise-tax plan be recommended, and this commission, the attorney general, and the Minnesota Tax Commission definitely rejected such plan. The reasons for this will appear later herein.

On November 17, 1928, the State bank commissioner, Mr. Veigel, made public his annual report to the governor, in which he advocated the adoption by the State of Minnesota of the excise tax on net income of national and State banks.

On the 20th day of November at the conference of governors held at New Orleans Gov. Theodore Christianson delivered a notable speech in favor of the amendment of section 5219 as provided in the Goodwin bill and expressed his opposition to the excise tax on the net income plan. This speech has been printed and will be attached to the report of the Minnesota Tax Commission, and seems to us to be an unanswerable argument in favor of the Goodwin bill. It should be read by all who desire to be informed upon the bank-tax question.

The foregoing is a mere outline of the activities of the commission and suggests the magnitude of the task committed to this commission and which is now before not only the State of Minnesota but all the States of the United States.

The situation has been somewhat clarified since your commission was appointed. At that time it was deemed possible for the State of Minnesota and other States to correct the situation by repealing the mortgage registry and money and credits tax laws, and attempting to tax such intangibles on the ad valorem basis by applying thereto the ordinary personal-property tax rate. However, students of the problem even then saw that the logical effect of the decisions of the Supreme Court of the United States in the Minnesota and Wisconsin cases would be to render the ad valorem tax on national-bank stock invalid under any system which attempted to tax mortgages and moneys and credits at the ordinary tax rate. The Supreme Court of the United States decided taxes upon national-bank stock invalid because of the lower rates of taxation applied to mortgages and money and credits, and the logic of such decisions is that failure to tax that character of property would have the same effect. In other words, if mortgages and money and credits are not taxed at all, or if such property escapes taxation the effect would be to render all taxes upon national-bank stock void.

All taxing authorities agree that no State can reach any substantial part of debts secured by mortgages or money and credits for taxation, if such property be taxed at the ordinary rate, so that if the State of Minnesota, for instance, should repeal the mortgage-registry tax and the tax on money and credits, nevertheless its attempt to tax bank stock

would be held void because of the impossibility of taxing mortgage debts and money and credits at the same rate as other personal property. The futility of attempting to tax mortgage debts and money and credits in any other way except at low rates is thoroughly considered and analyzed in Chapter XII of the report of the Minnesota Tax Commission for 1928.

That such failure to tax debts secured by mortgages and money and credits would have the effect of rendering taxes upon national banks void has since been decided by the United States District Court for the District of Oregon in the case of Brotherhood Cooperative National Bank *v.* Hurlburt (26 Fed. (2d) 957), which decision was followed in the case of Roberts *v.* American National Bank of Pensacola (115 Sou. 263 (Fla.).

As your commission views the question there is no way open to the Legislature of the State of Minnesota to enact any law, or to repeal any law or series of laws, so as to provide for legally taxing national banks in any manner whatsoever, except to tax the stock of national banks upon the value thereof at the mortgage-registry tax rate, which amounts to 3 cents per year per $100 of value, or three-tenths of a mill per annum per dollar. This would virtually leave such bank stock untaxed.

There remains to be considered the method permitted by section 5219, the so-called excise tax on net income plan offered by the bankers. We do *not* believe that this plan can be adopted in the State of Minnesota without violating the Constitution, and if it could, we do not believe such system is fair or practicable. The other two methods permissible under section 5219, namely to include dividends upon national-bank stock in the taxable income of the owner thereof, or to tax national banks on their net income are neither legal, fair, nor practicable, as applied to Minnesota and to most of the other States.

The situation which confronts the State of Minnesota, and 43 other States of the Nation is—

a. Such States may legally tax bank stock only at such low rate as may be applied to intangibles of the money and credits class or to debts secured by mortgages; or

b. The States may adopt an income or excise tax based upon net income of national banks; or

c. The States must forego all legal taxation of national banks until Congress in its wisdom sees fit to amend section 5219, so as to permit bank stock representing bank property to be taxed upon some fair and equitable basis.

Argument is deemed unnecessary on the proposition that the property of national banks, producing on the whole large income and much profit, owned as it is by the individual citizens of the State, protected by the laws of the State, should not escape, or virtually escape, taxation. The right of the sovereign State in which such property is situate to so tax such bank property is challenged by the opposition of certain bankers of the Nation to any and every amendment proposed, so as to permit the State to exercise its sovereign right of taxation in a fair and equitable way. As we see it, the States should not permit such opposition to permanently deprive them of such sovereign right. We recommend that the State of Minnesota continue the fight for a fair and reasonable amendment to section 5219, whatever present loss of revenue such course may entail. The mere loss of revenue, now or in the near future, should not deter the State in its effort to establish its right reasonably to tax such property. It should be said that many bankers of this State fully agree with this commission, but the State bankers association of this State and the American Bankers Association of the United States oppose any and every amendment to section 5219. They urge the States to adopt the excise tax upon the net income of national banks as the sole and exclusive method of taxing banks. Why do the bankers urge the adoption of the excise tax? One reason which suggests itself may be that, wherever used, the excise tax method has reduced taxes upon banks, as in the case of Massachusetts, Wisconsin, and New York, as follows:

In Massachusetts under the ad valorem system in 1922, the total bank tax paid in that State was $4,370,845; in 1927, under the excise tax, $833,017; on national banks alone in Massachusetts in 1922, $2,784,204; in 1927, under the excise tax, $515,578. The rate varies each year. In Wisconsin the income-tax method has reduced bank taxes to less than half of what they had been under the ad valorem system, the rate in Wisconsin running from 2 to 6 per cent on the net income. In New York banks are taxed at 4½ per cent upon their net income. This produced about 30 per cent of the taxes produced under the former system. The State of California has adopted a law taxing the net income of national banks at 4 per cent. In startling contrast to these low rates it may be noted that national and other banks in the District of Columbia where the rate is fixed by the Congress of the United States are taxed at a rate of 6 per cent upon gross income. Let the farmer, the business man, and the business corporation figure out what per cent of net income is devoted to taxes outside of real estate taxes, and invariably the rate will be found as high as 10 per cent and perhaps 20 per cent of such net income.

We think the adoption of an excise tax on net income plan would be introducing a very unfair principle of taxation in Minnesota—that is, that taxes should be levied upon property only when a net income is derived therefrom and then only upon such net income. Minnesota in common with all other States of the Union derives the funds to defray the expense of its local and State government almost wholly by a tax based on the value of the property as distinguished from a tax on the income thereof. The farmer, the home owner, and the business man has to pay a tax upon all property owned by him whether it produces a dollar of net income or not.

The only exception to this rule in Minnesota is in the case of railroads and express companies, etc., which pay taxes on their gross earnings, but such property in the very nature of things always produces a gross income, although not necessarily a net income, and such gross earnings tax is another form of taxing the property itself. It has been found a fair tax in actual practice. If the proposal were to tax banks upon gross income, it would be worthy of the most serious consideration. No form of property in this State is exempted from taxation because of its failure to produce a net income, and so far as we know, no property in any State of the Union is exempted from taxation for a similar reason, except it be the property of banks, in such States as have adopted the net income or excise tax on the net income of national banks, provided in section 5219, Revised Statutes, United States. It would be a rather startling departure from the whole theory of taxation in this and other ad valorem States to admit any such principle of taxation in a system where all other forms of property pay taxes on value irrespective of income, net or otherwise. To permit the property of any of the banks in this State to escape taxation entirely because of its failure to produce net income would be grossly unfair to every other taxpayer in the State.

The United States Government is supported very largely by a net-income tax and it is estimated that such income tax produces $50,000,000 annually in the State of Minnesota, whereas about one hundred and fifty millions is raised in this State for the support of local and State government. If the State of Minnesota were to adopt the net-income tax as the sole method of raising its revenue, it will readily be seen that it would be necessary to multiply the rates included in the Federal tax by three. What is said about Minnesota applies very largely to most of the States of the Union. Do the bankers of the State of Minnesota, or other States, wish to be taxed upon a system which would triple existing Federal income-tax rates to other taxpayers, or do they wish to be set aside as a privileged class and let all other forms of property pay a large share of their taxes?

A net-income tax upon banks or any other form of property is wholly impracticable and unworkable and inconsistent with any general system of taxation upon the ad valorem basis. In every township, city, and county the tax rate is based on the assessed value of the property in such taxing district and fixed at a rate which will produce the necessary amount of revenue to defray public expense therein for the coming year. How can the budget of any tax district be based upon the fluctuating profits or losses of those who own property, whether engaged in the banking business, or any mercantile, financial, or manufacturing business, or in the more general business of farming. Manifestly it is unfair and impossible. Where all other property is taxed regardless of profit or loss, why should there be an exception made in favor of the property used in the banking business?

The provisions of section 5219 limit the tax which a State may levy upon the excise tax on net income of national banks, so that "the rate shall not be higher than the rate assessed upon other financial corporations nor higher than the highest of the rates assessed by the taxing State upon mercantile, manufacturing, and business corporations doing business within its limits." Under this limitation the only practicable way the excise tax can be legally levied on national banks is to place an excise tax upon the net income of such other corporations. How else can it be determined whether the rate on national banks is legal or illegal? Such an excise tax on the net income of such corporations must either be a tax in addition to a personal property tax or in lieu of such personal property tax. In other words, if the excise tax be applied upon the net income of corporations, then the personal property of such corporations must be wholly exempted from taxation. This is the case in New York and Massachusetts. If the personal property of such corporations be not exempted, then the excise tax is a supertax in addition to all other taxes paid by such corporations, if the excise tax be made in lieu of personal-property taxes, and such personal property exempted from taxation, then in the case of corporations not making a profit there would be no excise tax and such personal property would be wholly untaxed. We do not think property owned by corporations or individuals may be so exempted under our Constitution, and if our Constitution permitted such exemption we could not recommend such exemption or any such method of taxation as would produce such a result.

Would it be fair to other taxpayers who are obliged to pay taxes whether they make a profit or not, to exempt the property of corporations taxed on an excise basis which did not make a profit? Is it fair to tax all other property on its value regardless of income, and to tax corporate property only in proportion to net profit? And, if the excise tax is made a supertax and is a new and additional burden upon such corporations above and beyond the tax burden of all other property owners, would this be fair to such corporations?

But, if the excise tax be made a supertax on all other corporations and they be required to pay a personal-property tax in addition thereto, national banks can not be required to pay anything but the excise tax.

This is carefully guarded by the limitations in section 5219, so that when a bank is taxed by the excise method, or any other method provided therein, such tax must be in lieu of all other tax. Any such system is absolutely unfair to every other taxpayer.

In actual practice how could any taxing district in this or any other State make a budget based upon the net income of property owners therein and forecast expectation of profit or loss upon the property of banks and corporations to which any such excise tax on net income might be applied? That such a system is utterly impracticable and inapplicable in any State taxing corporations and all other property upon the ad valorem basis will be seen when we consider the situation in another aspect. Assume that the property of any such business corporation is situate in two or more taxing districts, how would the tax produced by an excise tax upon the net income of the whole corporation be divided among the taxing districts? A bank is situate in one taxing district as a rule, and property of corporations of the kind included in section 5219 may be and usually are, if of any size, situated in from two to a dozen taxing districts of the State widely separated; quite frequently their property is situated in many different States.

However, it is suggested by the proponents of the excise tax plan that Minnesota and other ad valorem States may continue to tax all other corporations mentioned in section 5219, Revised Statutes of the United States, and all individuals in the State upon the value of their property, and apply the excise plan only to banks. This raises the question of how the rate applicable to banks shall be ascertained. Under section 5219 the rate is measured by the "highest rate assessed by the taxing State upon mercantile, manufacturing, and business corporations doing business within its limits." We think the rate mentioned in the statute means an excise rate, but the proponents of the plan claim it should be construed as burden of taxation. They contend that the rate applicable to banks may be determined by calculating the per cent of net income of such corporations represented by the taxes paid by such corporations upon its property in the State of Minnesota, exclusive of real estate. If this be true, there would be but one rate applied to every bank in the State regardless of the tax rate in the taxing district where the bank is located. Without conceding that section 5219 will permit any construction which would allow all other corporations mentioned in section 5219 to be assessed upon an ad valorem basis, and the rate on banks be ascertained in the manner above suggested, we observe that the rate of taxes upon national banks would bear no relation whatever to the taxes upon other property situate in the same taxing district and would as to all other property owners in the district be unequal, for that reason, unfair.

But in the conference held between the commission and the bankers in November one of the leading counsel appearing for the bankers suggested that the excise tax on net income could be applied to the national banks and other banks in the State of Minnesota without placing a similar tax upon financial, mercantile, or business corporations in the State; also that the legislature could fix the rate of such tax. That is, that the legislature might pass an act taxing banks alone on the excise plan on net income and fix a flat rate of tax thereon. But the question immediately arises if the excise tax applies only to banks, whether any rate so fixed would be legal in view of the limitations of section 5219, Revised Statutes of the United States, which provides that the rate shall not be higher than the rate assessed upon such other corporations. There is no method suggested in section 5219 for determining whether the rate upon national banks is higher than the rate upon such other corporations. Section 5219 presupposes an excise tax upon banks and also upon other corporations enumerated therein, so that comparison of rate will determine the legality of the rate on national banks. Both the language of section 5219 and its history clearly indicate that it was written and intended only to apply to States taxing all corporations therein enumerated on the excise-tax plan and is only practical in such States where the excise tax is statewide; that is, the same rate all over the State and where the proceeds of the tax go to the State itself as distinguished from the taxing district in which the bank or corporation is located. It would be wholly inapplicable in a State like Minnesota, where all property is taxable in the district where situate and where the tax rate differs in each district.

How can comparisons be made of the tax paid in one taxing district by a bank on the net-income plan with the tax paid by a corporation having property in that district and also having property in many other taxing districts in the State, all taxed on value at different rates? There can be no proper basis of comparison of the tax burden borne by a bank taxed on the net income plan and the tax paid by corporations of the classes enumerated in section 5219, where their taxes are paid upon the value of the property differing in rate and amount, even though of the same value, because taxed in different districts of the State. Let us attempt, for instance, to compare the tax burden of the First National Bank of St. Paul with the tax burden of the Northern States Power Co., having its property distributed over hundreds of taxing districts in the State.

There is no appropriate nor equitable comparison in the tax burden upon property situate in one taxing district with property, even of the same character and value, situate in another taxing district. The tax rate in each district is governed by two factors, one the total assessed value of the taxable property therein, the other the total public expense authorized therein. These factors vary in every taxing district. It is assumed that the public in each taxing district desires and receives benefits from the taxes levied therein corresponding in some degree at least with the amount expended.

But the counsel for the bankers suggested that if the legislature would enact an excise tax law upon the net income of national banks, even at a flat rate bearing no relation to the tax rate on corporations, that the banks would not question the legality of the rate. Such suggestion was made after it developed in the conference between the commission and the bankers that the excise tax would be unconstitutional and impracticable in Minnesota. To this suggestion it may be replied that if the ad valorem tax on bank stock be illegal because it conflicts with section 5219, and, if such an excise tax rate be illegal for the same reason, why do the bankers suggest their willingness to be taxed upon an illegal excise tax rate, but object to a tax on the ad valorem basis? In other words, why do they prefer to suggest the illegal excise tax on net income as distinguished from the illegal tax on the value of bank stock? The answer seems to be that the American Bankers' Association has definitely determined upon a course which will force the States to adopt the excise tax on net income, as the exclusive method of taxation thereof and that the ad valorem system must go. The question is, What will this State and the other States of the Union say to this attitude of the banks? Shall we consent to the adoption of a system which admittedly places the property of banks in a privileged class where such property goes untaxed entirely if no net income is produced and by which the State is practically forbidden to tax such property any more than 30 per cent to 50 per cent as much as other property of equal value?

There are other matters to be considered in connection with the proposition that Minnesota and the other States adopt the excise-tax system on the net income of banks. To adopt the excise plan suggested by the banks is equivalent to an abandonment of the effort to secure unimpaired the right to tax by the method deemed fair by the State and applied to all other property therein, viz, to tax such bank stock upon its value at the ordinary tax rate. There are many banks in the United States resisting the payment of taxes; one such bank in Minnesota has set aside a reserve amounting to more than one and three-quarters millions of dollars on account of unpaid taxes for the past seven years. If the State of Minnesota should now adopt an excise-tax system, we could not hope to have Congress authorize the collection of the unpaid taxes for the years from 1921 to the present time on any other basis than the low-rate basis of such excise-tax plan. Congress has full power to authorize the State of Minnesota and every other State wherein any bank has failed to pay its tax for any year or years in the past to reassess such taxes upon the basis authorized by any amendment which may be made to section 5219. To change our system to an unfair excise tax upon net income, illegal in Minnesota, would be to practically abandon hope of recovering taxes for such past years.

From what has been said it seems to be quite clear that section 5219 should be amended so as to permit bank stock to be taxed upon its value, as has been done for more than 50 years.

The greatest obstacle to success in the campaign which has been made to amend section 5219 is that the only persons in the various States who are at present interested in having it amended are the tax officials therein, whereas in every village, hamlet, and city in the Nation where there is a bank, with some few exceptions, we find bankers interested in preventing such an amendment. The American Bankers Association, and its committees and counsel, are constantly in attendance upon Congress, opposing any amendment to or modification of section 5219. Something must be done to arouse the States to action.

We recommend that the legislature adopt a resolution reciting the pertinent facts bearing upon the situation and calling upon each State in the Nation to cooperate with the State of Minnesota for the purpose of securing an appropriate amendment to section 5219, permitting the States to tax national banks upon a fair and equitable basis, and requesting the several States to provide for the appointment of one or more delegates representing the same, to meet in a conference of all the States of the United States, to be held in the city of Washington, D. C., at an early date, the time to be fixed by the governor of this State, and requesting each State to appropriate a sufficient sum of money for the purpose of defraying the expense of such delegates to such conference, and for the purpose of defraying the necessary expenses of carrying on an active and energetic campaign of promotion and publicity at Washington and elsewhere throughout the United States as may be found expedient, for the purpose of giving the widest publicity possible to the situation and to the necessity of so amending section 5219, so as to preserve to the States the right to tax the property of national banks situate therein upon the same basis as other property, and to the end, that such conference of States interested formulate and adopt a plan for

making effective the efforts and expenditures of the several States in relation to the matter;

That the governor of this State be requested to transmit a duly authenticated copy of such resolution to the governor of each of the States, with the request that such governor communicate the same and his recommendation thereon to the legislatures of the several States.

We further recommend that the activities of this commission as heretofore conducted by the commission be continued during the present session of the legislature and of the Congress of the United States and until the further pleasure of the legislature in the matter. Letters are being constantly received from the tax officials of the other States requesting information as to the necessary steps to be taken to meet the situation. We believe it essential at the present time, for Minnesota and the other States to be represented in Washington for the purpose of promoting the adoption of the legislation pending providing for the amendment of section 5219.

Your commission further recommends that a suitable special commission be provided for by this legislature to carry on the work hereinbefore mentioned after adjournment of the session, and that the members of the Minnesota Tax Commission and the attorney general be ex officio members of such commission; that such commission be provided with ample funds for the purpose of carrying on all necessary work, and that a competent person be employed to devote all his time thereto with all necessary assistance, until such amendment be adopted to section 5219;

Your commission recommends that the sum of $25,000 be appropriated, available immediately for the purpose of carrying out the above recommendations.

Your commission desires to commend the members of the Minnesota Tax Commission and the attorney general for their whole-hearted cooperation with, and invaluable assistance to this commission.

Respectfully submitted.

GEORGE H. SULLIVAN, *Chairman.*
O. C. NEUMAN.
O. K. DAHLE.
WILL A. BLANCHARD.
HENRY A. LARSON.
SUMNER T. MCKNIGHT.

CONSTRUCTION OF CERTAIN NAVAL WORKS

Mr. HALE and Mr. COPELAND addressed the Chair.

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

Mr. KEYES. I will yield to the Senator from Maine, if the matter does not lead to any extended debate.

Mr. HALE. I ask unanimous consent that the Senate proceed to the consideration of Order of Business No. 1358, Senate bill 4572, to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

Mr. KING. Mr. President——

Mr. HALE. Every year an authorization bill for public works of the Navy is introduced providing authorization for the appropriations that will come the following year. For the last two years we have not been able to get the annual authorization bill through, and we have reached a point now where three years' work has piled up.

Mr. McKELLAR. Has the House passed this bill?

Mr. HALE. The House has passed a similar bill, which is on the calendar.

Mr. WATSON. It is a Senate bill the Senator is talking about now?

Mr. HALE. This is Senate bill 1358, and there is a House bill, Calendar No. 1814, which I would like to have substituted for the Senate bill.

Mr. WATSON. Is this unanimously reported by the Committee on Naval Affairs?

Mr. HALE. It is unanimously reported by the Committee on Naval Affairs. It is simply an authorization. Every item in it has been looked over by the Budget and approved, with the exception of an amendment put in on the floor of the House, and that amendment I shall ask to have stricken out of the bill.

Mr. JONES. I express the hope that this bill may pass.

Mr. BLACK. Mr. President——

Mr. HALE. This is the House bill, as reported by the Naval Affairs Committee——

Mr. BLACK. Mr. President——

Mr. HALE. At the end of the bill there is an amendment added by the Naval Affairs Committee of the Senate which I ask to have stricken out, because legislation has already gone through taking care of the matter. It is not necessary on this bill.

Mr. BLACK. Mr. President, if that is the bill that appropriates $30,000 for a bridge and other construction work——

Mr. HALE. This is not an appropriating bill; it is simply an authorizing bill.

Mr. BLACK. Is it the bill that authorizes the payment of $30,000 for construction?

Mr. HALE. To what place does the Senator refer?

Mr. BLACK. To Portsmouth.

Mr. KING. That is a $35,000 item. I objected to that last evening.

Mr. HALE. That has nothing to do with this bill.

Mr. KING. This is the bill which will lead to the authorizations for the expenditure of millions and millions of dollars. This is merely the entering wedge to the construction of a large number of naval bases and docks and stations in all parts of the United States, one of the omnibus bills, the result of which no man can yet foretell.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

Mr. BLAINE. I object. This is a bill that calls for tremendous expenditures, and should not be approved of.

The PRESIDENT pro tempore. Objection is made.

Mr. KING. Regular order.

The PRESIDENT pro tempore. The Senator from New Hampshire has the floor.

ALLOCATION OF FUNDS FOR AGRICULTURAL RESEARCH

Mr. COPELAND. I ask that a short resolution which I submit be considered and passed.

The PRESIDENT pro tempore. The resolution will be reported for the information of the Senate.

The resolution (S. Res. 348) was considered and agreed to, as follows:

Resolved, That the Secretary of Agriculture be requested to make a full report to the Senate as to the allocation of funds appropriated by the United States for agricultural research, and especially in so far as the same relates to the amount expended in connection with eggs and poultry and the proportion the latter bears to the whole amount expended for food research; also a statement as to the benefits derived by the consumer by such food-research work as is now being done.

CHARLES W. MATHISON

Mr. ODDIE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Hampshire yield to the Senator from Nevada?

Mr. KEYES. I yield.

Mr. ODDIE. The other night when the calendar was being considered the junior Senator from Utah [Mr. KING] objected to Order of Business 1744, House bill 12502, for the relief of John H. and Avie D. Mathison, parents of Charles W. Mathison, deceased. I was not in the Chamber at the time to explain the bill to the Senator, but I have just spoken to him, and he has withdrawn his objection. I ask for the immediate consideration of the bill.

Mr. McKELLAR. Let the bill be reported.

The bill was read by title.

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

Mr. ROBINSON of Arkansas. I object. I would like to know what is going on.

Mr. ODDIE. Mr. President, this is the case of a young man who enlisted in the Marine Corps in 1919——

Mr. ROBINSON of Arkansas. Just a moment. Is it a House or a Senate bill?

Mr. ODDIE. It is a House bill. It has passed the House.

Mr. ROBINSON of Arkansas. Has a similar or identical bill been reported by a Senate committee?

Mr. ODDIE. Yes; it has been reported favorably by the Senate committee.

The PRESIDENT pro tempore. This bill has been reported favorably.

Mr. ROBINSON of Arkansas. The Senator said it was a House bill.

Mr. ODDIE. It is a House bill.

Mr. ROBINSON of Arkansas. And the bill has been reported by a Senate committee?

Mr. ODDIE. Yes.

Mr. ROBINSON of Arkansas. Unanimously reported?

Mr. ODDIE. It is reported by the Senate committee favorably.

Mr. SMOOT. By what committee was it reported?

Mr. ODDIE. The Committee on Naval Affairs of the Senate.

Mr. SMOOT. All such legislation has been considered by the Committee on Finance.

Mr. ROBINSON of Arkansas. I have no objection to the consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

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

BUILDING FOR THE UNITED STATES SUPREME COURT

The PRESIDING OFFICER (Mr. BARKLEY in the chair) laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 223) to amend the act entitled "An act to provide for the submission to the Congress of preliminary plans and estimates of costs for the construction of a building for the Supreme Court of the United States," approved December 21, 1928, which was, on page 2, line 5, to strike out "death or resignation" and insert "the completion of the building."

Mr. MOSES. I move that the Senate agree to the amendment of the House.

The motion was agreed to.

CONSTRUCTION OF INCINERATORS IN THE DISTRICT

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 5598) authorizing the acquisition of land in the District of Columbia and the construction thereon of two modern, high-temperature incinerators for the destruction of combustible refuse, and for other purposes, which were, on page 2, line 5, after the word "area," to insert a colon and the following: "*Provided*, That the location of said sites shall be approved by the National Capital Park and Planning Commission before purchase or the institution of proceedings for condemnation thereof"; on page 3, lines 1 and 2, to strike out "loading hoppers, separating plants, ramps, platforms, and"; on page 3, line 15, after the word "commissioners," to insert a colon and the following: "*Provided, however*, That nothing in this act shall prohibit or prevent the sale of salvageable material by the owners thereof or by the Commissioners of the District of Columbia"; and on page 4, line 19, to strike out all after the word "engineering" down to and including the word "and" in line 21.

Mr. CAPPER. I move that the Senate agree to the amendments made by the House.

The motion was agreed to.

REIMBURSEMENT OF NEVADA

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 5717) for the relief of the State of Nevada, which was on page 1, line 7, after the word "session," to insert: ", the same to be accepted in full settlement of all advances and expenditures and interest thereon made by said State."

Mr. ODDIE. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

BANK TAXATION LAWS

Mr. NORBECK. Mr. President, the inequalities of the bank taxation laws are so well known as to arouse the taxpayer. I present and ask to have printed in the RECORD and referred to the Committee on Banking and Currency, House Concurrent Resolution No. 5, passed by the South Dakota Legislature.

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

House Concurrent Resolution 5 (introduced by Mr. Bode)

A joint resolution memoralizing Congress to amend section 5219, Revised Statutes of the United States, so as to permit the taxation of shares of national banks upon a fair and equitable basis

Be it resolved by the House of Representatives of the State of South Dakota (the Senate concurring):

Whereas the several States of the Union may tax shares of national banks only as permitted by Congress under the provisions of section 5219 of the Revised Statutes of the United States, which in effect permits the taxation of such shares only at a rate not higher than the tax imposed upon money owned by individuals and by them invested in mortgages, bonds, and other securities (commonly known as money and credits) in which national banks may invest their funds; and

Whereas it is unfair to tax an individual so using his own funds at as high a rate as bank shares, which desire the benefit of the investment returns from seven to ten times their own amount in the form of deposits; and

Whereas it is impractical to tax money and credits at more than a relatively nominal rate; and

Whereas the courts have held invalid taxes levied on bank shares in States that undertake to tax money and credits at a low rate and shares of bank stock at any higher rate; and

Whereas the schemes contained in section 5219 of taxing bank shares by income or excise rather than by value are neither practicable nor adaptable to States raising their revenue by the ad valorem method of taxation, which method has always been and now is in use by substantially all of the States of the Union; and

Whereas the American Bankers' Association and their representatives in the different States have united in exerting every effort in opposition to relief of the States by the necessary amendment of that section, and have demanded that the States abandon their present well-tried and satisfactory methods of taxation and substitute an income or excise tax, the result of which has been to reduce the tax on bank shares by more than one-half in every one of the three States in which it has been adopted, with the consequent increase of the burden to be borne by other taxpayers; and

Whereas there is no organization corresponding to the American Bankers' Association to protect the interests of the general taxpaying public in the 40 States whose present methods of taxing bank shares are now found to be unworkable and invalid under section 5219; and

The deplorable situation in which these States find themselves, faced as they are with the choice of radically altering their present taxation systems in compliance with the wishes of the American Bankers' Association or of virtually exempting banks from taxation, demands immediate action in the amendment of section 5219 so as to permit the taxation of national banks on a basis that is fair and equitable to themselves and to the general taxpaying public: Therefore be it

Resolved by the House of Representatives of the State of South Dakota (the Senate concurring), That the Congress of the United States be, and the same is hereby, urgently petitioned and requested to amend section 5219, Revised Statutes of the United States, so as to permit the taxation of shares of national banks upon a fair and equitable basis, as contemplated by bills now pending before the Senate and House of Representatives of the Congress and amendments proposed thereto.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed the following bill and joint resolution, each with an amendment, in which it requested the concurrence of the Senate:

S. 5717. An act for the relief of the State of Nevada; and

S. J. Res. 223. Joint resolution to amend the act entitled "An act to provide for the submission to the Congress of preliminary plans and estimates of costs for the construction of a building for the Supreme Court of the United States," approved December 21, 1928.

The message also announced that the House had passed the bill (S. 5598) authorizing the acquisition of land in the District of Columbia and the construction thereon of two modern, high-temperature incinerators for the destruction of combustible refuse, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

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

H. R. 17099. An act authorizing Russell Thayer, his heirs, legal representatives, and assigns, to construct, maintain, and operate a tunnel or tunnels under the Delaware River between South Philadelphia, Pa., and Gloucester, N. J.;

H. R. 17160. An act authorizing J. B. Roberts, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Colorado River at or near Parker, Ariz.; and

H. J. Res. 430. Joint resolution for the appointment of a joint committee of the Senate and House of Representatives to investigate the rank, promotion, pay, and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

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

H. R. 17099. An act authorizing Russell Thayer, his heirs, legal representatives, and assigns, to construct, maintain, and operate a tunnel or tunnels under the Delaware River between South Philadelphia, Pa., and Gloucester, N. J.; and

H. R. 17160. An act authorizing J. B. Roberts, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Colorado River at or near Parker, Ariz.; to the Committee on Commerce.

H. J. Res. 430. Joint resolution for the appointment of a joint committee of the Senate and House of Representatives to investigate the rank, promotion, pay, and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service; to the Committee on Military Affairs.

ADDITIONAL ENROLLED BILLS PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that on this calendar day that committee presented to the President of the United States the following enrolled bills:

S. 5045. An act authorizing Jed P. Ladd, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.;

S. 5332. An act to enable the mothers and widows of the deceased soldiers, sailors, and marines of the American forces now interred in the cemeteries of Europe to make a pilgrimage to these cemeteries;

S. 5493. An act relating to the construction of a chapel at the Federal Industrial Institution for women at Alderson, W. Va.;

S. 5677. An act to amend section 2 of the act, chapter 254, approved March 2, 1927, entitled "An act authorizing the county of Escambia, Fla., and/or the county of Baldwin, Ala., and/or the State of Florida, and/or the State of Alabama to acquire all the rights and privileges granted to the Perdido Bay Bridge & Ferry Co. by chapter 168, approved June 22, 1916, for the construction of a bridge across Perdido Bay from Lillian, Ala., to Cummings Point, Fla.";

S. 5758. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Kansas City, Kans.;

S. 5824. An act granting the consent of Congress to the State of Illinois to construct a bridge across the Little Calumet River at or near Ashland Avenue, in Cook County, State of Illinois;

S. 5825. An act extending the times for commencing and completing the construction of a bridge across the Mississippi River at or near Arkansas City, Ark.;

S. 5834. An act authorizing the construction of a bridge across the Missouri River near Arrow Rock, Mo.;

S. 5835. An act authorizing the construction of a bridge across the Missouri River near St. Charles, Mo.;

S. 5836. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.;

S. 5837. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Miami, Mo.;

S. 5844. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, State of Iowa; and

S. 5845. An act granting the consent of Congress to the Kentucky & Ohio Terminal Co., its successors and assigns, to construct, maintain, and operate a railroad bridge across the Ohio River near Cincinnati, Ohio.

DEATH OF REPRESENTATIVE ROYAL H. WELLER

The PRESIDENT pro tempore laid before the Senate the following resolutions of the House of Representatives, which were read:

House Resolution 346

Resolved, That the House has heard with profound sorrow of the death of the Hon. ROYAL H. WELLER, a Representative from the State of New York.

Resolved, That a committee of 18 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect, this House do now adjourn.

Mr. WAGNER. Mr. President, I offer the following resolution, and move its adoption.

The resolution (S. Res. 347) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. ROYAL H. WELLER, late a Representative from the State of New York.

Resolved, That a committee of 10 Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

ENLARGEMENT OF CAPITOL GROUNDS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13929) to provide for the enlarging of the Capitol Grounds.

Mr. KEYES. Mr. President, the bill before the Senate is a measure to provide for enlargement of the Capitol Grounds. I do not propose to make any extended remarks, realizing as I do that the hour is very late. I shall be very glad, indeed, to answer any question I can in relation to the bill. It has been under consideration for several years. The first legislation was enacted in 1910, providing for the acquisition of lands between the Capitol and the Union Station, and also providing for a new avenue from the Union Station to Pennsylvania Avenue at the foot of Capitol Hill.

The matter has been thoroughly discussed and has had a great deal of consideration. The bill embodies a report from a commission which was authorized to make a report about a year ago. It provides for landscaping the space between the Capitol and the Union Station and for the laying out of a new avenue.

The PRESIDENT pro tempore. The clerk will proceed with the reading of the bill.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Public Buildings and Grounds was, on page 1, line 10, after the word "session," to insert the words "with certain modifications," so as to make the paragraph read:

That the commission created by the act entitled "An act to create a commission to be known as the Commission for the Enlarging of the Capitol Grounds, and for other purposes," approved April 11, 1928, is authorized and directed to carry out the plan for the enlarging of the Capitol Grounds recommended by the commission in Scheme B of its report to the Congress contained in House Document No. 252, Seventieth Congress, first session, with certain modifications, as follows:

The amendment was agreed to.

ELECTRIC RATES IN CANADA AND THE UNITED STATES

Mr. NORRIS. Mr. President, I desire to submit a few remarks. Several days ago I made a statement in the Senate in further comparison of some electric-light rates. I have been criticized by some editorials which have been sent to me and by some letters for the reason that my comparison consisted mainly in a comparison of domestic rates. I was asked why I did not take up other rates such as power rates. I had made some comparison between the rates in cities in Ontario and cities in New York State and other States bordering on the Canadian line, but mostly on domestic and commercial lighting.

It seemed to me that some of the criticism might have come about from the very best of motives. We all know that in the main, with but very few exceptions, in all countries and in all municipalities, whether the electricity is supplied by private utility companies or publicly owned municipal companies, there are as a rule three classifications and different rates are prescribed for each one of the classes. Domestic rates are those which apply where electricity is supplied to the homes. Incidentally there is always a little power included with that such as power for operating washing machines, electric irons, electric fans, electric sweepers, and so forth; but the main thing is for light supplied to the homes. Then there is commercial lighting that is another class, and a third class is for power. Sometimes a fourth classification is made for street lighting.

The claim has been several times made by representatives of private power companies in the United States that in Ontario, where they have such cheap electricity, low rates are made for domestic purposes, that electricity is supplied for domestic purposes even at a loss, and that the loss is made up by higher rates for power. The law regarding the Ontario system specifically provides that the rates shall be at cost and that each one of the different classes shall be self-supporting; that is, that domestic rates must be high enough to pay the cost of domestic lighting, that commercial rates must be high enough to pay the cost of commercial lighting, and that power rates must be high enough to support the cost of furnishing the power.

The charge has been made by some eminent engineer that in the United States there has never yet been put into active practice a scientific cost scheme in the supplying of electricity. In Ontario the law provides that these classes must be differentiated, that each one must be self-supporting, and that each one must be furnished at cost. The charge made by representatives of the Power Trust that domestic electricity is supplied to the domestic consumers in Ontario at less than cost is absolutely groundless. Nevertheless, I am willing to make comparisons as to power rates.

Several years ago when we were considering the Muscle Shoals proposition before the Committee on Agriculture and Forestry, there was evidence being produced in regard to rates in Ontario as compared with rates in this country. The charge was made before the committee, getting the information from a book which had just been published by a representative sent over into Ontario by the Power Trust, and on the basis of his statement—that charge being made by an eminent engineer of this country—that electricity in Ontario for domestic purposes was much cheaper than on this side of the line, but that for power purposes it was much higher.

About that time the bells rang and the committee which was holding the hearings adjourned to come to the Senate where the tariff bill was being considered. It was found that there was no quorum present in the Senate Chamber so the members of the committee came over here. When I got here a quorum had appeared, and either the chairman of the Committee on Finance or some other member of the committee was then arguing a tariff proposition involving some chemicals; carbide, I think, was one of them. There was quite a stiff tariff proposed in the tariff bill on that product.

I sat down in the Senate and listened. I think it was the chairman of the Finance Committee who was then speaking. He was explaining to the Senate why they had proposed a tariff on carbide and several other articles that were then under consideration. His main argument was that the American manufacturers of that article came into competition with the manufacturers of the same article across the line in Ontario, Canada, and that there was no other substantial competition for the American manufacturers, and that on account of the cheap power which they had over in Ontario those on this side of the line making the article were unable to compete. So that before the Committee on Agriculture and Forestry the charge was made that power was furnished cheaper in this country than it was in Ontario, but on the same day the Senate itself was being told by the chairman of the Finance Committee—and they acted on his advice and adopted that tariff revision—that American manufacturers would be driven out of business by the Canadian manufacturers on account of the cheap power over there unless we put the tariff on the articles as proposed by the Senate Finance Committee. I took the floor when the chairman of the Finance Committee got through and called attention to what had happened before the Committee on Agriculture and Forestry, but apparently I had no effect because the tariff was put on and is there now.

These criticisms came the other day and my attention was called about that time to an open letter written by Mr. Judson King, executive director of the National Popular Government League, to Mr. Samuel Ferguson, who is president of the Hartford Electric Light Co. They had been having a series of articles published and Mr. King has just issued a bulletin from his department. I read it and saw that there were some definite comparisons made between the cost of power in Ontario and the cost of power over here in the United States. I want to read from this correspondence and from some of the quotations that were made. In it is a letter which the writer quotes from the chairman of the local commission at St. Catherines, Ontario, where they are supplied electricity, both for lighting, for street lighting, for commercial purposes, and for power, by the publicly owned hydroelectric commission facilities. In this letter this commissioner at St. Catherines used this language:

> As you know, the rates in use by the municipal systems are subject to the approval of the provincial commission. Each year an analysis is made of the rates in use in each municipality, the costs of each of the four departments being placed against the revenue derived from that business, and if a loss should be made in one department and the factors which produce the existing deficit are likely to remain the same for a considerable period of time, the rates are increased, or if an undue surplus is made the rates are, of course, decreased. This distribution of cost is made from our load curve and from our monthly reports, and invariably we have found that the greatest percentage of the surplus in normal years has been made from domestic lighting business.

It will be noted that he says on a purely cost basis it has been found that the greatest percentage of profit comes from the domestic business. I read a book not long ago written by Morris L. Cook, an eminent engineer of Philadelphia, in which he reviews the subject and he deduces from his technical examinations the conclusion that in the United States the domestic consumers are being vastly overcharged.

They are paying what the users of power in commercial lighting ought to pay. This letter goes on:

> Naturally the details of such an analysis could not be placed in letter form and I can only tell you that we do conscientiously try to determine our costs in each one of the four departments and that we have consistently made money on the domestic business.

He speaks of four departments; I have been speaking of three. The fourth one, under the practice in St. Catharines, is street lighting. They have domestic consumers, commercial consumers, power consumers, and street lighting. Each of the four must be self-sustaining. This letter says:

> Revenue from domestic consumers in St. Catharines—

St. Catharines, by the way, is a city of between 20,000 and 25,000 people in Ontario, Canada—

> Revenue from domestic consumers from 1916 to 1920, $153,716; cost of serving domestic consumers, $128,894—

Leaving a net surplus from the domestic consumers of $24,822.

Next—

Says this report from St. Catharines—

> The figures for the whole system, including domestic, commercial, power users, and street lighting, are as follows:

Total revenue from all customers, 1916 to 1920	$581,215
Total cost of serving all customers	499,218
Net surplus, all services	81,997

Let me say to the Senate that in the figured cost is an item—not only in St. Catharines but in every other municipality of Ontario—providing for an amortization fund that in from 30 to 50 years will pay off all the capital.

In addition, of course, there are all the costs of maintenance, and so forth. This report further says:

> Of the total revenue, then, the domestic customers furnished 26 per cent; of the total net surplus the domestic customers furnished 30 per cent.

At the end of 1927—

I am still reading from Mr. Yates's report—

> At the end of 1927, after 14 years' operation, the city owns a plant at a cost of $502,098.74; has a bonded indebtedness of $186,700.88, against which we have a sinking fund of $44,887.11; has paid off $45,322.03 in bonds; and has an operating surplus of $153,933.26, $23,900 of which is in bonds. Nineteen hundred and twenty-two was the only year in which the system has not paid all costs, including interest.

He states further:

> As the operating surplus during 1927 was more than the hydro policy of "power at cost" could sanction, we have returned this year to our customers of 1927 a refund of 5 per cent of the accounts paid by them for service during the year.

That is what the Canadian law provides. If at the end of the year they have accumulated a greater surplus than necessary; in other words, if they have made more money than under the law they ought to make in supplying electricity at cost, they are required to rebate the excess to their customers, and that happens often.

He incloses some statistics in regard to St. Catharines's domestic service from 1914 to 1927. At the beginning, before this publicly owned operation was commenced, electricity was being supplied by privately owned companies, and the people were paying 7 cents per kilowatt-hour.

The first year, 1914, when the public operation began, the net average cost per kilowatt-hour was reduced to 3.7 cents per kilowatt-hour. It has been reduced every year from that time on with the exception of two or three years, when the cost was increased.

In 1922 their average rate for domestic service was 1.3 cents per kilowatt-hour, and that year, as Mr. Yates says, they operated at a loss. So they were required under the law to increase their rates; and how have they increased them? They increased them from 1.3 cents per kilowatt-hour to the enormous sum of 1.7 cents per kilowatt-hour. They increased the rates four-tenths of 1 cent per kilowatt-hour, and that gave them a profit instead of a loss. Then they continued to reduce their rates until in 1927 the average cost per kilowatt-hour for domestic service was 1.2 cents per kilowatt-hour.

Mr. Yates, the man who has charge of the electric service in St. Catherines, makes some very interesting comparisons. I want to call the attention of the country to them. He says:

> There are other ways of testing this charge of domestic losses. Suppose that in 1917, the first year for which we have complete official figures, the manufacturers and other industrial power users in St. Catherines had paid the cost of the whole service.

That is, had furnished free service to the householders and commercial users and lighted the city streets. Just consider this comparison, and see how it comes out.

Suppose for that year, 1917, each one of these departments had consumed the same amount of electricity they actually did consume; that they had charged the entire cost to the manufacturers and industrial users of electricity; and that they had furnished all householders, all domestic consumers, their electricity absolutely free, what would have been the result?

The total revenue from all services in that year was $117,190. If the power consumers had had to pay it all, how much would it have cost them? It would have cost them $26.50 per horsepower per year. That is not as cheap electricity for power as we have in some places even in this country, but it is very cheap electricity, much cheaper than the average. It is a lower average cost than that paid by power users in the United States.

That comparison was where the power users paid it all and let the other consumers have their electricity for nothing.

Let us consider another comparison that Mr. Yates makes. Suppose in that same year, instead of having the power users pay it all, they had charged it all up to domestic users. Let us see what they would have to pay.

Suppose—

Says Mr. Yates—

that the women of St. Catherines had paid everything and furnished free service to the manufacturers, the stores, and lighted the city streets for this same year at a time when the domestic service was just getting its stride and there were only 2,800 customers or domestic consumers with a small monthly consumption.

It is interesting to see if all this cost were charged to the domestic consumers and everybody else were given free service, how much they would have to pay. Here is the result:

The total revenue from the service during that year, as I have said, was $117,190. The computation is made by Mr. Yates, and shows that the domestic consumers would have had to pay 11.3 cents per kilowatt-hour. There are thousands of cities in the United States and towns where the consumers are paying much higher rates than that, and yet that rate would have enabled the domestic consumers to supply all of the power used, all the current used to light the streets and to light all the stores and business places in the city of St. Catherines without the charge of a single cent for electricity.

Now I come to the comparison as to power rates I said I was going to make. I am quoting from this article by Mr. King, in which he gives a verbatim copy of an actual power receipt in St. Catharines; not an imaginary receipt, but an actual receipt. The bill is for power, and the concern purchasing the power was a big one. It consumed 1,531 horsepower. That is a vast amount of power. It would operate a very extensive manufacturing plant, as it did, as a matter of fact. Here is the bill rendered according to their schedule. The industrial company consumed during that month 432,500 kilowatts. Under the rates charged in St. Catharines 57,100 kilowatt-hours were charged at the rate of 1.25 cents per kilowatt-hour; 57,100 kilowatt-hours were charged for at the rate of 0.85 cent per kilowatt-hour; 318,300 kilowatt-hours were charged for at the rate of 0.12 of a cent per kilowatt-hour. Adding it all up and allowing the discount which the law provides, they had a net bill for that month to pay for the power thus consumed of $2,110.74.

Now let us transfer our activities to the home of the man who is having this correspondence with Mr. King, to Hartford, Conn. Suppose some power company in Hartford, Conn., had consumed during the same month the same amount of electricity, how much would it have had to pay? Here is the net bill, itemized, amounting to $5,292.56. Over $5,000 in Hartford, Conn.; a little over $2,000 in St. Catharines! That is power. It is all power—nothing but power.

I have some more power bills here.

Here is a company in St. Catharines that paid, for the power it consumed—it is a small power-user—$15.36. If the same concern had been in Hartford, Conn., it would have had to pay, for the same power, in the same month, $105.90. That is power comparison for you between publicly owned and privately owned generating and supply plants!

It will be said in one case that the private company pays taxes, and it will be said in the other case that it does not, although that is not strictly true. As I have said before, the parent corporation, the wholesale corporation in Canada, does pay taxes. The municipality pays none. On the other hand, in Hartford, Conn., the private company sets aside nothing to pay off its capital. Instead of that, every year its capital gets greater; and there is a constant contest from all these privately operated utility companies to increase their capital, increase it, put a little more water in it, increase it from time to time, and, like Tennyson's "Brook," it goes on forever; whereas in the other figure that I have given you from St. Catharines there is an amortization fee that in less than 50 years will pay off the entire capital and leave them no investment whatever, with all their property free of any charge.

Here is another bill. This is commercial lighting. In this case a department store up in St. Catharines—and I have been in the store myself—consumed, during the month for which this bill was rendered, 6,260 kilowatt-hours. Its net bill was $54.37. If that department store had been operating in Hartford, Conn., during the same month, and had consumed the same amount of electricity, it would have had to pay $233.94 for it.

Mr. President, at this point in my remarks I ask permission to insert, without further reading, the entire bulletin from which I have been quoting.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Without objection, the request is granted.

The matter referred to is as follows:

[Bulletin No. 126, February 12, 1929]

NATIONAL POPULAR GOVERNMENT LEAGUE,
Washington, D. C.

AN OPEN LETTER TO MR. SAMUEL FERGUSON, PRESIDENT HARTFORD ELECTRIC LIGHT CO., IN ANSWER TO "A PIECE OF MUSCLE SHOALS PROPAGANDA"

A CHALLENGE

In your Piece of Muscle Shoals Propaganda sent Congress and in your recent speech to the League of Women Voters at Worcester, Mass., you attempt to explain why American women are paying from two to five times as much for domestic electrical service as the women of Ontario (p. 8).

Your chief explanation and that of the National Electric Light Association and the Joint Committee of Utility Associations is:

1. There are "losses" on the domestic service in Ontario.
2. Made up by overcharging merchants and manufacturers (pp. 8–14).
3. Who pay higher rates than charged in the United States (pp. 9, 15, 16, 17).
4. Where the home, the store, the factory, and street light each pays its own way by proportional rate adjustment (p. 9).

These charges are false. The crux of the whole matter lies in the fact that American companies do not even know what it costs them to serve these respective classes of customers because they do not keep scientific cost accounting—they charge what the traffic will bear.

Ontario hydro managers have practiced cost accounting for 20 years, as provided by law; every municipality adjusts its rate schedule for each class of customers on the basis of the cost of service to that class (pp. 10 and 11).

For the electrical industry of the United States to spread the above misleading propaganda is unprofessional conduct, an insult to Ontario, a fraud on our public officials, business men, manufacturers, and the people.

If you, Mr. Ferguson, or Judge Stephen B. Davis, director of the joint committee, or Mr. P. S. Arkwright, president of the National Electric Light Association, or any of the officers of your varied organizations will furnish me information and proof as to more than 5 out of the 4,352 operating companies in the United States which have maintained continuous records of costs in terms of class of service comparable in accuracy with those recognized as good practice in industry, I will present to the Worcester League of Women Voters, the Hartford Community Chest, or any institution you may name $100, which is more for me than $10,000 to the National Electric Light Association or the joint committee. (P. 19.)

INTRODUCTORY NOTE

This bulletin is a rejoinder to a pamphlet issued by Mr. Samuel Ferguson, president of the Hartford Electric Light Co., containing certain correspondence between us, and entitled "A Piece of Muscle Shoals Propaganda."

Attention is called to Mr. Ferguson's preface in which he offers Senator NORRIS copies of his pamphlet for league members. The Senator paid no attention to this, and I then wrote Mr. Ferguson that I would distribute 1,000 copies to a selected list of league members and others especially interested in the power question. He accepted.

It should be added that former Senator Robert L. Owen last summer indicated his desire to retire from active work in the league and submitted his resignation as president. The resignation was not acted upon until the close of the year. This explains the presence of his name on the league letterhead, although he is in no way involved in this controversy.

For brevity and clearness, short titles will be used as follows:

N. E. L. A.: The National Electric Light Association, New York, chief technical and propaganda organization of the power companies. It furnishes statistical data, news releases, pamphlets, etc., aids its various regional divisions, and the 28 State bureaus of public-utility information. It is "the voice" of the industry. Its regular annual income approximates $2,000,000.

N. E. L. A. Rate Book: Issued annually, around 800 pages; gives in detail official rate schedules of private power companies in the major municipalities of the United States. It is confidential, numbered, and can not be obtained by the public.

Ontario Reports and Bulletins: Annual reports and monthly bulletin of the Hydroelectric Power Commission of Ontario. The reports are volumes of some 500 pages and contain a vast amount of detail matter not ordinarily included in utility reports. Not confidential; annually subjected to four different official audits.

Joint Committee: Joint Committee on National Utility Associations, formed in 1927 by the National Electric Light Association, the American Electric Railway Association, and the American Gas Association, George B. Cortelyou, chairman, to defeat the Walsh resolution for investigation of the Power Trust and the bills for public operation of Muscle Shoals and Boulder Dam. Its first year's budget was $400,000.

Brief of the joint committee: Joint committee, above, issued a printed document of 264 pages, presented to United States Senators by ex-Senator Lenroot, as counsel, in opposition to the Power Trust investigation. Contains much data furnished by the National Electric Light Association. Signed by 182 utility lawyers and law firms whose power and political connections are analyzed in Bulletin 115 of this league, entitled "Political Lawyers."

Harvard reports: Studies, Domestic Electric Service, St. Catharines, Ontario, and Hartford, Conn., Graduate School of Business Administration, Harvard University.

THE LETTER

DEAR MR. FERGUSON: Your pamphlet containing our correspondence is of interest to me because in your letter of November 23 you add your voice to that of the combined utility interests of the Nation in promoting one of the most objectionable propaganda tales now beclouding public opinion in this struggle with the power interests for lower electric rates.

I refer to your "hint"—which amounts to a charge—that there are "losses" on the domestic service of the Ontario hydroelectric system and which are made up in other ways. And for this reason:

The American people—active, thinking women in particular—know the importance of electricity in the home. They know that they are denied the full measure of its benefits because of high costs. They are becoming aware that they are compelled to pay from three to five times as much money for similar service as are the people of Ontario. If they ask why, they are told by prominent power officials and financiers, gentlemen in whom they are entitled to have confidence, that it is "all politics"; that Ontario domestic users are served far below cost; that these "losses" are made good by overcharging the manufacturers and commercial users and by taxes. In essence, that the Ontario hydro is conducted on principles financially unsound and the hope that we might have similar low rates in the United States is but the fairy story of Communists and other radical propagandists seeking to destroy this Republic.

This is one of the most important assertions made in a general "educational" drive to control the American mind on which the electrical industry, spends around $30,000,000 annually in advertising and propaganda. It is also solemnly asserted as established fact by utility lawyers and experts before committees of Congress, State legislatures, city councils, and State public utility commissions when franchises, power sites, and rate reductions are at stake. It is believed—and honestly believed—by a majority of Federal and State judges, Army engineers, lawmakers, editors, economists, college professors, statisticians, industrial leaders, civic leaders, and the public at large. Hence it becomes of enormous practical consequence.

But it is untrue. As a matter of demonstrable fact, the vast majority of power and commercial users are also paying from two to five times as much for their service as are commercial and industrial users in Ontario. But they do not know this. Hence manufacturers' organizations, national and State; commercial organizations, national, State, and municipal, solemnly pass resolutions against the Swing-Johnson Boulder Dam bill, the Norris Muscle Shoals bill, the Walsh resolution, etc. They will doubtless repeat this performance in the immediate struggle over the new Muscle Shoals bill offered by private interests. From this viewpoint the claim becomes an important matter. I propose here to refute it by reliable evidence, fully documented, which must commend itself to candid minds.

The issue here, let me emphasize, is not primarily as between the merits of public versus private ownership and operation. It raises the question of what electric service is worth when furnished by private companies on an honest valuation with efficient management.

Incidentally, if there is no power trust, it is curious that you, a New Englander, are so concerned over Muscle Shoals, 1,000 miles distant, and that your company contributed money to defeat not only the Norris bill for Muscle Shoals, but the Swing-Johnson bill for Boulder Canyon, desired by the people of California, 3,000 miles from Hartford. Can it be that you fear that the example of cheap power rates through public operation at Muscle Shoals and Boulder Dam would start an agitation for cheaper power rates in New England? But cheaper power rates is one of New England's needs. New England leaders are alarmed over the exodus of manufacturers, one item being cheaper power elsewhere. Your New England conference is considering the causes of New England's present condition. I commend to them a study of power costs from data furnished by sources other than the National Electric Light Association.

Since early November, when you began this correspondence, my time has been absorbed by other work. I could not give it extended attention, and, to be frank, I was not impressed either by your method of reasoning or by your undocumented assertions. Time spent on them seemed futile. I was unaware you were writing for publication purposes. But when suddenly, without warning, you published an uncompleted interchange of letters in facsimile and sent it to United States Senators and Congressmen just prior to the introduction of a new bill giving Muscle Shoals to private interests, also to officials of this league, officers of other organizations—and how much further I do not know—with manifest intent to discredit me on the grounds that I am a disseminator of "false information," it became another matter.

I do not object to your publishing the correspondence, but it would have been a not unusual courtesy for you to appraise me of the fact that you intended to do so. I regret that space forbids my publishing in full the letters which have passed between us since you issued your publication, but I shall quote from them, and quote fairly.

At first I intended to mail your pamphlet and my answer in separate envelopes. You sent 5-cent stamps and envelopes. I discovered, however, that you made a mistake and your pamphlet will require only 3 cents. Exchange of stamps at the post office would require considerable time and red tape. Hence I have purchased stronger envelopes, added my share of the postage and am inclosing the two together. I will, of course, make the proper adjustment on the mailing expense, which, as a matter of fact, is slightly more expensive for me than the original plan.

I shall first deal with your Muscle Shoals contentions and next take up "why the 5 cents," which I claim is the approximate figure by which American consumers are being overcharged on their average domestic service per kilowatt-hour by private companies in the United States, and which you told Congressmen is foolish.

MUSCLE SHOALS—BULLETIN 123

The letters from November 6 to November 21, inclusive, will take care of themselves. In them you attempted to force me to give a "yes" or "no" answer to a question based on a wrong premise—one of those "have-you-stopped-beating-your-wife" questions. Your letter of November 22 is more to the point.

Now, in Bulletin No. 123 I set up at page 3 certain hypothetical conditions and showed that if the power purchased by the Alabama Power Co. from the United States Government at 2 mills per kilowatt-hour were sold at the published rate schedules, under these assumptions the profits would have been $46,000,000. I did not say that the Alabama Power Co. had sold this current as suggested. I distinctly said "let us assume this" (these conditions).

I freely confess that I presumed too much upon fairness of interpretation and did not repeat the word "assume" or "if" or "under these conditions," etc., in each paragraph. And so, by treating these hypothetical figures on possible profits as assertions of fact which might presumably have been taken from an annual report, you are easily able to reach the conclusion that I am dishonest and am spreading false information.

THE REAL POINT IN BULLETIN NO. 123

My starting point: The real purpose of Bulletin No. 123 was to indicate the relative profits per kilowatt-hour being made by private electric companies on the various classes of consumers from the viewpoint of an honest valuation and economical management—with watered stocks, inside deals, enormous salaries, multiple ownership, and large sums for politics and propaganda eliminated. My fundamental starting point is an honest estimate of real generating and transmitting costs, plus real distribution costs to different classes of customers, as nearly as we can judge in the absence of proper cost accounting by American private companies, since this is the only method by which we can get at real net earnings.

Your starting point: You start from the other end of the line—that is, from net earnings as reported, or gross sales. This relieves you of the necessity of disproving that the block of Muscle Shoals power sold under the conditions I laid down would have produced that profit—for somebody, somewhere. For the Alabama Power Co., or the Southeastern Power & Light Co. of New York which controls it, or the Electric Bond & Share Co. of New York which controls it, or the Electric Bond & Share Securities Corporation which controls it, or the General Electric Co. which controls it, or contracting concerns controlled by officers of these companies, or transmitting or distributing companies to which the Alabama Power Co. sells current wholesale, or all of them. It makes little difference to the people paying the bills how you conceal the profits in the subterranean passages of the pyramids—they are there and all that the State utility commissions know is what you tell them.

Of course, if the Alabama Power Co. did not sell half of this current for lighting purposes as do the Ontario municipalities, averaged, then

it—or somebody along the line—would not have made the profits assumed. I was frankly astounded to have Mr. Martin, president of the company, vehemently inform me that less than 10 per cent of the company's current was sold for lighting purposes.

The real question still unanswered: So, Mr. Ferguson, it is still up to you to prove that there is not a 5-cent profit on domestic current, a 2½-cent profit on small power users, and a 1-cent profit on large power, per kilowatt-hour, unless Mr. Martin is selling certain blocks of industrial power at less than his schedules published in the N. E. L. A. rate book.

I refuse to accept conclusions based upon the "reports" of a single company—such as the Alabama Power Co.—in the pyramided line of holding companies which constitute the maze of the existing system of ownership and control. This is what, in the rush of rapid dictation, I referred to as "bookkeeping" methods. I demand that you get down to brass tacks, namely, cost allocation on an honest valuation to the various classes of ultimate consumers. That you will be reluctant to do. From this viewpoint your impressive looking set-up of November 22, paragraph 5, demolishing my Muscle Shoals assumptions does not apply, because a considerable part of your gross sales figure of $16,800,000 came not from retail consumers but from other electric companies buying current from the Alabama Power Co. at wholesale rates. This you forgot to mention.

WHY THE 5 CENTS DIFFERENCE? BULLETIN NO. 119

I am glad you took up the challenge as to "why the 5 cents" difference in your letter of November 23, because in Bulletin No. 119 I do not deal with assumptions but with documented facts.

For the benefit of readers who have not seen this bulletin, its chief feature consists of a 2-color chart which shows the comparative cost of domestic electricity in a selected group of 32 American cities with a combined population of 25,000,000 and 21 Ontario cities with a combined population of 1,179,000. It was printed in black in the CONGRESSIONAL RECORD of March 9, 1928, at page 4569.

The selection of American cities listed and figures thereon were determined by the Electrical World and used by the N. E. L. A., also by the joint committee at page 162 of the brief filed by former Senator Lenroot as attorney in opposition to the Walsh resolution for an investigation of the Power Trust.

There are only 21 cities in Ontario of 10,000 population or more and figures for these cities were taken from the official Bulletin of the Hydro-Electric Power Commission of Ontario for November, 1927, page 411, and from their annual reports. Note that the figures are not "rates"—they give the net average "cost" per kilowatt-hour purchased.

The Ontario Hydro system began operation October 11, 1910, with 5 cities and 9 towns to serve. By 1918 there were 21 cities and also 108 towns and villages connected. There are now over 350. It is significant to note that the figure of 9.3 cents in parentheses at the top of the Ontario column on the following table is the net average cost charged by private companies prior to Hydro and is approximately the same as under private companies in the United States.

Cost of residence electricity per kilowatt-hour

Year	United States (cost kilowatt-hour)	Ontario (cost kilowatt-hour)
	Cents	*Cents*
1910	9.2	9.3
1911	9.0	
1912	8.9	6.00
1913	8.7	5.06
1914	8.5	4.86
1915	8.0	3.83
1916	8.05	3.08
1917	8.1	2.89
1918	7.9	2.72
1919	7.8	2.55
1920	8.0	2.29
1921	7.9	2.20
1922	7.8	1.98
1923	7.7	1.83
1924	7.6	1.73
1925	7.5	1.71
1926	7.4	1.66

The bulletin also contained the following condensed tables. Being a small 4-page leaflet, there was no room for extended explanation:

Industrial power, total, 1926

	Kilowatt-hours sold	Revenue	Kilowatt-hours
			Cents
Entire United States	35,154,000,000	$461,000,000	1.31137
Entire Ontario	546,452,626	6,720,796	1.22990

Hence at Ontario power rates, the American power bill would have been less by $28,819,000.

Domestic, commercial, and street light, 1926

	Kilowatt-hours sold	Revenue	Kilowatt-hours
			Cents
Entire United States	15,000,000,000	$1,018,200,000	6.788
Entire Ontario	638,486,973	12,987,676	2.034

At Ontario light rates, the total American light bill would have been less by $713,000,000.

The Ontario figures for industrial power included only that sold by the municipalities and not the quantity sold by the commission direct, which would bring the average per kilowatt-hour much lower.

The sources from which the above figures were taken are: Electrical World, January 7, 1928; for Ontario data, the bulletins and reports above mentioned.

WHY THIS DIFFERENCE?

Under the double-page chart, or "graph," with the above heading, there was added the following:

	Cents per kilowatt-hour
Average price in these American cities to domestic consumers in 1926	7.4
Average price "service at cost" in Ontario cities in 1926	1.6
Since Hydro does not pay taxes in proportion to United States add 10 per cent	.16
Since Hydro does not pay dividends, add a fair profit of 10 per cent	.16
Since Hydro generates by water power, and 23 of the above United States cities generate chiefly by coal, add per kilowatt-hour	.48
Adding these American extra would raise the Ontario price to	2.4
Leaving unexplained why American consumers are forced to pay an added	5

This, then, was the "5 cents" which I asked you to explain. Characteristically, in your letter of November 23, you attack the 5 cents and "reduce the whole bulletin to an absurdity" by attacking another table, which in logic is a nonsequiter, and which we will let rest until you demonstrate in extensio and with documentation how you arrive at your offhand figure of $540,000,000 possible reduction of revenue by American companies. I observe you are a trifle careless about giving your references and people will ask, "Who said so?"

You tell me that you have made an analysis and arrived at the "complete answer" as to "why the 5 cents" difference. On January 8 I asked you to send this analysis to me. You refused. I also requested you "to send me the figures of your cost findings of serving your various classes of customers." This also you refused.

However, in the last half of your letter of November 23 you gave a "hint" as to what this answer is, the concluding paragraph being:

"THE HINT"

"The large use in St. Catharines is, of course, due to the low price charged for the past 12 years with the attendant losses; which losses are, however, steadily being reduced from the large figure which must have existed in 1916 when the average revenue was only $8 per customer."

Here again is the familiar claim that Ontario householders have cheap electricity because they are served below cost. It is, as I have said, the chief charge made by the N. E. L. A.—the "voice" of the electrical industry, to which your company as a member paid $3,371.58 as annual dues in 1927 (Exhibit 4125, Federal Trade Commission Hearings)—also by the joint committee to which your company contributed $1,800 (Exhibit 756) toward the $400,000 budget sought to kill the Boulder Canyon and Muscle Shoals bills and the Walsh resolution to investigate the Power Trust.

To be specific, one of the leading pamphlets published by the joint committee is Government Fails in Industry—300,000 circulated. In the chapter Ontario Hydro-Power Myth, at page 24, we find the following in a discussion of this very matter:

"That is quite true (that in Ontario the domestic consumer pays much less for current than his American neighbor across the border) but the Ontario factories and other power users pay much higher rates than do American power users."

The claim was given further dignity in the memorandum of the joint committee above noted, signed by 182 utility lawyers and law firms over the Nation, 14 of them coming from New England. Through four pages the thesis is maintained that in Ontario the domestic user "is in economic effect subsidized by the State, the business man, and the manufacturer" (p. 180 seq.).

Its latest appearance, to my knowledge, is in a newspaper release dated January 31, 1929, sent out by the Department of Public Information, National Electric Light Association, 420 Lexington Avenue, New York City. It is an extended review with quotations from an article in The Annalist entitled "Ontario's Hydro—Drastic and Elusive Venture in Government Economics," by William M. Carpenter. The

Annalist stands in the front rank of financial journals, being published by the New York Times Co.

Through two pages Mr. Carpenter rings the familiar charges which show that "the system in vogue in the United States seems to result in lower charges to industry and trade," etc. The publicity man, knowing his job, plays up Mr. Carpenter as an independent authority and concludes his story with this:

"In other words, Mr. Carpenter voices the old, old question: 'Shall the small domestic consumer be subsidized at the expense of industry and business and the taxpayer generally?'"

Now, it happens that I met the writer of this article recently in Chicago. I asked for his card and on it was written: "National Electric Light Association, Wm. Morgan Carpenter, Research Statistician, 420 Lexington Avenue, New York."

That is to say, with the kind permission of The Annalist, the N. E. L. A. quotes the N. E. L. A. to prove what the N. E. L. A. desires the public to believe. I charge that this is the exact reverse of the truth.

ONTARIO MANAGERS PRACTICE COST ACCOUNTING—AMERICAN MANAGERS DO NOT

We arrive here at the most vital and important issue now needed to be discussed in the whole power problem—namely, cost accounting for different classes of service.

There is no possible way of knowing whether an electrical utility is making or losing money on any one of its loads—domestic, commercial, power, or street lighting—unless there is a regular, scientific system of accounting established and kept so that the exact cost of serving each class can be allocated.

In view of this charge against Ontario, made by the most responsible men of the electrical industry in the United States, including yourself, it has been an amazing thing for me to discover that the American managers do not keep such cost accounting but that the Ontario managers do and have for 20 years. I have seen the books and talked with the chiefs both at the head offices in Toronto and with managers of various municipal systems. I know that it is true. Ontario managers know what they are about in their rate making—American managers do not. They are guessing.

That is why, Mr. Ferguson, I asked you and also Mr. Martin of the Alabama Power Co. for your cost allocations. You refused as usual, saying, in your letter of January 14:

"Relative to your request for this company's cost analyses, would say that having already seen your ability to distort figures I, naturally, decline to furnish new material for similar use.

"I feel especially justified in making this answer as your question is incomplete in not asking for such essential information as 'K. W. demand' of each class; as 'number of customers' of each class; and 'miles of distribution lines' for each class, etc., without which any conclusion you might draw from the figures would be quite as foolish as your '5-cent overcharge' conclusion.

"We keep the 'set-up' including, however, the other essential items of information."

Prof. Philip Cabot, of the Graduate School of Business Administration of Harvard University, in an article in the Annalist, republished in An Analysis of the Domestic Business of the Hartford Electric Light Co., 1914–1926, says, at page 41:

"All the services of the Hartford company are produced at a joint cost and it is impossible to allocate the costs between the various services."

It is for you two gentlemen to decide which statement is correct.

I deny the claim that American companies have a scientific system of establishing rate schedules by a system of cost allocation as implied and make the challenge printed on the first page of this bulletin.

ONTARIO AND ST. CATHARINES

Return now to your charge that in St. Catharines, Ontario, as an example, there are "losses" on the domestic service, particularly heavy in the earlier years—1916 and following. Now, if cost accounting is kept in Ontario and your statement is true, then the official records will show it. Ontario hydro accounts are audited by four different sets of official auditors, and no one—except American propagandists—has had the temerity to deny their accuracy.

So I wrote Mr. P. B. Yates, manager of the Public Utilities Commission of the City of St. Catharines, and an electrical engineer of 30 years' experience, and asked him for an official financial statement as to his domestic business from 1916 to 1920. He wrote as follows:

"As you know, the rates in use by the municipal systems are subject to the approval of the provincial commission. Each year an analysis is made of the rates in use in each municipality. The costs of each of the four departments being placed against the revenue derived from that business, and if a loss should be made in one department and the factors which produced the existing deficit are likely to remain the same for a considerable period the rates are increased, or if an undue surplus is made the rates are, of course, decreased. This distribution of costs is made from our load curves and from our monthly reports, and invariably we have found that the greatest percentage of the surplus in normal years has been made from the domestic lighting business. Naturally the details of such an analysis could not be placed in letter form, and I can only tell you that we do conscientiously try to determine our costs in each one of the four departments, and that we have consistently made money on the domestic business."

Mr. Yates also furnished me the figures for his domestic business from 1916 to 1920, inclusive, which are sufficient to cover the period in which you claim the losses were especially heavy. They may be put in tabular form as follows:

Revenue from domestic customers (1916–1920)	$153,716
Cost of serving domestic customers	128,894
Net surplus on domestic load	24,822

Next, the figures for the whole system, including domestic, commercial, power users, and street lighting, are as follows:

Total revenue from all customers (1916–1920)	$581,215
Total cost of serving all customers	499,218
Net surplus, all services	81,997

Of the total revenue, then, the domestic customers furnished 26 per cent.

Of the total net surplus, domestic customers furnished 30 per cent.

Unfortunately, Mr. Ferguson, your confident assumption of "losses" on the St. Catharines domestic business as an explanation of low rates falls to the ground in the face of the official figures, and with it goes this explanation for low rates in Ontario, since you are using St. Catharines as an illustration and since the experience of St. Catharines, by and large, is typical of the other municipalities.

Mr. Yates summarizes the whole operation from 1914 to 1927, inclusive, as follows:

"At the end of 1927, after 14 years' operation, the city owns a plant at a cost of $502,098.74, has a bonded indebtedness of $186,700.88 against which we have a sinking fund of $44,887.11, has paid off $45,322.03 in bonds, and has an operating surplus of $153,933.26, $23,900 of which is in bonds. Nineteen hundred and twenty-two was the only year in which the system has not paid all costs, including interest, sinking fund, and depreciation. With a population of 22,043, we had 6,038 consumers at the end of 1927.

"As the operating surplus during 1927 was more than the hydro policy of 'power at cost' could sanction, we have returned this year to our consumers of 1927 a refund of 5 per cent of the accounts paid by them for service during that year."

Considering that widespread publicity has been given your recent refund of 60 per cent of one month's bill to your consumers, it is highly interesting to note that, although Mr. Yates is selling current in all branches of the service at rates startlingly below your own, he made to his customers of 1927 a refund of 5 per cent for the entire year, which just equals your refund of 60 per cent for one month.

Hence the following statement from the Ontario reports of the financial history of the St. Catharines domestic service is highly instructive. The average cost of domestic current by the private company prior to hydro was 7 cents per kilowatt-hour, water-power generation.

St. Catharines domestic service, 1914–1927

Year	Total revenue	Total consumption, kilowatt-hours	Number of customers	Average monthly use per customer, kilowatt-hours	Average monthly bill	Net average cost per kilowatt-hour
						Cents
1914	$2,013	53,572	833			3.7
1915	9,540	273,389	1,612	19	$0.65	3.5
1916	16,419	591,765	2,410	24	.68	2.8
1917	24,275	1,038,894	2,833	31	.77	2.3
1918	30,187	1,448,273	3,022	40	.84	2.0
1919	36,710	1,815,947	3,428	44	.89	2.0
1920	46,123	2,899,265	3,703	65	1.04	1.6
1921	55,560	3,932,393	4,040	81	1.15	1.4
1922	59,603	4,565,984	4,341	88	1.15	1.3
1923	77,332	4,394,072	4,598	79	1.40	1.7
1924	89,008	5,380,069	4,851	95	1.57	1.6
1925	95,398	5,832,281	5,042	98	1.61	1.6
1926	104,657	7,613,558	5,198	124	1.70	1.4
1927	116,155	9,340,578	5,371	147	1.83	1.2

Note that the use by the average home grew from 19 kilowatt-hours per month in 1915 to 147 kilowatt-hours in 1927, but the average monthly bill increased only from 65 cents to $1.83—more than seven and one-half times the current at less than three times the cost. The increased use continued even during the difficult years of the World War and the reconstruction period following. The St. Catharines public system began just when the war started and all Canada was hit harder than the United States. Yet it has been highly successful and the cost of electricity to the people has decreased much faster than in the United States.

IF THE MANUFACTURERS HAD PAID ALL BILLS

There are other ways of testing this charge of domestic losses. Suppose that in 1917, the first year for which we have complete official figures, the manufacturers and other industrial power users in St. Catharines had paid the cost of the whole service—that is, their own bills and furnished free service to the householders and commercial users and lighted the city streets:

Total revenue for all services	$117,190
Average cost per horsepower per year	$16.10
Average power billed monthly to power customers, horsepower	4,418

Dividing the total revenue by the average horsepower used shows us that had the power consumers paid all the bills the average cost of power to them would have been only $26.50 per horsepower.

This is a lower average cost than that paid by power users in the United States then or now.

IF THE WOMEN HAD PAID ALL BILLS

Again, suppose the women of St. Catharines had paid everything and furnished free service to the manufacturers, the stores, and lighted the city streets for this same year at a time when the domestic service was just getting its stride and there were only 2,800 customers with a small monthly consumption. The official reports show the following:

Total revenue from all services	$117,190
Total domestic consumption ... kilowatt-hours	1,038,894
Average cost per kilowatt-hour, domestic ... cents	2.3

Dividing the total revenue for all services by the domestic consumption shows that if the women had paid for all services the average cost would have been 11.3 cents per kilowatt-hour.

This is only 3 cents more than the average cost to the women in 32 of the largest cities in the United States. (See p. 7.) But in 1927, with the domestic consumption nine times as much and with twice as many customers, the average cost would have been raised only from 1.2 cents, which was paid, to 2.6 cents per kilowatt-hour.

DOMESTIC "LOSSES" DISPROVED BY ANOTHER METHOD

Test the claim by still another method. The annual report for 1927, at pages 292 and 331, shows the following:

Domestic revenue	$116,155.00
Power revenue	74,473.00
Average cost per year per horsepower	15.88
Net surplus, all services	12,207.00
Assume a 20 per cent loss on the domestic service	23,231.00
Add the net surplus	12,207.00
	35,438.00

If this loss and surplus came from the power users it would be equivalent to making a "profit" on the sale of industrial power at $15 per horsepower per year of 47 per cent, which, of course, is ridiculous either in Ontario or in the United States.

Demonstration by this method is shown most clearly by taking a municipality in which the power load is small and the domestic load is large. The little residential city of Sandwich, population 8,077, opposite Detroit, 245 miles from Niagara Falls, whence its power comes, is such a city. I give here a detailed set-up of its operating accounts for three years. The figures are from the Official Reports of the Hydroelectric Power Commission of Ontario for 1925, 1926, and 1927, pages 311, 315, and 293, respectively:

Sandwich, Ontario, hydroelectric utility—operating reports

	1925	1926	1927
Total revenue	$91,732.00	$114,554.00	$137,177.00
Domestic service revenue	65,714.00	84,417.00	101,530.00
Commercial light revenue	12,432.00	14,997.00	b 18,508.00
Commercial power revenue	6,859.00	7,853.00	c 9,042.00
Street lighting revenue	6,726.00	7,286.00	d 7,991.00
Total expenses excluding sinking fund	78,919.00	95,642.00	109,580.00
Sinking fund or principal payments on debentures	3,412.00	3,612.00	4,598.00
Gross surplus	9,401.00	15,299.00	22,999.00
Depreciation	2,617.00	3,345.00	3,879.00
Net surplus	6,784.00	11,954.00	a 19,120.00
Net cost per kilowatt-hour, domestic service ... cents	1.9	2	1.8
Net cost per kilowatt-hour, commercial light service ... cents	3.1	2.5	2.6
Net cost per horsepower per year, power service	25.69	24.31	22.77

These figures speak for themselves. The net surplus was nearly equal to the revenue from commercial power service in 1925, was 50 per cent greater in 1926, and was more than double in 1927.

In 1927 the net surplus (a) was greater than the revenue from commercial light service (b) and greater than the combined revenue from commercial power service (c) and street lighting (d). Where did the surplus come from? Street lighting is by law supplied at cost. Power service could not have given a surplus twice as great as its total revenue. Commercial light service could not produce a surplus greater than its revenue. The two together could not produce a surplus equal to 70 per cent of their combined revenue. The surplus must, therefore, have come chiefly from domestic service, and this at the low rate of 33 cents service charge per month, 55 kilowatt-hours per month at 3 cents per kilowatt-hour, and all additional at 1½ cents per kilowatt-hour, less 10 per cent on the whole bill for prompt payment, a rate which with the high average monthly consumption of 184 kilowatt-hours per consumer results in a net cost per kilowatt-hour of 1.8 cents for domestic service supplied to a town of population less than 9,000 situated 245 miles from the source of supply.

Such demonstrations could be endlessly repeated with like general results.

DOES POWER COST MORE IN ONTARIO THAN IN THE UNITED STATES?

There remains the question, Does industrial and commercial power cost more in Ontario than in the United States? Let us compare costs on actual bills. First take large power.

MANUFACTURER—ST. CATHARINES, $2,210; HARTFORD, $5,292

Here are the essential figures of an actual bill as nearly as can be reproduced on a mimeograph of a large industrial power user for December, 1928, in St. Catharines.

(The Public Utilities Commission of the City of St. Catharines, 202 St. Paul Street, St. Catharines)

To the Blank Co.—Consumption, 432,500:	
57,100 consumption at $1.25 per kilowatt-hour	$713.75
57,100 consumption at $0.85 per kilowatt-hour	485.35
318,300 consumption at $0.12 per kilowatt-hour	381.96
Service charge, 1,531 horsepower at $0.75 per month (demand)	1,148.25
Gross bill	2,729.31
Class discount—10 per cent, 12,000-volt supply	272.93
Total bill	2,456.38
Less discount, 10 per cent	245.64
Net bill	2,210.74

In the absence of Hartford rate schedules, which you failed to send me, I have had an electrical engineer who is a rate expert, estimate the cost of this bill in Hartford, Conn., as shown by the large power (optional) rate schedule of your company published in the N. E. L. A. rate book for 1927, page 46. It works out as follows:

(Same consumption—432,500 kilowatt-hours)

Energy charge:	
205,560 kilowatt-hours at 1 cent	$2,055.60
226,940 kilowatt-hours at eight-tenths cent	1,815.52
	3,871.12
5 per cent discount, 12,000-volt supply	193.56
	3,677.56
Demand charge:	
(1,531 horsepower equal 1,142 kilowatt demand.)	
50 kilowatts at $3.50	175.00
100 kilowatts at $2	200.00
992 kilowatts at $1.25	1,240.00
	1,615.00
Total bill	5,292.56

NOTE: Coal clause.—Cost of coal not known. Probably somewhere between $5.83 and $6.50 per ton. Mr. Ferguson can make proper reduction if any required. If coal were $5.50, the reduction would be $410.87 and the net bill would be reduced to $4,881.69.

SMALL POWER—ST. CATHARINES, $15.36—HARTFORD, $105.90

Note that this small power user in St. Catharines is on the same rate schedule as the large power user just considered. The Hartford cost is figured on the general power schedule, National Electric Light Association Rate Book, page 46.

(The Public Utilities Commission of the City of St. Catharines)

To the Blank Tool Co., 2,200 kilowatt-hour consumption:	
373, at 1.25 cents per kilowatt-hour	$4.66
373, at 85 cents per kilowatt-hour	3.17
1,454 at 12 cents per kilowatt-hour	1.74
Service charge, 10 horsepower (connected load), at 75 cents per month	7.50
Gross bill	17.07
Less discount, 10 per cent	1.71
Net bill	15.36

(The Hartford Electric Light Co.)

2,200 kilowatt-hour consumption:	
500 kilowatt-hours, at 7 cents	$35.00
1,000 kilowatt-hours, at 4.5 cents	45.00
700 kilowatt-hours, at 3.7 cents	25.90
Total bill (no discount)	105.90

If allowed on the commercial lighting and power schedule, this bill would have been net, $94.06; with coal adjustment, if any, $91.86.

DEPARTMENT STORE—ST. CATHARINES, $54.37; HARTFORD, $240.20

Surely, after all the talk, we shall find Ontario commercial users in a sad plight when compared with their fellow merchants in the United States—e. g., Hartford, especially famed for low rates. Sad to state, the figures do not tend to support this view, although held by those

who have a horror of "wild distortion of truth." Here is the December, 1928, bill of a large store in the little city of St. Catharines, compared with the costs under the commercial lighting schedule of Hartford (National Electric Light Association rate book, p. 46):

(The Public Utilities Commission of the City of St. Catharines)

To the Blank Store, 6,260 kilowatt-hour consumption:	
600 at 3.5 cents per kilowatt-hour	$21.00
1,400 at 1.75 cents per kilowatt-hour	24.50
4,260 at 0.35 cent per kilowatt-hour	14.91
Gross bill	60.41
Less discount, 10 per cent	6.04
Net bill	54.37

(The Hartford Electric Light Co.)

6,260 consumption demand charge, 20 kilowatts:	
5 kilowatts, at $3.50	$17.50
15 kilowatts, at $3	45.00
	62.50
Energy charge:	
500 kilowatt-hours, at 5 cents	25.00
500 kilowatt-hours, at 4 cents	20.00
1,500 kilowatt-hours, at 3 cents	45.00
2,500 kilowatt-hours, at 2.5 cents	62.50
1,260 kilowatt-hours, at 2 cents	25.20
	177.70
Total bill (no discount)	240.20
Coal adjustment, if any	6.26
Total	233.94

LARGE DOMESTIC USERS?

During your Worcester speech before the League of Women Voters, you circulated copies of a monthly bill of one of your largest domestic customers, Mr. Adolph Mettler, the essential items of which are here reproduced.

To the Hartford Electric Light Co., debtor, for electrical service, residential

	Rate	Amount meter		Flat rate	Net bill
		First block	Excess at 1½ cents		
Energy consumed all meters, kilowatt hours, 1,149 from Nov. 9 to Dec. 12	*Cents* 3	$6.00	$14.23	$2.10	$22.33

In St. Catharines Mr. Mettler would have paid: Service charge, 66 cents; 60 kilowatt-hours at 2 cents; 1,089 kilowatt-hours at 1 cent; 10 per cent discount; net bill, $11.48.

Even Mr. Willis J. Spaulding, commissioner of the Springfield (Ill.) city plant, population 70,000, coal generation, in fierce competition with a private plant, total sales $480,000 as against your $5,000,000 in 1926, would have charged Mr. Mettler $19.64.

I assume you told your audience your average domestic customer used only around 43 kilowatt-hours per month and at an average cost of $2.96, as, for example, in December, 1926, as shown by the Harvard report, page 22. You advocate keeping rates high for the small user and propose to get down to 2.5 cents per kilowatt-hour for "a fully electrified home."

LITTLE FOR AVERAGE FOLKS

But the high prices of ranges, refrigerators, water heaters, and other major electric household appliances requires an investment prohibitive to full use by a family of less than $5,000 income. This, plus your high initial charges, prevents the mass of women from ever reaching your low rates, and the high continuing cost to them under your plan is an arbitrary overcharge not based on cost of service. If Ontario and American cities can serve common people at low rates and make money you should.

I have a bill of one of your average customers. For 51 kilowatt-hours he paid $3.60. In St. Catharines his bill would have been $1.03. For $3.60 your customer could have purchased 290 kilowatt-hours in St. Catharines.

COST OF DISTRIBUTION

In an address to the convention of the National League of Women Voters at Chicago, April 23, 1928, you repeated the stock claim of the National Electric Light Association that the high cost of distribution is the main reason for the high rates charged domestic customers as compared with industrial power users.

You complained that a certain newspaper article "entirely neglected the fact that the cost at the switchboard is *only a very small fraction* of the cost of current delivered to the home in small amounts." (Italics mine.)

I deny that switchboard cost is "only a very small fraction" of the delivered cost under a just system. But the delivery charges from the switchboard to the home, the store, the office, and the ordinary factory is a very large fraction of the reason why power securities are flooded with water—and why even some conservative securities sell at 400.

But how can the public be certain, when you refuse to divulge your detailed costs of delivery? If you will not show them to me, show them to the members of the League of Women Voters in New England, who are studying the power question. They will be interested.

More of "costs" in later bulletins—but this, for the present: If a man with a lead-pencil monopoly tries to charge me 25 cents for a pencil I could buy in another locality for 5 cents, I am not likely to be impressed with his explanations about the high cost of delivering lead pencils unless I am buying them near the North Pole.

When the industry starts scientific cost accounting we will listen with great respect—to reports on all kinds of costs—if they will show us the books.

ONE-HALF CENT FOR FUEL COST ONLY?

By the way, you also told the League of Women Voters at Chicago that you could "sell large quantities of power, at such times and in such amounts as suited my convenience, for one-half cent per kilowatt hour (cost of fuel only) without loss provided it were practicable for the customer to come and get it." (Your pamphlet, p. 12.)

Incidentally, the people of Tacoma, Wash., heat their homes with electricity at a one-half cent per kilowatt hour rate, and since the city owns the lines the people do not have to go and get it. But what interests me is that phrase in parenthesis. I can not figure out why your switchboard cost for "fuel only" should be 5 mills when the chief accountant of the Public Utilities Commission of the District of Columbia informs me that the total cost—capital charges and all—at which our manager, Mr. Ham, who also burns coal as do you, delivers his power at the switchboard, was in 1927 a little over half a cent per kilowatt hour—to be exact, 5.475 mills; also that Mr. Ham's operating cost is 3.75 mills, and this includes coal, oil, water, labor, maintenance, and other items.

Mr. Ham buys coal at just under $5 per ton. Your cost is probably not over $6.83, but even if it were $7.50 it would not explain this difference. Is our Mr. Ham a better manager than you?

OPEN DIPLOMACY

My hope that you will give us all abundant inside data in the near future is heightened by your assurance to me in the letter of January 9, in which you say:

"Relative to your suggestion that our correspondence was personal, would say that in the public-utility business I have acquired the habit of thinking that all my doings pertaining thereto are and should be public property."

That being the case, I personally would be especially interested to see an unexpurgated copy of an address I am informed you made not long since to the Association of Edison Societies, which I am told is the very Sanhedrin of the N. E. L. A. and the electrical industry.

And let me add here that if you choose to respond to this open letter I trust you will observe the admonition you gave the delegates to the convention of the National League of Women Voters at Chicago: "In any study you may make on this subject [electric rates] be sure your conclusions are drawn from facts rather than statistics." It will increase confidence in your writings if you are careful to include your authorities for both statistics and facts. It may occur to you upon reflection that the chairman of the propa—pardon—the committee on public-utility information, which put 75,000 copies of the Connecticut Catechism into the public school of his State can not be offended if asked to document his statements.

Lest there be misunderstanding as to what is meant by "cost accounting" in this open letter and challenge to you, let me say emphatically there must be no attempt to confuse that term with "cost estimates" or "cost analyses," which latter term you doubtless inadvertently used in your letter of January 14, quoted at page 10. I said in my letter of January 11: "Especially would I request you to send me the figures on your cost findings on serving your various classes of customers as domestic, commercial, power, and street lighting." To make my meaning clear, I gave you the following suggested set-up to indicate what I meant:

Cost of serving various classes of consumers, cost per kilowatt-hour, year 1927

	Number of kilowatt-hours	Capital	Operation	Total
Large power				
Small power				
Commercial				
Domestic				
Total operating expenses				
Total capital charges				
Combined total				

APPENDIXES

A. New England lawyers and law firms signing the joint committee brief, presented to the United States Senate, the accuracy of which is challenged at page 9 in respect to Ontario power rates.

Edwards & Angell, Providence, R. I.; Allen Hollis, Concord, N. H.; Frederick Manley Ives, Johnson, Clapp, Ives & Knight, Boston, Mass; McLean, Fogg & Southard, Augusta, Me.; C. N. Perkins, Perkins & Weeks, Waterville, Me.; Ropes, Gray, Boyden & Perkins, Boston, Mass.; Verrill, Hale, Booth & Ives, Portland, Me.; Storey, Thorndike, Palmer & Dodge, Boston, Mass.; Taylor, Eames, Wright & Hooper, Boston, Mass.; W. B. Skelton, Lewiston, Me.

B. New England company members (Class A) of the National Electric Light Association and the annual dues paid by each for the year ending December 31, 1927. From Exhibit No. 4125, Federal Trade Commission investigation of the power trust, furnished on request by Mr. Paul S. Clapp, managing director, National Electric Light Association.

Class A company members	Proportion dues are of gross revenues	Dues paid
Bangor Hydro-Electric Co	One-fifteenth of 1 per cent	$732.58
Cambridge Electric Light Co	do	1,349.58
Central Maine Power Co	do	2,349.68
The Connecticut Light & Power Co	do	4,683.30
The Eastern Connecticut Power Co	do	507.41
Edison Electric Illuminating Co. of Boston.	do	15,421.49
Edison Electric Illuminating Co. of Brockton.	do	1,156.74
Fall River Electric Light Co	do	1,538.98
Fitchburg Gas & Electric Light Co	do	588.21
The Hartford Electric Light Co	do	3,371.58
Haverhill Electric Co	do	936.05
Lawrence Gas & Electric Co	do	900.68
The Lowell Electric Light Corporation	do	1,150.52
Lynn Gas & Electric Co	do	1,157.46
Malden Electric Co	do	1,502.45
New Bedford Gas & Edison Light	do	2,021.44
New England Power Co	do	4,074.10
New Hampshire Gas & Electric Co	do	535.38
People's Hydro-Electric Vermont Corporation.	do	680.13
Pittsfield Electric Co	do	695.56
Public Service Co. of New Hampshire	do	1,571.13
Salem Electric Lighting Co	do	717.04
Stamford Gas & Electric Co	do	728.38
Turners Falls Power & Electric Co	do	1,694.54
Vermont Hydro-Electric Corporation	do	554.56
Worcester Electric Light Co	do	2,086.45
Total		52,705.42
Add Connecticut Bureau of Public Service information		17,273.00
Add New England Bureau of Public Service information		32,000.00
Total known		101,978.42

In addition, unknown amounts spent by individual companies.

NOTICE

In addition to the 900 copies of this bulletin and the pamphlet by Mr. Ferguson mailed to-day, 100 sets are being held in reserve until March 1 and will be mailed gratis to persons vitally interested in the power issue as may be suggested by members of the league or others. The remainder, if any, will then be sent to persons of our own choosing until the joint edition is exhausted.

After March 1 copies of the league bulletin can be had at the regular price of 25 cents postpaid, and those desiring copies of Mr. Ferguson's pamphlet may apply to him at Hartford, Conn.

Mr. NORRIS. Mr. President, after I had made the comparison of rates a week or so ago, I received a letter from R. G. Doxey. He lives at Vails Gate, N. Y. His letter was written February 19, 1929. He incloses a bill. It is not a copy; it is the original. It is marked "Paid," and stamped by the private utility company that supplied him the electricity. This bill shows that during the month for which it was rendered—the bill was rendered November 20, 1928—he consumed 13 kilowatt-hours of electricity. If he had been over in Canada, he probably would have consumed 113 kilowatt-hours, because the rate would have been so much cheaper that he could have afforded it; but the rate in New York was so high that he could not use it for anything but lighting. The total amount consumed during that month was 13 kilowatt-hours, and he had to pay a net bill of $1.82; and here is the bill itself.

Mr. Doxey also incloses an editorial from a paper published in that town, criticizing me in a very respectful and courteous way, I will say, for the comparisons I have been making. I will read an extract from this editorial. It says:

As residents of the mid-Hudson region know, the rates of the Central Hudson Gas & Electric Corporation have been reduced time and again, the result of savings by the corporation from the development of new water power and economies attendant on more centralized control and operation.

The top rate of that company now is 14 cents a kilowatt-hour, reduced as the consumption increases. If, as this editorial says, the company's rates have been continually decreasing, and have now gotten down to 14 cents a kilowatt-hour, for God's sake where were they when they started?

Mr. Doxey says in regard to this editorial:

The corporation is a large advertiser in the paper. Possibly that accounts for it.

And possibly it does, Mr. President.

I desire to insert, without reading, at this point in my remarks, a very able editorial from the Nashville Banner of February 5, 1929.

The PRESIDING OFFICER. Without objection, the editorial will be printed in the RECORD.

The matter referred to is as follows:

TURN ON THE LIGHT

The bribery and corruption uncovered in connection with the lease of the power and light plant owned by the municipality of Paris to the Kentucky-Tennessee Power & Light Co. should put many other communities in this State on guard.

For years there has been a systematic drive to capture municipal plants. This, indeed, has been one of the two distinct features of the strategy of the directing agencies in Wall Street and Chicago of what Mr. Roosevelt termed the "power barons." One objective was the acquirement of the undeveloped power resources of the State, through wholesale granting of licenses. The other has been, and is, the elimination of competition and destruction of public ownership through the purchase, or long lease, of establishments owned by municipalities.

The public is familiar with the ceaseless, desperate campaigns to seize the Tennessee and Cumberland River power treasures. They have seen, too, scores of municipal plants being corraled by the great holding concerns which stood in the background and prosecuted their designs through local operating companies. Some of the most desirable of such properties in the State have held out, however, against every species of intrigue and every proposition, however specious and alluring.

A Federal judge sitting at Memphis in a decision rendered Saturday tells how Paris, the capital of Henry County, was overreached. According to the evidence, which he pronounced conclusive, a trusted city official was bribed, and citizens were deluded into belief that they were getting a fancy price for their property, when, in reality, they were being defrauded into selling far below its value. Here is the record of shame as shown in the courts.

The Kentucky-Tennessee Power & Light Co. in 1926 secured a 30-year lease of the Paris plant upon the consideration of $30,000 annual rental, assumption of $355,000 bond issue of the city to be paid off over a period of 30 years, and the option of purchase upon payment of $45,000. Judge Harry B. Anderson, of the Federal court, after reviewing elaborate testimony taken at the hearing in Jackson, held that the contract was obtained by the bribery of former City Attorney George H. Freyer, of Paris, to whom, it was shown, $2,000 had been paid by agents of the power company. In the course of his ruling the judge said:

"I set aside the sale on two grounds: First, because I am convinced that the contract was obtained by fraud, and, second, because the price paid for the Paris company was decidedly inadequate. Instead of assuming obligations approaching $1,200,000 as reported, the power company merely agreed to pay an annual rental of $30,000 and to take over $355,000 bond issue. Investigation of the deal brought out that Paris was to pay the city and county taxes upon the property during the 30-year period. Thus the power company was getting the Paris plant for virtually $400,000—considerably less than its real value."

It appears that Paris citizens had become suspicious of the transaction, and, when a new council was elected, Y. U. Caldwell, jr., the present city attorney, was instructed to institute annulment proceedings. He prosecuted the inquiry with diligence, courage, and success, uncovering the whole unsavory transaction.

Now, as to the parties of it. The thread of ownership or control leads directly from Paris to New York. The Kentucky-Tennessee Light & Power Co. is but another of those euphonious sounding concerns with southern names and Chicago or New York ownership. It is a subsidiary of the Associated Gas & Electric Co., one of the big holding companies of the country, the operating management of which is in the J. G. White Managing Corporation of New York.

The company which captured the Paris plant has been making a successful campaign with the same purpose in both of the States, the names of which it bears. In 1924 it obtained the municipals of Dresden, Obion, Trimble, Rutherford, Dyer, Martin, Kenton, Greenfield, Bradford, Gleason, Sharon, Mason Hall, and Newburn, in west Tennessee; McKenzie and Paris in 1926. In 1925 it acquired those at Louisport, Cloverport, Mayfield, Hardinsburg, and Howesville, in Kentucky; in 1926 got that at Murray, Ky., and besides controls the Ohio River Power Co. and the municipals at two points in Indiana. Indeed, pro-

curement of municipal plants appears to be the special if not sole activity of this bi-State subsidiary.

In view of the above survey of the activities of the company in this field in west Tennessee, the local comment in Memphis newspapers upon the decision rendered by Judge Anderson is highly significant. It was stated that, should the power company appeal, and the decision of Judge Anderson be sustained by the circuit court of appeals, his ruling "is regarded in legal circles as a far-reaching one and may result in other cities bringing suits to recover plants leased or sold to power companies."

The field of speculation which the disclosures as to this little Tennessee city necessarily opens up is wide. Many towns in this State in the last three or four years have parted with their public utilities to power companies that were and are subsidiary to great eastern holding concerns. The citizens of these multiplied communities will naturally ask themselves, What of the methods employed in obtaining these contracts of sale or lease? Have there been other recreant official advisers, with power money in their pockets or power favors held out in return for secret assistance?

The taxpayers of Paris were led to believe that they were getting a big price for their property; and it required a hard fight in the courts to uncover the fact, as Judge Anderson asserts, that they were grossly deceived and would have been defrauded of a heavy sum. What of other communities which have been under the impression that they were receiving bonuses and were the recipients of the most generous and even lavish terms? Have many of these been similarly victimized?

This Paris revelation contains an unerring suggestion to other localities to closely scan the methods and terms of contract or lease; and to every town where efforts are being made or are contemplated to capture its plant, to be doubly on guard against corrupt approach. Elections of mayors, aldermen, and other officials who would have to negotiate with the power companies should be closely scrutinized, and no man under suspicion of alliance with the power interests or whose loyalty to the public welfare is open to question should be elected or appointed to any position of trust.

To intrigue, propaganda, political expenditures, lobbying, jugglery of newspapers, battalion of lawyers, big and little, and busy orators electing allies to office and to the general assembly the power situation in Tennessee has received in this Paris incident a most sinister supplement.

Whether it is isolated or not remains to be determined.

Have suspicious circumstances indicating corruption or involving fraud and deception developed since the transactions of sale or lease were concluded in any community? If so, they should be probed promptly and without fear or favor. A sale or lease that was fair and proper has nothing to fear from close scrutiny; one that subsequent events have brought under suspicion manifestly should not be exempt from the searchlight.

Mr. NORRIS. Mr. President, most Members of the Senate are acquainted with the owner of that paper. He has been here several times to testify in the Muscle Shoals hearings. The Nashville Banner is one of the ablest papers of the South, and its editor goes into the trouble they are having in Tennessee with the power company.

Here is another editorial criticizing the comparison I made. This is from Niagara Falls, N. Y., where I showed how cheap the electricity was on the Canadian side and how expensive it was on this side. I will read a part of it:

The relative costs of electric current on this and the Canadian side of the river are frequently referred to by those who like to draw comparisons between publicly owned and privately owned utilities. Senator NORRIS, of Nebraska, has recently introduced the subject in the upper branch of the Congress at Washington, drawing invidious comparisons in a speech before that body in which he attempted to show that the users of electricity on the American side were being grossly discriminated against in the matter of service charges.

The editor goes on to say, in the article—and from his standpoint it is a very able editorial, I think—that they pay taxes on this side, and they do not pay any taxes on the other side. As I said before, the statement about the municipally owned electric systems in Canada not being taxed is not accurate, although it is partially true. The municipality owning the distributing system pays no taxes. The wholesale company, the hydroelectric concern that generates and distributes the electricity to the municipalities, does pay taxes. But on the Canadian side at Niagara Falls, although those rates are much lower, as is admitted by this editorial, they have an amortization fee. Up to this time, as I remember, they have almost completely wiped out the entire investment that they have on that side.

Although the capital has been practically paid off by the consumers in Canada, and has been going down continually, year after year, on the American side it has been going up and up and up, and is higher now than it ever was. In other words, it will be but a short time until the investment on the Canadian side will be entirely wiped out, while the investment on the American side will be increased more than ever. That amounts to much more than the difference in taxes. If you should add 1 cent a kilowatt-hour—and there is no private concern in the United States that pays that much tax—it would still leave the discrepancy, in many cases, more than twice as much on the American side as it is on the other side.

Mr. President, at this point I desire to insert in my remarks, without reading, an editorial entitled "Power Trust Propaganda Again Meets a Waterloo." It is taken from the Washington Herald of February 21, 1929.

The PRESIDING OFFICER. Without objection, the article will be inserted in the RECORD.

The matter referred to is as follows:

POWER TRUST PROPAGANDA AGAIN MEETS A WATERLOO

One of the means of bamboozling the American public with regard to the success of the Ontario hydroelectric system, which furnishes its patrons electric power at rates much lower than those charged by privately owned plants in this country, is the assertion that there are losses on the domestic service furnished by the hydro, and that these are made up by higher rates charged big business enterprises or, if necessary, by incorporating a deficit in the tax rate.

Such stories are absolutely untrue, according to a statement just issued by the National Popular Government League issued in the form of an open letter by Judson King, director, to the president of an American privately owned utility. "As a matter of demonstrable fact," Mr. King asserts, "the vast majority of power and commercial users are also paying from two to five times as much for their service as are commercial and industrial users in Ontario. But they do not know this."

Mr. King cites statements which he traces back to sources originating in the power industries of this country, to the effect that in Ontario the domestic user is "in economic effect subsidized by the State, the business man, and the manufacturer," and an intimation that small domestic consumers are subsidized "at the expense of industry and business and the taxpayer generally." These assertions and intimations, Mr. King believes, are "the exact reverse of the truth."

As a matter of fact, he says, the Ontario hydro has in effect cost-accounting systems which show the exact cost of different kinds of service. Every municipality adjusts its rate schedule for each class of customers on the basis of the cost of service to that class.

Privately owned utilities in this country, however, do not even know, he says, what it costs them to serve these respective classes of customers, because, instead of keeping scientific cost accounting, they charge what the traffic will bear.

The Washington Herald and the other Hearst newspapers have done everything in their power to make known the workings of the utilities' propaganda in this country as revealed in the hearings before the Federal Trade Commission. The revelations have been nothing short of amazing. They have shown how the Power Trust has bamboozled the American public with its own money; how vast expenditures have been made for propaganda in the interest of the utilities and charged up to operating expenses; how the Power Trust has sought to influence newspapers, to buy college professors, and to spread false statements about public ownership throughout the country.

Commenting on this point, Mr. King says:

"The American people—active, thinking women in particular—know the importance of electricity in the home. They know they are denied the full measure of its benefits because of high costs. They are becoming aware that they are compelled to pay from three to five times as much money for similar service as are the people of Ontario. If they ask why, they are told by prominent power officials and financiers, gentlemen in whom they are entitled to have confidence, that it is 'all politics'; that Ontario domestic users are served far below cost; that these 'losses' are made good by overcharging the manufacturers and commercial users and by taxes. In essence, the Ontario hydro is conducted on principles financially unsound, and the hope that we might have similar low rates in the United States is but the fairy story of communists and other radical propagandists seeking to destroy this Republic."

The Herald congratulates Mr. King on the exposition of facts he has adduced to refute the charges that special concessions have been made in behalf of the domestic consumers in Ontario. These charges are simply of a piece with other Power Trust propaganda, which is designed to discredit public ownership and which seldom is scrupulous about facts.

The Herald trusts that the American people, after so many instances of Power Trust propaganda against their interests, will look with considerable suspicion on the antipublic-ownership propaganda. The facts in general are in favor of public ownership, and the Herald hopes to do its part to make them known to the people of Washington.

Mr. NORRIS. I have here a magazine, Forbes' Magazine for Busy Business Men. This is a business man's idea, not making an argument for municipal ownership, not making an argument at all, but stating a business proposition, something that is

going on. We have all read about it; but here is this business magazine that calls attention to it:

J. P. Morgan & Co., the most influential international banking house in the world, has openly entered the public utility lists by forming a holding corporation which is expected to accumulate stock and a voice in leading power and light companies stretching all the way from the Canadian border to Washington or farther South. Other interests of the largest caliber likewise are aggressively corraling utility properties. The prospect is that by the end of this year the bulk of the utility business will have been gathered into relatively few hands.

That is not from a magazine or an editorial criticizing the Power Trust, or finding fault with them; but it is from an article stating a fact that is apparent to all students of the subject. They are stating as a matter of news that the present indications are that at the end of this year practically all of the private utility corporations supplying electricity to the people of the United States will be in control of a very few hands. In other words, we are approaching a monopoly of a public necessity. When, year after year, the monopoly increases and the ownership extends, we will reach a place where there will be no such thing as competition, where the monopoly will dictate to every municipality, every power user, every manufacturing institution in the United States what they shall pay for power if they use electricity.

Mr. President, I have here a letter—it is called a memorandum of the City Club of New York—with a letter in it to Gov. Franklin D. Roosevelt, of New York. It is a mighty interesting letter. It would be interesting, indeed, if the Senators would read the entire letter. I am only going to include in my remarks, without reading, the tables which this committee set out in their letter, calling the attention of the governor to the wonderful condition of the water power and electric light business that is going on in the greatest State of the Union, in New York, just across the line from Ontario.

It calls attention to what the people of New York are paying for electricity, and asks him to see that the proper investigation is made. They wind up their letter by putting in an appendix, in which they give the rates charged by about 200 municipalities in the great State of New York. The first table gives the rates charged for electricity in cities having more than 100,000 population.

We all know that the electric-light rates are often hard to compare, because one city will have a rate, we will say, of 10 cents for the first 50 kilowatts, the next one may have a rate of 10 cents for the first 200 kilowatts, and another one 8 cents for the first 35 kilowatts. So a fair way to do is to assume an arbitrary amount of consumption, get the average if you can, and this committee has taken the average of 36 kilowatt-hours per month in the ordinary home.

As I remember it, it is above the average consumption in the homes of the United States. It is only about one-third of the average consumption of the homes in Ontario, Canada. In Ontario, Canada, under the system of publicly owned and supplied electricity, the average consumption in the home there, as I remember it, is somewhat between 95 and 100 kilowatt-hours per month, and the average consumption in the United States is a little less than 33 kilowatt-hours per month.

We all know that when the price of electricity goes down, the consumption goes up. In other words, the woman who does her own housework, if the electricity is cheap enough, has an electric fan, she has an electric iron, she has an electric washing machine, she has an electric sweeper, she has an electric range. The people perhaps heat some of the water for bathing purposes by electricity, whereas if the electricity must be paid for at the rate of 8, 10, 12, 13, or 14 cents a kilowatt-hour, nobody but a rich man can use enough electricity to supply his home with all those facilities which, in the modern home, are becoming more of a necessity every day.

The next table shows the price in cities of between 50,000 and 100,000 population, and the third table shows the rates paid in cities of between 25,000 and 50,000. Then come the electric rates in cities with a population under 25,000. That is the last table. This shows the list of the cities, the list of the municipalities, the population in each case, and figures out how much the people would pay for the consumption of 36 kilowatt-hours. They figure that out at the rates charged. They say here that these rates are from the tariffs in effect December, 1928, and here is the grand total of these cities in New York, the grand total of table "V"; that is, villages and towns, with a population of 383,620. This represents the total population in all the tables of 2,678,800. The average rate in all these cities that is paid for 36 kilowatt-hours a month is 10.14 cents per kilowatt-hour.

I wonder how the people of that great State, just across the line from where the domestic consumers paid last year an average of less than 2 cents a kilowatt-hour, must enjoy turning on the electric light, knowing that they are paying more than five times as much as the people just over the line in Canada pay.

I wonder what the people of New York must think when they read the results supplied by the City Club of New York as to electric rates in their great State. What do the manufacturers think, those who have to buy electricity to operate machines, of paying five or six times as much as the same manufacturer would pay for the same electricity across the line? What do the business men think, the owners of stores, when they are paying these enormous rates? Is it any satisfaction to them to think that the company that supplies them does pay taxes and that if they were relieved from taxes the entire reduction applied to a reduction in their rates it would reduce their rates less than 1 cent a kilowatt-hour? What do they think when they realize that it will be only a few years before their competitors across the line will have no capital invested, all will be paid off, and will have nothing to do but to pay enough to keep up the system, to keep it in repair, and to provide for depreciation, operation, and maintenance?

Mr. President, I ask unanimous consent to include without reading the tables I have been discussing and to which I have made reference.

The PRESIDING OFFICER. Is there objection?

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

APPENDIX

TABLE I.—ELECTRIC RATES IN CITIES OVER 100,000 POPULATION

City	Population	Charge for 36 kilowatt-hour per month	Average charge per kilowatt-hour (cents)
Albany	117,800	$2.88	8.0
Buffalo	538,000	2.16	6.0
Bronx	872,100	2.52	7.0
Brooklyn	2,203,900	2.52	7.0
Manhattan	1,945,000	2.52	7.0
Queens	567,850	2.88	8.0
Richmond	138,200	2.99	8.3
Rochester	316,700	2.88	8.0
Syracuse	182,000	2.48	6.5
Utica	101,600	2.91	8.0
Yonkers	113,600	3.60	10.0
Total	7,096,750	(1)	7.118

TABLE II.—ELECTRIC RATES IN CITIES BETWEEN 50,000 AND 100,000 POPULATION

Binghamton	71,900	$2.94	8.0
Mount Vernon	50,300	3.78	10.5
Niagara Falls	57,000	1.80	5.0
Schenectady	92,700	3.24	9.0
Troy	72,200	2.88	8.0
Total	344,100	(1)	8.128

TABLE III.—ELECTRIC RATES IN CITIES BETWEEN 25,000 AND 50,000 POPULATION

Amsterdam	35,200	$3.63	10.0
Auburn	35,600	3.44	9.5
Elmira	48,300	2.56	7.0
Newburgh	30,400	3.60	10.0
New Rochelle	44,200	3.78	10.5
Poughkeepsie	35,600	3.60	10.0
Rome	30,300	2.44	6.8
Watertown	32,800	2.88	8.0
White Plains	27,400	3.78	10.5
Kingston	28,000	3.60	10.0
Total	347,800	(1)	9.218

TABLE IV.—ELECTRIC RATES IN CITIES UNDER 25,000 POPULATION

Batavia	15,600	$2.04	5.66
Beacon	11,600	4.24	11.77
Canandaigua	7,600	3.60	10.0
Cohoes	23,300	2.70	7.5
Corning	15,700	3.12	8.66
Cortland	13,800	2.91	8.08
Fulton	12,500	3.32	9.22
Geneva	15,900	3.44	9.5
Glen Cove	10,800	3.60	10.0
Glen Falls	17,800	3.24	9.0
Gloversville	22,100	3.24	9.0
Hornell	15,700	3.76	10.44
Hudson	11,700	4.10	11.4
Ithaca	18,900	4.32	12.0
Johnstown	10,700	3.24	9.0
Lackawanna	20,100	2.16	6.0
Little Falls	12,400	3.16	8.67
Lockport	21,600	2.52	7.0
Long Beach	2,800	3.60	10.0
Mechanicville	8,500	3.90	10.83

[1] Weighted average.

TABLE IV.—ELECTRIC RATES IN CITIES UNDER 25,000 POPULATION—continued

City	Population	Charge for 36 kilowatt-hours per month	Average charge per kilowatt-hours (cents)
Middletown	20,400	$3.76	10.44
North Tonawanda	17,300	2.46	6.83
Norwich	8,300	5.04	14.0
Ogdensburg	17,000	3.24	9.0
Olean	21,300	2.32	6.44
Oneida	10,600	3.63	10.0
Oneonta	12,000	4.68	13.0
Oswego	22,300	3.24	9.0
Plattsburg	11,500	4.62	12.83
Port Jervis	10,500	3.76	10.44
Rensselaer	11,300	4.10	11.4
Saratoga Springs	13,800	3.24	9.0
Sherrill	2,000	2.88	8.0
Tonawanda	11,200	2.46	6.83
Watervliet	16,100	3.24	9.0
Total	494,700	(1)	9.114

[1] Weighted average.

TABLE V.—ELECTRIC RATES IN VILLAGES AND TOWNS

Villages	Population	County	Charge for 36 kilowatt-hours per month	Average charge per kilowatt-hours (cents)
Altamont	910	Albany	$2.28	8
Colonie	750	do	3.14	8.7
Alfred	600	Alleghany	3.96	11
Almond	460	do	3.96	11
Deposit	2,040	Broome	4.68	13.0
Endicott	15,620	do	3.24	9.0
Allegany	1,320	Cattaraugus	2.32	6.4
Cattaraugus	1,360	do	2.44	6.7
Aurora	370	Cayuga	3.44	9.5
Cato	390	do	5.00	13.8
Bemus Point	280	Chautauqua	2.88	8.0
Brocton	1,360	do	2.88	8.0
Elmira Heights	4,800	Chemung	2.56	7.1
Horseheads	2,320	do	2.56	7.1
Afton	830	Chenango	2.94	8.1
Bambridge	1,340	do	3.19	8.8
Champlain	1,270	Clinton	4.88	13.5
Dannenova	2,950	do	4.88	13.5
Chatham	2,410	Columbia	2.94	8.1
Kinderbrook	770	do	4.10	11.3
McCrawville	1,210	Cortland	2.92	8.1
Marathon	950	do	3.60	10.0
Andes	430	Delaware	7.20	20.0
Delhi	1,770	do	6.12	17.0
Fishkill	530	Dutchess	4.24	11.7
Millbrook	1,170	do	5.76	16.0
Depew	6,120	Erie	3.08	8.5
Alden	890	do	3.08	8.5
Bloomingdale	420	Essex	3.60	10.0
Elizabethtown	570	do	5.40	15.0
Brushton	500	Franklin	3.04	8.4
Burke	370	do	3.24	9.0
Broadalbin	1,350	Fulton	3.24	9.0
Mayfield	660	do	3.96	11.0
Alexander	190	Genesee	2.44	6.7
Canastota	4,220	Madison	3.62	10.
Cazenovia	1,770	do	5.55	15.4
Brockport	3,620	Monroe	2.20	6.1
East Rochester	5,580	do	2.88	8
Nelliston	620	Montgomery	3.60	10
Fort Johnson	810	do	3.24	10
Bayville	990	Nassau	3.96	11
Bellerose	540	do	3.96	11.0
Barker	470	Niagara	2.20	6.1
Lewiston	850	do	3.52	9.8
Boonville	2,100	Oneida	2.52	7.0
Bridgewater	210	do	2.88	8.0
Baldwinsville	3,890	Onondaga	2.59	7.2
Camillus	1,030	do	3.60	10.0
Clifton Springs	1,770	Ontario	3.44	9.5
East Bloomfield	370	do	3.49	9.5
Cornwall	2,030	Orange	3.78	10.5
Chester	1,180	do	4.73	13.0
Albion	5,200	Orleans	2.20	6.1
Halley	1,700	do	2.30	6.3
Altmar	340	Oswego	2.88	8.0
Central Square	570	do	2.83	8.0
Cherry Valley	760	Otsego	4.50	12.5
Cooperstown	2,750	do	4.86	15
Brewster	1,570	Putnam	3.96	11
Cold Spring	1,490	do	4.32	12
Bergen	650	Genesee	2.88	8
Athens	1,740	Greene	4.08	11.3
Hunter	800	do	6.18	17.1
Cold Brook	280	Herkimer	4.32	12
Dolgeville	3,240	do	3.03	8.4
Antwerp	930	Jefferson	3.60	10
Alexandria Bay	2,130	do	3.04	8.4
Constableville	410	Lewis	3.85	10.6
Copenhagen	590	do	4.32	12
Avon	2,470	Livingston	2.44	6.7
Dansville	4,570	do	3.96	11
Cedarhurst, Far Rockaway, and other points	145,950	Queens	3.60	10.0

TABLE V.—ELECTRIC RATES IN VILLAGES AND TOWNS—continued

Villages	Population	County	Charge for 36 kilowatt-hours per month	Average charge per kilowatt-hours (cents)
Castleton	1,680	Rensselaer	$5.04	14.0
Hoosick Falls	5,050	do	3.84	10.6
Haverstraw	5,950	Rockland	4.68	13.0
Hillburn	1,140	do	4.63	13.0
Canton	2,700	St. Lawrence	3.60	10.0
Edwards	560	do	3.60	10.0
Ballston Spa	4,470	Saratoga	3.24	9.0
Corinth	2,550	do	2.80	8.0
Delansen	460	Schenectady	3.70	10.2
Scotia	5,560	do	5.07	14.0
Esperance	220	Schoharie	3.70	10.2
Middleburg	1,030	do	3.70	10.2
Odessa	360	Schuyler	3.56	9.8
Montour Falls	1,650	do	3.56	9.8
Interlaken	660	Seneca	3.19	8.8
Seneca Falls	6,480	do	3.44	9.5
Addison	1,730	Steuben	3.60	10.0
Arkport	850	do	3.96	11.0
Amityville	4,240	Suffolk	3.60	10.0
Babylon	3,700	do	3.60	10.0
Bloomingburgh	230	Sullivan	3.76	10.5
Liberty	3,070	do	4.46	12.5
Candor	780	Tioga	2.88	8.0
Newark Valley	850	do	2.94	8.1
Cayuga Heights	370	Tompkins	3.89	10.8
Groton	2,070	do	3.17	8.8
Ellenville	3,320	Ulster	4.32	12
New Paltz	1,270	do	4.08	11.3
Lake George	800	Warren	3.42	9.5
Bolton	200	do	3.42	9.5
Argyle	210	Washington	3.24	9
Cambridge	1,620	do	4.10	11.3
Clyde	2,650	Wayne	3.44	9.5
Lyans	4,270	do	3.44	9.5
Ardsley	830	Westchester	3.78	10.5
Briar Cliff Manor	1,450	do	4.87	13.5
Gainesville	320	Wyoming	3.96	11
Attica	2,120	do	2.44	6.7
Milo	300	Yates	4.18	11.6
Dundee	1,160	do	4.18	11.6
Coeymans	1,000	Albany	5.04	14.0
Bolivar	2,200	Allegany	3.91	10.8
Wirt	1,000	do	3.91	10.8
Clymer	1,200	Chatauqua	4.68	13.0
Homer	4,000	Cortland	2.92	8.1
Amenia	1,200	Dutchess	5.32	14.7
Cairo	1,800	Greene	4.50	12.5
Durham	1,200	do	4.50	12.5
Eaton	1,200	Madison	3.19	8.8
Cazenovia	3,500	do	5.55	15.4
Sullivan	3,400	do	5.55	15.4
Brighton	1,000	Monroe	3.60	10.0
Petersburg	1,000	Rensselaer	4.07	11.2
Halfmoon	1,000	Saratoga	3.55	9.8
Dix	3,500	Schuyler	7.20	20.0
Warrenburg	2,200	Warren	3.42	9.5
Harrison	1,500	Westchester	3.78	10.5
Total	32,500			

Grand total Table V, villages and towns, 383,620. This represents a population of 2,678,800. Weighted average, 10.141 cents.

NOTE.—Rates are from tariffs in effect December, 1928.

HARRIMAN GEOGRAPHIC CODE SYSTEM

Mr. MOSES. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate bill 5722, to provide for the purchase of the Harriman Geographic Code System.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Whereas under and by virtue of authority contained in Public Resolution No. 70, Sixty-ninth Congress, a select joint committee, consisting of three Members of the Senate and three Members of the House, has found that the Harriman Geographic Code System would promote efficiency and economy of operation and administration in certain of the executive departments and administrative branches of the Government, and has recommended the purchase from George W. R. Harriman, of Washington, D. C., of the right to an unrestricted use of the said system for all governmental, administrative, or publication purposes for which the same may be desirable: Therefore

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to George W. R. Harriman, of Washington, D. C., his heirs, executors, or assigns, out of any money in the Treasury not otherwise appropriated, the sum of $300,000, and, in addition thereto, to enter into a contract with the said George W. R. Harriman, his heirs, executors, or assigns, for the payment to him of royalties based on the use of the Harriman Geographic Code System, upon such terms and conditions as may be agreed upon between the said George W. R. Harriman and the Secretary of the Treasury: *Provided, however,* That the said royalties shall not in any one year be less than the sum of $10,000 nor exceed the sum of $50,000, and that no royalties shall be based

upon or paid for the use of patents covering said system which have expired by limitation of law: *And provided further,* That at any time after five years from the date of said contract, the Secretary of the Treasury shall have the right, upon 12 months' notice in writing to the said George W. R. Harriman, his heirs, executors, or assigns, to cancel said contract, said payments to be in full consideration and compensation for the past, present, and future unrestricted use of the Harriman Geographic Code System, under patents No. 1192829, issued July 25, 1916; 1362939, issued December 21, 1920; 1408455, issued March 7, 1922; 1429285, issued September 19, 1922; 1448960, issued March 20, 1923; 1448961, issued March 20, 1923; 1512598, issued October 21, 1924, heretofore issued, or other patents that may be issued to the said George W. R. Harriman in connection with the products or publications of the Harriman Geographic Code System, and including also the unrestricted use of all copyrights issued or that may be issued in connection with the products or publications of the Harriman Geographic Code System, including the right, license, and privilege to manufacture, use, and dispose of geographs, maps, diagrams, and charts embodying said patented inventions or improvements thereof, or copyright issued in connection therewith, incident to the functions of all bureaus or departments of the United States Government, for all governmental, administrative, or publication purposes for which the same may be desirable: *Provided, however,* That said unrestricted use to be acquired hereunder shall not include the right to generally or commercially distribute to the public any products or publications using the Harriman Geographic Code System, patents, or copyrights: *And provided further,* That a full and unrestricted license to use the said Harriman Geographic Code System, as hereinbefore provided, is executed by the said George W. R. Harriman and approved by and deposited with the Secretary of the Treasury.

SEC. 2. That it shall be the duty of the Chief Coordinator, created by Executive order promulgated in Circular No. 15, Bureau of the Budget, July 27, 1921, to study the application of the said Harriman Geographic Code System to the executive departments and the administrative branches of the Government, and from time to time recommend to said executive departments and administrative branches such use or uses as would tend to promote efficiency and economy of operation and administration of said departments and administrative branches.

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

The preamble was agreed to.

OIL LANDS IN THE SALT CREEK FIELDS, WYO.

Mr. NYE, from the Committee on Public Lands and Surveys, reported the following resolution (S. Res. 349):

Resolved, That resolution numbered 202, agreed to April 30, 1928, authorizing the Committee on Public Lands and Surveys to make a complete investigation as to the leasing of, and contracts for, oil and oil lands in the Salt Creek field in the State of Wyoming, and adjacent Government oil lands, hereby is continued and extended in full force and effect until final report shall be made thereon by said committee during the Seventy-first Congress, the said committee being hereby authorized upon a majority vote to continue the inquiry heretofore prosecuted by it, and that the unexpended balance of the sums heretofore provided for the purpose of this investigation are hereby continued available to the committee.

Mr. NYE. I ask for the immediate consideration of the resolution. It is unanimously reported.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. BRATTON. Mr. President, as the chairman of the committee has stated, the resolution was unanimously agreed to by all the members of the committee present. It expresses the unanimity of sentiment among the members of the committee, and I express the hope that it will be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

NEWSPRINT PAPER FROM FARM PRODUCTS

Mr. SCHALL. Mr. President, about two months ago the President invited my police dog, Lux, to come over and visit him. That incident was heralded to the country and to the world.

A few weeks before that I introduced a plan in the Senate which, if enacted into law, would turn farm waste into farm profits, put billions of dollars into the pockets of the farmer, create a new industry in this country, furnish employment to thousands of people, put millions of dollars into the very hands of the newspapers, make not only newsprint paper but synthetic lumber, insulating board, wallboard, substitute for cork, an excellent substitute for paneling wood now used in airplanes, also many by-products which are revolutionizing chemistry, such as substitute for casein, glue, dyes, oils and sorghum, varnish, perfumes, face powder, and hard plastics which can be used instead of hard rubber. There is also an excellent food for cattle produced as a by-product.

Whether that was news or not I do not know, but I do know that it was not considered interesting enough to allow the public to understand it. The smaller papers of the country did give the news as best they could, but the larger papers did not. That is not true of my State, as an unusual number gave it ample notice up there.

Following the introduction of this farm waste bill, S. 4834, phones rang, inquiries were made by letter, visitors made appointments, as I afterwards learned, not to bring information but to get it. Some of the callers had a Canadian or English accent. I thought it peculiar, in view of such evident interest, that the larger newspapers did not think it worthy of mention. I could not figure out why a plan that meant billions to the farmer and millions to the newspapers would not be news. I thought I was helping the big metropolitan press as well as the little dailies and weeklies, for surely they would want to get their print paper at a reasonable figure and uncontrolled by foreign interest.

An assured market for newsprint paper from farm waste would help, so I introduced Resolution 183, to print the CONGRESSIONAL RECORD on farm-waste newsprint. If all Government printing were done on this paper it would give a market of millions of dollars. Again great interest was shown by those who seemed to know all about it, but no attention was given it so far as the big press is concerned. Where the smaller press did find out about it, it seemed to be of great and vital interest to them.

There was considerable talk in the press, with quotations from Canadian newspapers, about officials of newsprint manufactures getting together for the purpose of fixing a price on newsprint.

The American Press, a newspaper trade journal, official organ of about 8,000 smaller dailies and weeklies, was very much exercised over the newsprint situation. It loyally continues to fight the battles of the small daily and weekly press for the right of their subscribers to live and is striving to break the strangling hold of the foreign newsprint monopoly from the throat of its subscribers. For these smaller papers the indisputable testimony shows, have been paying $95 to $180 per ton for their paper and can see clearly the situation of a few years ago returning, when they were forced to pay as high as $260 per ton for their paper. They rightfully demanded that Congress do something to head off this price-fixing monopoly menace. I ask unanimous consent that the Committee on Printing be authorized to approve the printing of a chart published by this press showing how leading foreign and American newsprint producers interlock.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. SCHALL. Mr. President, the chart on the following page shows graphically the extent to which the Canadian newsprint industry is controlled by a few companies.

Last Saturday in Canada the newspaper manufacturers, foreign and domestic, came to an agreement and signed upon the dotted line forming the biggest newsprint paper trust the world has ever seen. I hope my Resolution 337, which we passed last Wednesday, referring to the Federal Trade Commission the investigation of this huge newsprint price-fixing combine, will have the desired effect in thwarting the ruthlessness of their methods of a few years ago, when they ran paper up to $260 a ton and would have kept on raising it higher if it had not been for the order issued by the Federal Trade Commission. I therefore am in hopes that my Resolution 337 will save the little dailies and weeklies from being forced to quit or sell their American independence.

Editor and Publisher, official organ for the larger press, was also extremely excited. It published articles telling how the Premiers of Quebec and Ontario were the offical agents of the Canadian manufacturers of newsprint and were in New York representing them. It struck me peculiar at the time that the Canadian Government officials should be taking such a leading hand.

Editor and Publisher asserted that foreign newsprint manufacturers were in the market for the purchasing of the stock of United States newspapers, financing publishers who need capital in return for 15-year paper contracts. And they said a publisher of a group of newspapers who has been approached by two of the manufacturers this week told Editor and Publisher about the offers being made, and they declared they knew of instances where foreign "newsprint money" had been accepted.

It was explained that these foreign paper manufacturers were prepared to offer much cheaper money than our own bankers, as their purchase of stock involved none of the brokerage expenses and the deal would afford the foreign manufacturers the advantage of an assured market for their product for a definite number of years.

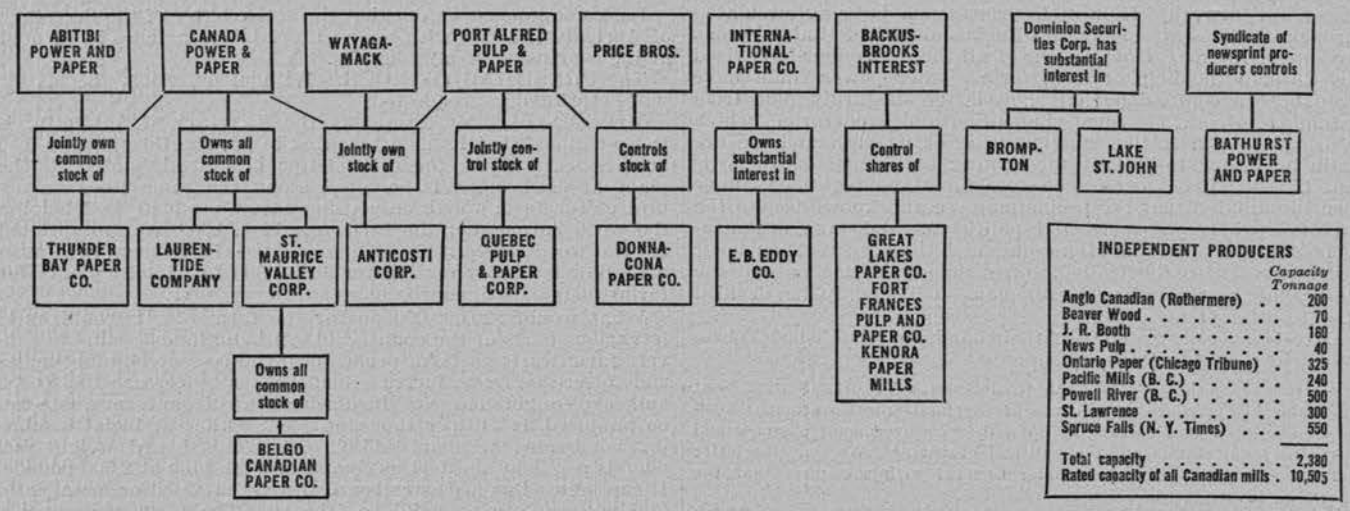
And they asserted that a $16,000,000 corporation had been backed by foreign newsprint manufacturers to assure itself an outlet for its print, and the corporation so backed had already acquired 3 American dailies and wanted 40 or 50 more. They asserted that papers were not being bought outright but that 51 per cent of the stock was being acquired. Other newspapers carried articles concerning this $16,000,000 and declared that $100,000,000 was in the offing for a like purchase of the majority of the stock of well-established American newspapers.

to the heights and assured that if I would but imitate the silence about me all would be well, then a glimpse of the depths.

I could not get it through my head how furnishing a market to the farmers for their waste product could be construed under any light as the wrong procedure. He assured me that this would be all right later but at the present time it was premature. In view of the distressed condition of agriculture, I could not understand this either.

He opined that of all men in Congress I should have a goodly understanding of incurring the displeasure of large business interests. His purring assurance and keen cold-edged presumption as he related what was going to happen to me and my bills if I did not quit, reminded me very much of that same assumption of authority expressed by Mr. Backus when he was called as a witness by me in Minnesota's State Senate hearings, wherein he testified that he thought I was extremely unfair

CHART SHOWS HOW MANY OF LEADING NEWSPRINT PRODUCERS INTERLOCK



In a later article in Editor and Publisher, February 2, they quoted a Canadian manufacturer as saying, "After all it is the newspapers that seat and unseat governments." This thought expressed by this unnamed Canadian is very much in my mind. It seems to me to demand the attention of the men intrusted with our Nation's destiny.

At the close of the war the British Government-owned Dutch Shell Oil and their subsidiary interests succeeded in getting a Secretary of the Interior that sought to turn over to them the very reserve oil supply of our Navy. No wonder foreign propagandists teach that we need no Navy, deluge us with duplicate telegrams and letters urging us to vote for no cruisers, among the signatures of one of which I was astonished to find the name of the governor of my own State. The sure way to the control of that navy or our merchant marine and the protection of our great foreign commerce, which is the lifeblood of our Nation, is the control of the raw products that furnish its motive power.

I introduced Resolution 292, to investigate the foreign and American newsprint price-fixing monopoly to find out just why foreign manufacturers were so vitally interested in preventing the use of our own farm waste with which to make our own newsprint paper.

On the 7th of January I addressed the Senate on my bills to turn farm waste to farm profit. On the 8th of January I addressed the Senate in reference to my Resolution 292. On both of these occasions I introduced into the RECORD various editorials, magazine articles, newspaper clippings along the lines of my argument. In my innocence I had thought that the entire American press would certainly be with me, but I found I had a great many things to learn and I am still going to school.

One of the many visitors interested in this movement claimed he was a representative of the Cornstalk Products Co., of Danville, Ill. I expected to be commended for my work and was not a little surprised to hear him assuring me I had greatly erred; that I had been misled in my information. If I would only stop right here, all might yet be well, but if I should continue the idea dire consequences would happen. I was taken

and unwise in my attitude on the floor of the House in reference to him and his back taxes, that before making the statements I did I should have sent for him and said, "I want to talk to you about this." Wherever you turn, whatever you try to accomplish in the interests of the ordinary folk you get up against the same group of men, few in number but whose power is world embracing. I recalled the big Minnesota political boss, timber and newsprint baron, whom I had been instrumental while in the House in getting to pay up his back income taxes to the tune of $3,218,000 and whose power projects on the northern Minnesota boundary waters I had blocked.

I thought of the past four years of castigation, defamation, and tribulation. How this power had brought an action before a Hennepin County court to nullify my Republican nomination for the Senate.

How, when it had been dismissed, and despite newspapers, organizations, clubs, and money galore, the people had elected me in opposition to the machinery of not only the Democratic and Farmer Labor Parties but against the dominating faction of the Republican Party of my State, immediately this same power, from campaign lies and deliberate falsehood started an action in the Senate of the United States to unseat me.

How, after the Senate had unanimously dismissed this proceeding, with the aid of his governor and lieutenant governor and his partner, the Republican national committeeman and a member of the Minnesota State Senate, a resolution was put through that senate to try me by a carefully selected and well-packed committee, on charges that had already twice by proper authorities been declared without the slightest foundation.

How Providence had intervened in that despicable plot to destroy a man whose only crime was that he had kept the oath of the great office the people had elected him to and refused to keep quiet when he heard the soft footpads of the great timber wolf stealthily approaching our country's treasury.

How the principal, bought witness in that trial had, by the hand of Providence, been brought to the vision of death, called in the priest, took the last sacrament, and made his deathbed

confession that he and his coconspirator, A. N. Jacobs, were to have received $30,000 for their perjured testimony against me.

How this evidence was indisputable and cut away the ground completely beneath the feet of the official tools.

How truth had again, this time by the State senate, forced another unanimous verdict.

How four years of gruelling grind where the fire of watchfulness could not be allowed to die, four years of detectives and snoopers and rifling thieves, where my home in Minneapolis had been sacked from garret to cellar, my office rifled, my mail intercepted and copies taken, in the hope of framing me, every moment under some hireling's eye brought on nervous strain and resultant ill health and me unable to protect myself even as a seeing person could have done.

How these four nightmare years turned gray the hair of my wife, my pal, my eyes, my inspiration, who has the last 15 years fought side by side with me and shared my victories and my tribulations.

How now after all this, the Backus-paid newspapers, headed by Rudy Lee, of the Long Prairie Leader, and Mabe Moreaux, of the Luverne Herald, and the rest of the subservient scribes are cunningly declaring that they want a full-time Senator and that I am through. How their propaganda is being circulated throughout the State to-day that Backus and other timber barons are supporting me. How yet out of all these ingeniously devised lies through the help of God, for no other power could have wrought the confession that showed the dastardly plot from beginning to end, has come vindication and exoneration, which is bringing with it the reinvigoration of us both and we are again beginning to feel fit for another battle and our hope is that it will not be so hard because facts and personages have been illuminated that the people may see and know, despite the craft of paid newspapers and politicians and fake organizations, "who's who" in Minnesota, and that my real opponent for my return to the United States Senate is Backus and the powers he represents whatever name will finally be decided upon to attempt my defeat.

Here is a recent example of their handiwork published February 21 in the Long Prairie Leader:

> We received a letter this week from Senator THOMAS SCHALL sent out under his privilege of free use of the mails for Government business. The letter had nothing to do with the Government business and was a personal statement of a political character. We sent the letter and the envelope to the Postmaster General with a request that the matter be investigated.

It was not a letter but a statement, and on its face would have shown that it was the essence of public business. To have printed it in connection with his editorial statement would have branded his statement as a falsehood.

The statement is as follows, and is a matter of the highest privilege. Not only that, but the "public business" is the very fight that I have been making in behalf of the very class of papers such as the Long Prairie Leader which nevertheless makes this jaundiced attack on me. What kind of a perverted mind it is that even though I am its author in order to insult me would injure the legislation which if they are honest they should want, and which is of benefit to their brother editors? Why stamp my motives with their little narrow prejudices and lack of understanding, if it be ignorance and not deliberate intent?

STATEMENT BY SENATOR THOMAS D. SCHALL, OF MINNESOTA

> The effort to intimidate me made by those persons owning a cornstalk pulp plant at Danville, Ill., culminated to-day in the statements made on the floor of the House by Congressman HOLADAY, of that city.
>
> Insinuations of benefit that would come to me if I would desert the cause of farm aid and join with the newsprint combination, which is now milching the small publishers of the country and preventing the farmer from selling his waste crop for paper making, were made to me several weeks ago, and the threat was then made that if I did not succumb this matter would be taken to the floor of the House. I saw at that time that they were desperate, and undoubtedly this comes as a result of the plight they find themselves in in their effort to stop the farmer from the prosperity which belongs to him and which is now just around the corner.
>
> I do not intend to be bluffed or browbeaten by this combination, and as the Senate Agricultural Committee voted its confidence in me to-day by reporting out my resolution to investigate the newsprint-paper combination, I think it will be very appropriate to place this Member of Congress on the stand who knows so much about it, as well as the members of the corporation located at Danville, Ill., and thus give the country an opportunity to see what they will have to say under oath upon these questions instead of merely flinging on the floor of the House the propaganda of the Newsprint Trust.

Rudy Lee, of the Long Prairie Leader, has, like every other newspaper, the franking privilege. His paper is sent entirely free through the United States mails throughout the county in which it is published. Yet, he would deny to honest public officials seeking to get the truth to the people the privilege which he does not hesitate to use to broadcast lies and slander. This pusillanimous hypocrite is ambitious to be governor of our State. As if a dishonest heart, lack of character, ideals, and justice, without principles, a toadyism and an obedient compliance to the big political bosses' wishes are the qualifications needed. And if he is looking to our present governor for an inspiring example of these qualifications he must not forget that Teddy has that specious craft which gives a kind of plausibility which Rudy can never hope to attain.

My visitor insisted that I would find that neither the Department of Agriculture nor the Bureau of Standards was back of my proposition. That if I would take the phone even now and call up I would find that his surmise was true. I should think the matter over thoroughly, and that he would see me again. Upon his leaving the office, Doctor Woods came in with a letter from the Secretary of Agriculture. This seemed immediate corroboration.

I ask unanimous consent that the entire letter of the Secretary of Agriculture along with some editorials and articles be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, the matter will be printed, as requested.

Mr. SCHALL. Mr. President, the Secretary of Agriculture's letter claimed that I was attempting to put the Government into business, though in the same letter he warmly defended the plant at Madison, Wis., created along the same lines as my project for farm waste only using forest products and helping the wood barons, not the farmers. If $20,000,000 appropriated for the wood interests is not putting the Government into business, how is it that my bill for $6,500,000 for similar plants for farm waste experiment becomes so?

What would $20,000,000 do for the farmer? It would build in various parts of the country 40 synthetic lumber mills to convert farm waste to farm profit, drop the cost of building materials, decrease rents, increase home owners, decrease fuel costs, and save freight charges. Insulating board from farm waste can be produced at $10 per thousand feet. Other artificial insulating wholesales at about $45 f. o. b. This board weighs 500 pounds per thousand feet as compared with pine at 2,500 pounds. It can be used as a plaster board instead of wood or metal lath, and will make a splendid roof board. The farmer needs this insulating board for his new and his old buildings, warmer in winter, cooler in summer. The using of a building material to replace natural wood would conserve our remaining forest supply, whose loss is now a national calamity. It is poor economy to destroy and then tax the people millions of dollars to control the floods. Clear the forests off the land and the great rivers will climb their banks, for the trees withdraw the water and send it into the air, the spongy material at the roots soak up the water and holds it back, thus allowing nature to gently and naturally regulate and keep constant the supply of needed rainfall.

$16,000,000 FOR WOOD PULP—$8,000 FOR FARM-WASTE PULP

I introduced Resolution 200 because the Secretary of Agriculture, running true to the prediction of the cornstalks products gentleman, writes me reference my statements urging enactment of S. 4834 and Joint Resolution 183 that "We have not found it necessary so far for the Department of Agriculture to actually go into the business of manufacturing in order to demonstrate the practicability of our findings." Joint Resolution 200 finds a very successful precedent in freeing ourselves from foreign monopoly in a similar enactment of Congress giving a bonus to sugar-cane growing in this country. My Resolution 200 would have the Government pay a bonus of 1 cent per pound for newsprint paper manufactured from farm wastes such as corn and cotton stalks, sugar cane, straw of all kinds for the next five years after enactment.

I want, if possible, to get the Secretary of Agriculture interested in the farmer, and I am therefore in this bill clearing the way that the farmer may have the support of the Department of Agriculture. I am vitally interested in making solvent the bankruptcy of the farmer and am praying and hoping that the Department of Agriculture will see its way clear to divide its zealous attention of finding a wood substitute for spruce and hemlock pulp with farm waste in the manufacture of newsprint paper.

The Secretary of Agriculture's letter says:

> It is the department's duty to show every possible means of utilizing the waste products of woodland and to properly utilize forest products.

Our laboratories have done everything possible to develop this field of work.

This statement is more than true. I find no fault with it. The department has done and will do everything within their power to find that substitute. The zeal and efficiency of the Department of Agriculture in its efforts to find a solution of the white-paper problem is commendable. For what it has done for wood this department deserves the highest approbation. But the farm problem is at our door and must be solved, and the Department of Agriculture, I should think, is somewhat charged with that solution.

At a cost of some three millions of dollars the Department of Agriculture has erected a paper-manufacturing plant at Madison, Wis. This plant has just been endowed by this Congress, at the Agricultural Department's request, with $1,600,000 yearly for 10 years, or a total of $16,000,000, making the wood-pulp manufacturing project cost the Government just a trifle under $20,000,000, and I call your attention in comparison with this $20,000,000 manufacturing investment to the modest request of the Agricultural Department for $8,000 for investigation in the economic utilization of corncobs and stalks, quoted in the 1929 hearings on the Agricultural appropriation bill, page 918. This $20,000,000 manufacturing organization is confined to experiments in making paper from woods only.

For 10 years past and for 10 years more this $20,000,000 manufacturing organization was and will be burning midnight oil in a single effort to find some method of using woods other than spruce or hemlock in the manufacture of white paper. Twenty million dollars and 20 years to find something that is not lost, while the raw material they are seeking to find at such an immense cost is standing ready at hand in sugar cane, corn and cotton stalks, and straw of all kinds, and is going to waste, while forests are depleted and need a respite.

The Secretary of Agriculture in his letter calls my attention to the fact that 19 years ago the Department of Agriculture discovered the substitute for wood pulp in cornstalks and straw among other wastes. He further states:

One of the large paper-manufacturing plants made rather extended tests, but at the time it was proved that cornstalks could not successfully compete commercially with wood pulp, for instance.

But that was 19 years ago, and vast quantities of spruce and hemlock wood pulp have gone over the dam since then, leaving us denuded of the raw material with which to make white print paper. Why not use the raw material of corn and cotton stalks, sugar cane, straw of all kinds, of which we have an abundance that is now going to waste, and turn it into profit for the beleaguered farmer instead of baiting him and calling him a whiner and trying to blame his misery on lack of diversification and bull-headed employment of antiquated methods? I want a Department of Agriculture that is for the farmer. Why should the bureau of markets continue its policy of issuing glowing crop reports far in advance of the ripening of the crop, when anyone knows that the only result of such practice is an immediate drop in price, regardless of what finally matures of his harvest? As it is, he is compelled to fight the hazards of wind, storm, hail, frost, unseasonable weather conditions, drought, insect pests. Why add the Department of Agriculture to his staggering handicap? Labor and capital are organized and equipped to fight, and they both get results, for their potential strength is well known, and legislation in their behalf has been comparatively easily secured. Why neglect a third of our population because they are unorganized and then expect prosperity? The raw material the farmer has to sell would help to stem his bankruptcy. Use this wealth of now wasted raw material instead of annually turning its value over to foreign newsprint monopoly.

The Secretary of Agriculture in his letter refers me to the 1910 Yearbook, page 329:

There are numerous crop materials now going to waste that deserve utilization for the making of paper. Hitherto the price of wood has been so low that they could not enter into competition with it. This condition appears to be changing, and a point may soon be reached where crop by-products can be made into pulp and paper at a profit to both the farmer and the manufacturer. * * *

It seems very probably that raw products now scarcely considered may in a few years play an important part in the paper and pulp industry.

Those few years have passed. The question of doing something to help the farmer is so absorbing, so vital that our President elect is calling an extra session of Congress to deal with that problem. If the farm waste can be utilized it will go far to solve that burning question, and it seems to me and numbers of Senators with whom I have talked that it is worth trying, and it would be inspiring if we could have a Secretary of Agriculture to hoist his standard in behalf of the farmer and lead the procession instead of standing doubtfully by and wondering if, where the farmer is concerned, it would be advisable to put the Government in the manufacturing business, although he approves of the wood barons' $16,000,000 manufacturing project of the Government in developing forest products which has been appropriated by this Congress.

Therefore I am in hopes that my Joint Resolution 200 will remove this impediment for him and leave them and others protesting they do not want to put the Government into business free to get back of the idea of utilizing our own farm raw material, judging from his letter to me, wherein he says:

We have never permitted the development of one phase of the work in a manner antagonistic to any other phase. It is our duty to promote the wise utilization of forest lands and forest products as well as agricultural lands and agricultural products, and we have done both to the fullest extent of our ability under the authority and funds granted by Congress.

We have no criticism of the work done in behalf of forest products, but we do wish to point out the unfavorable proportions of a $20,000,000 request for appropriation in behalf of forest products in comparison to the paltry little appropriation of $8,000 requested in behalf of developing our farm raw material and thereby equalizing the help to the farmer that has been given the wood baron.

Is the Department of Agriculture warden of the forests only? Is it not concerned with all horticulture? Is its function that of developing the industry of the forest primeval and only writing books or talking in committees about what could be done with our waste field crops? Is not Maeterlinck's bluebird of promise in our own raw material to be had from corn and cotton stalks, sugar cane, straw of all kinds, right here on our own doorstep?

The Secretary of Agriculture in this same letter writes me that he did not oppose the $50,000 appropriation for the Bureau of Standards to make these tests of the economic practicability of utilizing cornstalks and other waste products of the land for the manufacture of paper, building boards, insulating material, and so forth. Yet from the same paragraph I quote him:

When the work was first brought up it was our belief that any work of that kind should be done by existing agencies established by Congress for that purpose rather than starting work in some other bureau, which might lead to duplication.

That was the very thought I expressed, and that was the thought promulgated by the Department of Agriculture that prompted the Director of the Budget to delete it. President Coolidge, at the request of Secretary Hoover, put it back, and as a result of this little $50,000 appropriation we have definite proof of the commercial practicality of the billion dollars' worth of raw material annually raised by the farmers that can and should be invested in the protection and prosperity of our farmers and our country.

If the propaganda being spread at this time by the Agricultural Department and the newsprint Paper Trust and the English Danville Cornstalk Products Co. to the effect that waste field-crop pulp can not be made to profitably compete with wood pulp is true, there can be no harm in passing Joint Resolution 200, because this resolution gives a bonus of 1 cent a pound for paper made from waste products, such as corn and cotton stalks, sugar cane, straw of all kinds, when it is sold at a price not to exceed $50 per ton and contains at least 65 per cent farm waste. If the agricultural and foreign newsprint Paper Trust propaganda is true, then no collection can be made from the Government under my bill. If it is not true, private industry will demonstrate that paper can be made from waste field crops as cheap as wood pulp and an industry which shall be second to none in this country will have been established and we shall have been freed from the domination of foreign countries, who now control our paper supply.

The farmer will be benefited by about a billion dollar annual income and employment furnished thousands and thousands and a new American industry set upon its feet. Surely the Department of Agriculture can now have no objection to supporting my Joint Resolution 200, and we shall confidently look for its powerful influence in the forefront of this fight for turning farm waste into farm profit.

My suave Cornstalks Products Co. representative visitor returned and wanted to know what I had decided. I informed him that I inteded to do all I could to help the farmer through utilization of his farm waste. He again assured me that I would get nowhere with it and that as for the Editor and Publisher articles in reference to my Resolution 292 for investigation of the Newsprint Trust, the editors would not substantiate upon oath what they had said in their magazine. Later when the hearing on 292 came up I found that he had predicted with

entire truth. My prophet further told me that any speeches I might make on the subject would get scant press notice, which I had by this time begun to realize was also the truth. He went on to tell me that such contrary information would be given through the press as would be necessary to counteract anything I might do. Page articles in Sunday supplements have since appeared to verify his predictions.

He asked me if I did not know that the greater press of the country was intertwined with the newsprint-manufacturing business. This I also later discovered to be perfectly true when I found Elisha Hanson, a lawyer, appearing before the Agricultural Committee on the 30th of January in behalf of the American Publishers Association and later appearing before the Committee on Audit and Control as attorney for the Canadian International Paper & Power Co., on the same subject. The International Paper & Power Co., through its bankers, state that—

The International Paper & Power Co., with its subsidiaries, has expanded in such a manner that it is now dominant in the pulp and paper industry with a daily capacity of more than double that of its nearest competitor.

My prophet further said that if I did not desist in trying to get out my Resolution 292 that there would be an attack made on the floor of the House. I continued to urge the members of the Agricultural Committee that they report out my resolution, and on the 21st of January made a speech in the Senate to that end and included in that speech several editorials and articles showing that the smaller dailies and weeklies of the country were insistent upon having the Senate do something to help them in their dilemma and that they feared utter extinction if this foreign combination trust were allowed to work out its contemplated plans. On the 30th of January I appeared before the Agricultural Committee, urged the reporting out of my resolution, and left with them much documentary evidence showing that the smaller dailies and weeklies unprotected by long-time contracts, would have to supply the reparations and furnish the prosperity that the bankers of the International Paper & Power Co. promise in their prospectus, to wit:

It may again be pointed out that the International Paper & Power Co. has not yet begun to reap the benefits of its widespread expansion and diversification. In the meantime the period of overproduction through which the paper industry is at present passing has delayed a realization of the returns which had been hoped for. As described before, however, this situation is temporary in nature and ultimately the tremendous values of the company's paper, pulp, and power properties will produce constantly increasing revenue. The position now held by the company is unique in corporate history. Not only is it the greatest paper company in the world, but it is now also one of the largest public-utility enterprises on this continent.

The above quotation from the International Paper & Power Co. shows conclusively what the Paper Trust intend to do to the smaller dailies and weeklies, and it was no doubt with this understanding the Agricultural Committee reported favorably my Resolution 292.

On the same day as the above resolution was favorably reported, an article was read into the House RECORD by the Congressman from Danville, Ill. Editor and Publisher, which is the official organ of the American Newspaper Publishers' Association, had this article in print at least two days before it was read on the floor of the House. Their headlines declared SCHALL Misleads Public—Would Hamstring Private Industry.

I want to be as courteous to the Danville Representative as he was to me, and, therefore, in his own words I shall say: "I am convinced the Danville Representative accepted this article in good faith," and read it into the RECORD without knowing whom he was representing and without knowing the ramifications of this interlocking and interwoven creature that seeks to use him and the CONGRESSIONAL RECORD to aid their monopolistic control and as an advertising medium for their stock-selling racket. It was natural that Danville's Representative should come to the aid of the Danville Cornstalk Products Co.

The article speaks of an American company and American capital. The Cornstalk Products Co. is the subsidiary of a European holding company, a close corporation, known as the Euroamerican Cellulose Products Co., with their American offices at 42 Broadway, New York City. This company holds the Bela Dorner Hungarian patents for England, Mexico, all Central America and all South America, the United States, and all the rest of Great Britain's colonies and possessions. J. C. VanEck, president of the Shell Union, the Royal Dutch holding company for America, a company owned by the British Government, is a director of the Cornstalk Products Co., of Danville, Ill. Lewis L. Clarke, chairman of the executive committee of the American Exchange of the Irving Trust Co., another English concern, is another director of the Danville Cornstalk Products Co., and this bank is the depository for the Dutch Shell Oil Co. funds in the United States. W. Jule Day, New York lawyer, is president of the Cornstalk Products Co., is also president of the Euroamerican Cellulose Products Co., and a man named W. Jule Day—I have not been able to yet verify, but I think he is undoubtedly the same man—is attorney for the Dutch Shell Oil Co., in which the British Government itself is interested, and which company has the oil of the world cornered, and the Shell Oil Co., in connection with other companies whose management is in harmony with the Shell Oil Co., has 85 to 90 per cent of our own oil in their control. This is the British Oil Co., with which Doheny is connected and for which he undoubtedly acted in his connection with Secretary Fall.

The nation that controls the oil of the world will control the seas, and I am again reminded of the Canadian newsprint manufacturer who said, "After all, it is the newspapers that seat and unseat governments."

If the raw material of corn and cotton stalks, straw of all kinds, sugar-cane, and so forth, of which we have an abundance in this country, is to take the place of our depleted wood pulp, can be cornered for the Canadian or English Governments through patents in the uses of farm waste with which to make newsprint paper, our newspaper industry will continue to be in the hands and under the control, as it is in a great part to-day, of foreigners. So, Senators, the question at issue is of far greater importance than the price of cornstalks, which the article read by the Danville Representative would lead you into thinking was under discussion, and is of far greater importance than whether the newspaper man who was honestly trying to get the facts over to the people as best he could and whom this article sorely berated, is a member of the press gallery or, as the Danville Representative slurringly called him, a detective. I can not see what Mr. Coan or any other newspaper correspondent can have to do with the principle involved in this case, and anyone with a pinch of reasoning power, knowing the situation, knows that he has been dragged in here merely as a red herring across the trail. Is it possible that there are no honest, able newspaper men in the country and in Washington outside the National Press Club and the House and Senate press galleries?

These cornstalk-products people, through the very article the Representative read into the RECORD prove their foreign flavor by their little twisted suspicions that it is impossible for anyone to do anything unless he gets something in return. Is there no patriotism, no ideals, no altruism, and no conception that a man might do something for the distressed farmer, something for his country without there being something in it for him? It would be just as logical and just as fair to state that there are no honest men outside of the United States Senate and that anybody that was not a Member of Congress was undeserving of trust. So far as getting the news of this farm-waste project over to the people is concerned, this so-called detective seems to me to have been the better newspaper correspondent. Mr. Coan is criticized in this article for saying that the farmer will get $12 an acre for his cornstalks and sugar-cane pulp and $15 an acre for his straw. Doctor Sweeney, in charge of the Bureau of Standards laboratory at Ames Agricultural College, when he was here the 30th of January, testifying before the Agricultural Committee on my Resolution 292, told me that his cornstalks had cost him $10 to $14 a ton delivered, but that he was now getting some deliveries for $8 per ton.

The conservative average yield of cornstalks per acre, says Lionel K. Arnold, assistant chemical engineer, Iowa State College, is a ton and a half. This would corroborate that Mr. Coan did not overstate when he said that the farmer would receive $12 per acre for his cornstalks.

As to the so-called detective correspondent's value per acre on straw set at $15. I refer you to a work on rice written by Edwin Bingham Copeland, dean of the Agricultural College of the Philippines, page 329, in which he says that a certain Louisiana factory making corrugated fiber boxes from rice straw is paying the farmers $6.25 a ton for their straw. This would mean $18.75 an acre, or $3.75 more than Mr. Coan reported to his newspaper that the farmer should receive per acre for his straw.

My attention has been called to the English-Canadian Newsprint Trust propaganda that cornstalks make good fertilizer. This is not true. Experts in touch with advanced understanding of soil chemistry state that unless cornstalks are finely shredded and then allowed to decompose in the open air, they take more nitrogen out of the soil in the process than the fertility they furnish is worth. They estimate a ton of cornstalks is worth not more than 75 cents as fertilizer.

Patches of corn have been grown side by side as an experiment, the one fertilized by cornstalks plowed in without shredding or decomposing, the other where they have been removed

and no fertilizer added. The corn on the patch without the cornstalks has been heavier and taller and healthier than the corn grown on the patch where cornstalks were turned under. This propaganda, of course, is being advanced to thwart the utilization of farm waste, but the fact remains that cornstalks are of great value for paper pulp as well as insulating board, and that a reasonable estimate of their value to the farmer is $12 an acre and up.

This Cornstalk Products Co. is not worried about the price of cornstalks, but the powers they represent are worried at the thought of losing the raw material supply with which to make newsprint paper, for through its loss they might lose what control they now have of our press.

Doctor Sweeney is in charge of the Bureau of Standards' practical demonstration of making newsprint paper from cornstalks and straw, and so forth, at Ames, Iowa, and undoubtedly knows more about its commercial problems than anyone else in this country, yet this article read by the Danville representative would have you believe that Doctor Sweeney does not know anything about it.

Doctor Sweeney testified that he had made, and exhibited the paper to the committee, paper of an excellent quality from 72 per cent cornstalks and the balance outside of the clay, wood pulp. That he could produce even with his miniature paper-making machine, as he called it by rule of thumb, a ton of paper with 72 per cent cornstalks for $49. Doctor Sweeney also testified that straw could be used to blend with the cornstalk pulp so that wood pulp would not be needed. The Cornstalk Products Co. now making newsprint paper are charging $160 per ton. The newsprint paper they originally got out for the Danville Commercial News, which was they claimed 65 per cent cornstalks and which I held in my hand before you when I spoke on the 7th of January, was an excellent newsprint paper. Since that speech, and in order to baffle public understanding, they have been furnishing a quality of paper that is not opaque to the different newspapers who wanted to publish on this new medium and at the same time sending along articles to publish therein that it is not feasible to do this thing they are doing, and that competition with wood pulp is not practical. I asked Doctor Sweeney about this lack of opaqueness and he said they were simply failing to put in enough clay. These people are attempting to keep from the public the knowledge that newsprint paper can be made as cheaply with proper machinery from farm waste as it can from wood pulp until they can manipulate patent rights cleverly intertwined with their Hungarian patents and build up a semblance of legal right to prohibit anyone except themselves from entering upon this field of production. The Hungarian patent which they now hold, I am informed, is far from perfect and inferior to the process developed by the Agricultural Department, along the lines of the Shirdell patent, which was taken out 75 years ago and whose rights are now lapsed, and therefore open to the use of anyone together with the improvements the Agricultural Department's investigations have added.

Doctor Sweeney further testified in the hearings before the Agricultural Committee that Richard K. Meade & Co., of Dayton, Ohio, are developing a process of making high-grade paper from straw, and he told me after the hearing that he expected the Meade Co. would turn their factory entirely over to making paper from straw and cornstalks.

Tom Campbell, the greatest wheat farmer in the world, has just returned from Germany and has brought with him a German machine with which to make binder twine from flax straw and is installing this machinery on his farm in Montana, thus pointing the way to remove from our farmers another foreign leech, the Sisal Trust, which robs our farmers annually of millions of dollars.

Up to 30 years ago the United States produced all the bagging used in this country, mostly from flax straw, as well as exporting some to other countries. Through the influence of foreign agents the duty was taken off jute bagging, which is manufactured by the British interests in India with coolie labor at 10 cents a day salary. It was impossible for the American manufacturers of this commodity to compete with this coolie labor after the duty was removed and the result is that to-day we import $150,000,000 worth of jute bagging and flax seed, the production of which rightfully belongs to the farmers of this country.

The Government developed a process for making furfural from oat hulls. The Quaker Oats Co., at Cedar Rapids, Iowa, took the process and are making furfural which adds millions to the profits of the Quaker Oats people, but the farmer does not get a cent more for his oats.

A man named Jackson, in the Bureau of Standards, worked out a process to make sugar out of corn. He left the Government before the process was perfected and went with the Corn Products Co. Jackson and the Volstead law, together with the fine grade of corn sugar they are making, add millions to their profits but have not benefited the corn producer.

These processes must be developed and perfected by the Government, otherwise some monopoly will control it, and the farmer will get no benefit.

Doctor Sweeney's method of making insulation has been adopted by a manufacturer of ice boxes and they are already building a factory for that purpose.

The Cornstalk Products Co. have been constantly absorbing and freely given anything that Doctor Sweeney knows about the process. In fact they have been doing their level best to hire Doctor Sweeney.

Doctor Arnold says that the annual yield of cornstalks in this country is 150,000,000 tons. The Cornstalk Products Co. claim they are using this year the yield of 20,000 acres of cornstalks. That would be 30,000 tons at a ton and a half per acre. It does not seem to me that with an annual yield in the United States of 150,000,000 tons the Danville people will be pushed to the wall if some outlet for the remaining millions of tons is considered. As to the price paid the farmer it seems to me at this time to be immaterial, one price is paid to-day, another to-morrow, just as in any other raw material. If it is not $12, I am sure the farmer would be glad to get $11.25 per acre, which would be the price on their own figuring of $7.50 per ton for cornstalks.

The hamstringing of private industry referred to means a kink in their plans for the Euro-American holding company to retain the majority of the stock of its subsidiary companies and sell the minority to gullible Americans, thus using American capital to load foreign control onto American backs. They are perfectly willing to have us use cornstalks and sugar-cane and straw of all kinds to make synthetic lumber and cork, and so forth, all of which would give benefit to the farmer. But when you come to newsprint paper then you get on the English toe. And immediately the whole interweaving communication of underground wires is set jangling—the bells of alarm begin to sound, here, there, and at far distances.

The suppression of Coan's articles is a hint of what they will do when they control newsprint. Philip Schuyler, who wrote the articles for Editor and Publisher referred to in my Resolution 292, I am told, has been separated from his job.

It is no little struggling concern that can make men in or out of the Government talk or keep still as the indicator is adjusted. No struggling infant industry that after full steam ahead with fine product ready to sell can reverse, slow up, back down. In their own propaganda they put forth more enthusiastic rapturous and glowing statements than those they attack, yet in the statement of the Representative from Danville they try to give the impression that development of rice straw is new to the Department of Agriculture, that potato alcohol is a dream; paper from corn waste a highly impractical and unprofitable venture. Blow hot, blow cold. On the one hand, the process is a failure; on the other hand, they do not need or want any suggestion for improvement that trained scientists can give to make it other than the imperfect thing they claim.

In truth, all they want is to be let alone while they secure a monopoly. Of course, private enterprise would enter, if they do not manage to conceal the facts. They intend to gobble up all the improvements the Government chemists make, hire anyone who knows anything about it, keep a keen outlook on this farm waste, for through it we might be able to make newsprint and thus escape their Canadian-English control. They already look with jealous eyes on the whole field as if in reality they had a corner on it. All I wanted was to establish Government plants in various localities to demonstrate commercial practicality. Then when demonstrated, these plants to be taken over by private industry in open competition where the public could get the benefit of these scientific processes. Who better fitted to take them over than these people? If they were honest they would welcome just such aid, but they want a close corporation, the whole thing tied up in a bag and a string around it.

The English Government already control the rubber supply of the world. Through Dutch Shell Oil Co. they control the oil supply of the world, and through this poor little innocent struggling pioneer, the Cornstalk Products Co., they hope to hang to their control of newsprint paper in this country.

My bill contemplates no Government manufacturing competition. It is simply that I have asked for six commercial demonstrating plants. The Danville Representative seems to think that the one asked for by Congressman DICKINSON is all right because that is not for the purpose of demonstrating the commercial practicality but is only a further feeder of developing processes which may be gobbled up and intertangled with

the so-called Hungarian patents as a legal wall to bar competition so that anyone setting up to make newsprint paper from cornstalks would find an interminable lawsuit at his door. He refers to this English company as a pioneering enterprise. It is a long way from a pioneering enterprise. There is no chance with its tremendous financial backing of throttling it as the Danville gentleman seems to suggest, and if all signs are to be understood the English Government is back of this little baby industry. Maybe that is the reason why the Premiers of Canada—Taschereau, of Quebec, and Ferguson, of Ontario—are so interested in keeping such a close watch upon the consumption of newsprint paper in the United States.

Why all this pressure about the farmer being given something for his farm waste? Why not give the little newspaper a chance to live, for they and the farmer are very closely connected. The little dailies and weeklies are to-day the ones that are keeping alive the old-time ideas of equality and patriotism, and have not yet succumbed to the idea that nationalism is a crime, and if they are removed—which they will be unless something is done to see that they are protected—God help us.

This same foreign power is always found meddling in the nominations of our Presidents, but in the last analysis the real control of our Government is the control of raw supplies of our basic industries. We boast of $14,000,000,000 worth of annual foreign commerce, and are able now to get only half the navy that our President recommends to protect that commerce. What sort of naval protection shall we have when the absolute and permanent control is assumed of our newsprint paper.

Next to the control of the newspapers the most vulnerable spot through which to disintegrate our Government is our convention system. The convention system by which we nominate our Presidents furnishes an excellent opportunity for designing foreign influence to wield a tremendous power in the shaping of our Government's policy, both domestic and foreign. These conventions meet on a strip of no-man's land, over which neither State nor Federal Government have any control. Delegates can do with their vote what they please, and there is no law to reach them. Delegates have been known to openly stand on the floor of the convention and state just how much they have received for their vote. Political bosses from many States practicing their profession as any other profession manipulate the delegates to these conventions for their clients. When such a convention produces a Secretary of the Interior who attempts to turn over to a foreign nation the very oil reserves of our Navy, it is legitimate for us lawmakers to begin to wonder if the safety of our country would not be better guarded through the nomination of our Presidents by the direct votes of our people. If a Secretary of the Interior can be secured, why not a Secretary of State, why not an Attorney General, why not a Secretary of Commerce, yea, why not a President himself? Absolute control of newsprint paper will mean the ultimate control of newspapers. Control of newspapers means the control of the thought of the country, and the control of the thought of the country brings us back to the thought expressed by the large Canadian manufacturer of newsprint when he said, "After all, it is the newspapers that seat and unseat governments."

DEPARTMENT OF AGRICULTURE,
Washington, D. C., January 9, 1929.

Senator THOMAS D. SCHALL,
United States Senate, Washington, D. C.

DEAR SENATOR SCHALL: I have read with a great deal of interest your statements in the CONGRESSIONAL RECORD regarding the utilization of farm wastes. I regret to see that you have been misinformed in regard to some of the facts of the situation.

This department has been engaged, by authority of Congress, in working out methods of utilization of all kinds of farm wastes, including cornstalks, straw, waste fruits, vegetables, etc., for many years.

If you will look over the hearings before the Committee on Agriculture, you will find that every year this subject has received wide attention. Since the appropriation features have been taken over by the Committees on Appropriation, you will find in the hearings before the subcommittees constant reference to many aspects of this question.

What the department has already accomplished in the utilization of these wastes is saving the farmers and fruit growers millions of dollars annually, and still further work is in progress in various laboratories devoted to this purpose. We have not found it necessary so far for the Department of Agriculture to actually go into the business of manufacturing in order to demonstrate the practicability of our findings. We have usually found industry ready to take up these questions as soon as the facts indicate commercial practicability.

In the Yearbook for 1910, page 329, you will find an article by Charles J. Brand on the utilization of crop plants in paper making, in which cornstalks and straw, among other wastes, are discussed. This same material was presented and widely distributed in the form of bulletins. It was shown at that time that various useful products, including those mentioned in your statements, could be made out of cornstalks, and also quite a number which you did not mention. Efforts were made at that time to get some of the larger paper manufacturers to utilize stalks for paper production, and certain pages of Circular 82 of the Bureau of Plant Industry were published on paper made from cornstalks. It was shown that nearly all grades of paper could be made from cornstalks. One of the large paper-manufacturing plants made quite extended tests, but at the time it was proved that cornstalks could not successfully compete commercially with wood pulp, for instance.

It is also the department's duty to show every possible means of utilizing the waste products of woodland and to properly utilize forest products. Our laboratories have done everything possible to develop this field of work, as we have been required to do by congressional acts. However, we have never permitted the development of one phase of the work in a manner antagonistic to any other phase. It is our duty to promote the wise utilization of forest lands and forest products, as well as agricultural lands and agricultural products, and we have done both to the fullest extent of our ability under the authority and funds granted by Congress. We have been successful in both fields, as abundantly attested by those familiar with the facts.

This department did not oppose the special item of $50,000 appropriated to the Bureau of Standards for making commercial tests of the economic practicability of utilizing cornstalks and other waste products of the land for the manufacture of paper, building board, insulating material, etc., for it was evident from the work already referred to that these products could be manufactured. When the matter was first brought up it was our belief that any work of that kind should be done by already existing agencies established by Congress for that purpose, rather than starting work in some other bureau, which might lead to duplication. We discussed this aspect of the case with those interested in promoting the legislation, including the Bureau of Standards, several Members of Congress, and others. It was finally decided that the efforts of the Bureau of Standards should be devoted to a "survey of the possibilities of the industrial utilization of waste products from the land."

In accordance with my instructions, Doctor Woods, in charge of the scientific work of this department, has conferred frequently with the Bureau of Standards and with Professor Sweeney with a view to seeing that every possible help in the promotion of this work was furnished.

It seems unfortunate, therefore, that you should be misled into making statements based on incorrect information, which entirely misrepresents what has been done by this department and its attitude toward the work in general.

I hope you may take occasion to acquaint yourself with the facts and to see that this matter is corrected through the CONGRESSIONAL RECORD.

Yours very truly,

W. M. JARDINE, *Secretary.*

[From the Pennsylvania Manufacturers' Journal, February, 1929]

TURNING STALKS OF CORN INTO STACKS OF COIN—SOME OF THE ACTIVITIES OF SENATOR SCHALL, OF MINNESOTA, IN THE INTEREST OF AMERICAN MANUFACTURES

United States Senator THOMAS D. SCHALL, of Minnesota, is the author of several bills in Congress intended to encourage and to protect the manufacture of newsprint paper made from American raw materials.

Two hundred and seventy-five million dollars' worth of newspaper is imported annually from Canada and elsewhere that might as well be made here in the United States from our own raw materials now going recklessly to waste.

Senator SCHALL knows that just as good newsprint paper made from the waste products of American farms, such as corn and rice stalks, certain straws, hog palmettos, and the pulp of sugar cane after the sucrose has been extracted, as well as many other vegetable products with a large content of carbohydrate cellulose, from which paper can be manufactured.

Senator SCHALL, with the force of a thunderclap, spread consternation abroad when he recently exposed in the Senate the existence of a $16,000,000 fund by shameless and impudent foreign interests to establish a campaign of propaganda against this American economical enterprise of American manufacture of newsprint paper from the waste products of our farms—North, South, East, and West.

The Senator from Minnesota is entitled to the sincere gratitude of every American for his many activities in behalf of the farmers of the country and for his efforts to transmute into gold those products of their fields that have been heretofore a loss and a source of expense for their removal. By this process of conservation the sum total of our national wealth will be increased hundreds of millions of dollars each year.

We take great pleasure in presenting to our readers Senator SCHALL'S own modest summary of his legislative activities along those lines of conservation, which he has so kindly furnished to the editor of the Pennsylvania Manufacturers' Journal.

SENATOR'S SCHALL'S MEASURES IN CONGRESS

"Why should the United States import $275,000,000 worth of paper annually from foreign countries while waste field crops on American farms capable of producing this paper are allowed to rot? This question

agitated me until I determined to introduce legislation which would remedy this evil.

"My first bill is to establish demonstrating plants, which plants are to be sold by the Government to private interests just as soon as their commercial practicability is shown.

"My second bill is to print the CONGRESSIONAL RECORD on paper manufactured from waste field crops. The Government purchases $2,500,000 worth of white paper annually; encourage manufacturers to make this paper by offering them this market.

"My third measure is a Senate resolution to investigate price fixing by foreign newsprint manufacturers who are offering low-term loans to newspapers who will make 15-year paper contracts, thus destroying a possible market for field-crop paper for that period of time.

"My fourth resolution is a joint measure asking that a bounty of 1 cent a pound be paid to any paper manufacturer using at least 60 per cent of field crops in his mixture and selling it to newspapers for $40 a ton.

"This is a 100 per cent American program and should appeal to every loyal citizen of this country."

[From the American Press, New York, February, 1929]

SENATE COMMITTEE REPORT BACKS NEWSPRINT TRUST INVESTIGATION—SENATOR SCHALL TELLS WHY HE LEADS FIGHT FOR PUBLISHERS

Senator THOMAS D. SCHALL, of Minnesota, whose resolution to investigate the Newsprint Trust has been favorably reported on by the Senate Committee on Agriculture and Forestry and now goes to the Senate Audit Committee, told the American Press in an exclusive interview that he intends to stick to his guns until he gets action.

The resolution calls for the appointment of a committee of five Senators to "investigate the activities of groups of foreign and American citizens controlling the supply of white paper in the United States with a view to determining whether such activities would have the result of creating a monopoly in the supplying of paper" to newspaper publishers. The committee is to report to the Senate its findings, with recommendations.

Should the Senate committee uncover enough evidence to warrant, there is a possibility of action by the Department of Justice, similar, perhaps, to that resulting in the dissolution of the Newsprint Manufacturers' Association in 1917.

Many of the firms that were members of the Newsprint Manufacturers' Association have been taking leading parts in the attempts of the past few months to fix prices.

In the final decree in the case against the Newsprint Manufacturers' Association, United States District Judge Julius M. Mayer held that "The Newsprint Manufacturers' Association is an unlawful combination of the defendants in restraint of the trade and commerce in newsprint paper among the several States and with foreign nations, in violation of said act of July 2, 1890; and said Newsprint Manufacturers' Association shall be, and it hereby is, dissolved.

"Each corporate defendant is hereby perpetually enjoined from carrying into further effect the combination hereby dissolved and from entering into or engaging in any like combination having for purpose or effect (a) the elimination or restriction by concert of action of competition in newsprint paper, or (b) the concerted working for materially higher prices for newsprint paper, or (c) the establishment by concert of action of uniform prices, terms, or conditions for the sale of newsprint paper, or (d) the concerted working to discourage others from manufacturing newsprint paper."

Senator SCHALL, who is leading the fight in the Senate for the investigation, told the American Press he wants to see justice done to the smaller publishers as well as the larger, and explained his active interest in the newsprint situation.

"There is no doubt that a Newsprint Trust exists," said Senator SCHALL. "The manufacturers of newsprint from wood pulp have made no attempt to conceal the fact that they have been holding conferences for the past two months in the attempt to fix prices and limit production.

"The newsprint manufacturers doubtless believe they are protected by the Canadian frontier, but they became overbold when they stepped out of this protection to hold their conferences in New York.

"We are now entering upon the second month of 1929, but to-day newspaper publishers do not know what price they will have to pay for their newsprint this year. The Newsprint Trust has not yet announced the price. Isn't it plain enough that price fixing is going on?

"As to statements made by representatives of the larger daily newspapers that if the price arrived at is $55 a ton for 1929 they will raise no objection, all I have to say is that fixing a price of $55 a ton is just as illegal, to my way of looking at it, as fixing a price of $65 a ton. And the publishers of the larger dailies would kick strenuously if a price of $65 a ton were announced.

"Canadian newsprint manufacturers have not tried to conceal their intention to raise the price of newsprint in 1930 and again in 1931. If they can fix a price of $55, they can fix a price of $65 just as easily. Maintaining this fixed price is another matter. But if they can maintain $55 a ton for 1929, the chances for maintaining a price of $65 a ton in 1930 or 1931 will be much better.

"I am particularly interested in this fight because of my interest in farm aid and because I want to see justice done to the smaller newspapers of the country as well as the larger. I want to see that the weekly publishers, who are now paying around $95 a ton for newsprint made from wood pulp get cheaper newsprint and the farmer gets a chance to turn some of his waste products into cash.

"Scientists who have been experimenting for a considerable time in the endeavor to make newsprint from cornstalks, wheat, rice, and flax straw, cotton stems, sugar-cane pulp, and other farm waste products assure me that the project is entirely feasible. Dr. O. R. Sweeney, of the Iowa State College Experimental Station, has made newsprint said to be of excellent quality from cornstalks, and a number of newspapers have been printed on cornstalk paper. Doctor Sweeney says newsprint can be made just as well from other farm waste products.

"He testified before the Agricultural Committee, January 30, that he could make and was making an excellent newsprint paper from cornstalks for $49 a ton, and he exhibited to the committee an excellent quality of paper which had been made from cornstalks by his little, as he called it, thumb-to-hand equipment.

"The paper that he exhibited to the committee was 72 per cent cornstalks and 28 per cent wood pulp. He explained that he thought a blend could be made with straw and cornstalks so that you could get along without any wood pulp, but the paper he exhibited was 72 per cent cornstalks and 28 per cent wood pulp. If we could reduce the drain of our forest 72 per cent, it would be a mighty factor in giving us independence of the foreign Newsprint Trust.

"To-day I find that most of our newsprint supply comes from Canada."

"Now, what I want to do is to bring back to the United States the production of paper on which the newspapers of the United States are printed and at the same time to give the farmers of this country at least part of the money that has been going into the pockets of Canadian and other foreign manufacturers of newsprint from wood pulp.

"With that aim in mind, I introduced in the Senate my resolution. That is also why I have proposed that a bounty of a cent a pound be paid to manufacturers of newsprint from farm waste products. The bounty would be paid for a period of five years, and during this time the newsprint made from farm waste products would be sold to newspapers at a price not to exceed $50 a ton. At the end of five years the industry of manufacturing newsprint from farm waste products, I am assured by authorities, would be able to continue selling newsprint at $50 a ton or less.

"And I am going to keep in the fight until something is done about it. I have already been subjected to pressure to call off the fight, but I have served notice that it will not be called off until I get action that will help the newspapers and the farmers of this country."

[From the Editor and Publisher the Fourth Estate for March 2, 1929]

INVESTIGATION OF NEWSPRINT INDUSTRY AUTHORIZED BY UNITED STATES SENATE—FEDERAL TRADE COMMISSION WILL PROCEED AT EARLIEST OPPORTUNITY—SCHALL EMPHASIZES HANSON'S APPEARANCES FOR AMERICAN NEWSPAPER PUBLISHERS' ASSOCIATION AND INTERNATIONAL PAPER

By George H. Manning, Washington correspondent, Editor and Publisher

WASHINGTON, D. C., February 28.—The Federal Trade Commission, at the direction of the Senate, will undertake at the earliest opportunity an investigation into practices of manufacturers and distributors of newsprint paper which are alleged to tend toward monopoly and to discriminate against publishers of small daily and weekly newspapers.

With but brief discussion and one minor amendment the Senate assured the investigation with the passage Wednesday of the resolution of Senator THOMAS D. SCHALL, of Minnesota, directing the commission to investigate the supposed combination which is said to have fixed prices and virtually controlled white-paper supply in this country.

The sole change in the Schall resolution as reported by the Senate Committee on Agriculture was that which requires the commission to make occasional reports as to the progress of the investigation, largely at its own convenience. This replaces the clause which requested reports every 30 days.

The bill was called up the day before its final passage, but was passed over at the request of Senator DAVID REED, of Pennsylvania, when Senator WESLEY JONES, of Washington, objected to the provision requiring monthly reports. The prospective debate on this proposal caused REED to ask that the bill be brought up the next day. This was done, and there was no objection from the floor to its passage.

The sole objections to Senator SCHALL'S resolution in its present form were voiced by Senator WESLEY L. JONES, of Washington, who thought that the provision as to a report by the Federal Trade Commission every 30 days was useless. The amended resolution does not refer to the "citizens of foreign countries" alleged to control the white-paper business of the world and to have purchased a controlling interest in a chain of American newspapers.

Instead, it merely directs the Federal Trade Commission to hold hearings and report whether practices of manufacturers and distributors of newsprint paper tend to create a monopoly in supplying publishers of

small daily and weekly papers. The measure in its present form was reported February 7 from the Committee on Agriculture, to which it had been referred when introduced, January 7.

"At the time I introduced the resolution," said Senator SCHALL, "I believed that it would be a relatively simple matter to have the Senate authorize this inquiry, because it has always shown its sympathy to the small consumers and others who are not in a position to defend themselves against the harmful practices of monopolies.

"It is particularly true that the Senate of the United States has kept in mind the viewpoint of the smaller daily and weekly newspapers of the country. The Senate has in recent years authorized two sweeping investigations into the activities of the newsprint combines—one in 1917 and another in 1920. The first inquiry authorized by the Senate was conducted by the Federal Trade Commission and resulted in indictments and a decree in the Federal courts against certain newsprint manufacturers for violation of the antitrust law. It is these same manufacturers, more closely knit than in other years, that are the moving figures in the present newsprint monopolistic trend. The Senate itself conducted an investigation in 1920, at which time they made it clear that the smaller publishers were harmed by newsprint combines."

Senator SCHALL then turned to the testimony of Elisha Hanson, pointing out that he had appeared before one committee as attorney for the American Newspaper Publishers' Association and at another as attorney for the International Paper Co., but declared that when Mr. Hanson was appearing for the American Newspaper Publishers' Association he had asserted that he or Senator Lenroot, his law partner, represented the newsprint industry.

In this connection Senator SCHALL said:

"The National Editorial Association, representing the small daily and weekly newspapers, whose representative testified at the Agriculture Committee hearings, was not notified.

[The National Editorial Association has supported this investigation and the American Newspaper Publishers' Association and International Paper Co. has opposed it.]

"The authorized spokesman for the newsprint manufacturers was present and ready to oppose the measure. The record of the hearing of Saturday, February 9, contains the statement of Elisha Hanson, who appeared as the attorney for the International Paper Co. in opposition to reporting the resolution. Mr. Hanson had previously appeared before the Committee on Agriculture as attorney for the American Newspaper Publishers' Association. At that time he declared: 'We think this particular investigation is unnecessary.' At this hearing, in response to my questions, Mr. Hanson denied that either former Senator Lenroot or himself represented the newsprint organization."

Senator SCHALL dwelt at length on Mr. Hanson's appearances before the two Senate committees, calling attention to the latter's declarations that there was no monopoly in newsprint, and his statement "my client in this particular instance, the International Paper Co., has nothing to fear from the proposed investigation."

"Senators, the International Paper Co., and other large producers of newsprint have every reason to fear a repetition of investigations of other years by the Senate," continued Senator SCHALL.

The blind legislator next discussed in detail newspaper stories appearing in Toronto and Montreal newspapers concerning conferences of A. R. Graustein, president of the International Paper Co., and J. H. Grundy, head of "a huge United States-Canadian alliance of power and paper groups." He declared that the matter thus extended beyond the newsprint field solely, and was linked with monopoly in public utilities generally.

He foresaw a price-cutting battle between these two large hydroelectric and paper manufacturing interests, with resultant price increases later to the small publishers who have not signed long-time contracts. He quoted a recent news dispatch which said that Canadian newsprint manufacturers expect soon to announce a settlement stabilizing the price of newsprint at about $55.20 a ton.

"The fixed price of $55.20 will be given only to the larger newspapers who will protect themselves by contracts," he went on, "and it applies only to the year 1929. What the fixed price will be in 1930 and 1931 can only be conjectured by remembering what happened a few years back when newsprint paper to the small consumer ran up to $260 a ton. The testimony admitted by all concerned in the hearing before the Agricultural Committee on January 30 was that the smaller newspapers are now paying $95 per ton and only a short time ago were paying $180.

"I heard this morning on good authority that last Saturday the combination forming a tremendous Newsprint Trust of American and Canadian interests was formed, and the names thereto put on the dotted line. Another fact is that A. R. Graustein, president of the International Paper Co., resigned as president of the Bathurst Pulp & Paper Co., a subsidiary of the International, and another was elected in his place to do the signing."

Senator JONES then suggested that the resolution should require only a final report from the commission as soon as possible. This apparently does not greatly concern backers of the bill, for Senator NORRIS, of Nebraska, agreed that a final report would do as well.

[From the Grand Rapids (Minn.) Review, Saturday, March 2, 1929]

Senator TOM SCHALL's platform may not be worth the cornstalk paper it is written on, but why not give him credit for an honest effort to serve his constituents? The attempt on the part of the band-wagon Republican newspapers to ridicule his cornstalk-paper proposition smacks of small politics and lacks the fairness which he has a right to expect from the press of Minnesota. The very newspapers that are heaping ridicule upon him now supported his candidacy four years ago when he ran against Magnus Johnson, the farmers' candidate, and J. J. Farrell, the Democratic nominee. (Olivia Times.)

[From the Chicago Tribune]

PAPER FROM FARM WASTE

Two-thirds of the newsprint used in the United States is manufactured in Canada, and to Canada goes $200,000,000 every year to pay for it. To the United States this is an advantage, so long as newsprint is best made from wood pulp. It saves our forests. It helps to develop economically our northern neighbor. Unless wood pulp from Alaska becomes more of a factor in the paper industry than at present the United States has few more wood-pulp paper resources. The Alaskan project, still in the planning, may be important in the future. To-day the wood-pulp supply lies in Canada.

Paper of fair quality is now produced from cornstalks and from straw, and this, with time, no doubt, will be improved in quality and made cheaper in its price. To the corn grower and the sugar-cane grower this will give an income of $12 an acre. To the grower of peanuts and cotton $7 an acre may be derived from like by-products.

Farm waste may be used by manufacturers of paper and other products to the great advantage of the farmers and to American industry, and investigations conducted under a Government appropriation of $50,000 show that the gain may be much greater. A resolution introduced by Senator SCHALL, of Minnesota, to investigate the print-paper supply of America probably will have worth-while results. A supply of paper pulp from the United States without destroying our forests is possible.

[From the Hanley Falls (Minn.) Press, Friday, February 8, 1929]

SCHALL'S PLAN A PRACTICAL FORM OF FARM RELIEF

THOMAS D. SCHALL, the blind Senator from Minnesota, should have unstinted praise and encouragement from the farmers of the whole country in his efforts to have his bill passed to encourage the manufacture of paper from the waste products of the farm.

Mr. SCHALL's bill (S. 4834) calls for an appropriation to build manufactories in different parts of the country where this raw material can be secured easily, and demonstrate the commercial practicability of making a high-grade writing paper, newsprint paper, compoboard, insulating board, and wall board from straw, cornstalks, and cugar-cane pulp, thus utilizing and turning into profit what is now waste and burnable nuisance.

On January 17 Mr. SCHALL introduced a joint resolution which is to provide a bounty for the encouragement of the manufacture of newsprint paper from the waste products of field crops produced on American farms. It reads as follows:

"Whereas it is necessary to encourage the manufacture of newsprint paper from the waste products of field crops produced on American farms (such as cornstalks, flax, wheat, rice, or oat straw, cotton stems, and sugar-cane pulp) for the purpose of further developing the paper-making industry in the United States, which is now dependent principally upon foreign countries for an adequate supply of the pulp and paper used in such industry; and

"Whereas it is estimated that the utilization of the waste products of such field crops would increase the annual income of the American farmers by more than a billion dollars and thereby tend to relieve the present agricultural situation and the distress of the farmers; and

"Whereas it has been demonstrated that paper manufactured from such waste products is of a finer quality than that now manufactured from wood pulp and that the manufacture of paper from such products is commercially profitable; and

"Whereas the Congress, in order to encourage the growing of sugar cane within the United States, has enacted legislation to provide for the payment of a bounty to sugar-cane growers with the result that a large and profitable industry has been developed; and

"Whereas similar encouragement to the American manufacturers of newsprint paper would tend to develop the paper-making industry and enable such manufacturers to compete with those in foreign countries: Therefore be it

"*Resolved, etc.*, That any American manufacturer of paper who manufactures newsprint paper containing at least 60 per cent or more of waste products of field crops produced on American farms (such as cornstalks, flax, wheat, rice, or oat straw, cotton stems, or sugar-cane pulp) and who sells the paper so manufactured to any newspaper or other publisher in the United States at a price not exceeding $50 per ton, shall be paid from the Treasury of the United States a bounty of 1 cent for each pound of paper so produced and sold.

"SEC. 2. This resolution shall take effect immediately and shall remain in force for a period of five years from the date of its approval."

[From the Duluth (Minn.) Labor World, Saturday, February 16, 1929]

SENATE TO FAVOR SCHALL PROBE OF NEWSPRINT TRUST

Senator TOM SCHALL is still riding E. W. Backus. He charged in the Senate that a newsprint monopoly exists. Backus manufactures newsprint. SCHALL presumes if there is a trust, Backus is in on it.

SCHALL'S resolution to probe his alleged trust was this week reported out of the Senate Committee on Agriculture and Forestry, calling for a special senatorial investigation.

The resolution must be approved by the Senate before the probe can be held. SCHALL proposes to find out if it is true that a group of foreign and American capitalists control the white-paper supply in the United States.

The committee wants to know whether the activities of this group will have the result of creating a monopoly in the supplying of white paper to the publishers of small daily and weekly newspapers.

Before agreeing to report the resolution the committee amended it by striking out the preamble, in which it was asserted that a group of newsprint producers have invested $16,000,000 in a chain of American newspapers and is planning to make further investments for the purpose of assuring for themselves control of the sale of newsprint to American papers.

The committee further amended the resolution to make the proposed investigation apply to the activities of American citizens as well as to foreigners, and to include the effect of the alleged activities upon weekly as well as upon daily papers.

[From the Albert Lea (Minn.) Tribune, Monday, January 28, 1929]

The editor of the Le Sueur Herald doesn't mince matters when he says:

"Senator SCHALL has a proposition to make print paper from cornstalks, and as a result the price of paper has been reduced. There has been and is now more pure, unadulterated graft in newsprint than in any other one article. During the war paper got up to $260 a ton. The head of one paper mill was 'fined' $250,000 for grafting—that is, he was compelled to buy $250,000 worth of war bonds, which he sold a few days later at a premium. We hope the Senator will be successful in putting a crimp in the newsprint grafters."

[From the Park Rapids (Minn.) Journal, Thursday, January 24, 1929]

While the Journal has never had much to say about United States Senator THOMAS D. SCHALL, from our State, we must admit that his bill, Senate file 4834, which calls for an appropriation to build manufacturing plants in different parts of the country where raw material can be easily secured and demonstrate the commercial practicability of making a high-grade writing paper, newsprint paper, compoboard, insulating board, and wall board from straw, cornstalks, and sugar-cane pulp, thus utilizing and turning into profit what is now waste and burnable nuisance on the farm, as being worthy of every consideration by our Government. Reports are out that a certain combine of foreign capitalists has been formed, buying a controlling interest in all of the big dailies of the country, forcing these papers to sign a contract to buy their print paper from them for 15 years. This would ultimately force the small newspaper man to come to them, with the result that foreign countries would have absolute control. The Journal thinks Congress should look into this matter very seriously.

[From the Lakefield (Minn.) Standard, Thursday, February 7, 1929]

UTILIZING FARM WASTE

Senator THOMAS SCHALL is sponsoring a bill that will, if it becomes a law, be worth millions of dollars to the publishers of country newspapers. It does not affect the big city papers so much, as they buy in such large quantities that they now get the lower rates.

The bill is known as the Schall farm waste bill. It is proposed to make print paper from cornstalks, sugar-cane pulp, cottonseed, bran, peanut shells, rice and wheat straw, all of which in many sections are a waste. Converting this waste into print paper means more than a billion dollars annually to the farmers of the United States.

Many Senators and Congressmen are of the opinion that the adoption of this bill will go a long way toward helping the farmer solve his problems. Newspaper publishers should get behind Senator SCHALL'S bill and give him every support possible in getting it through the Congress.

Briefly, cornstalks make better and cheaper newsprint paper than is now produced by spruce pulp. Sugar-cane pulp, another waste product, makes the highest grades of writing paper at much less than its present cost.

Cottonseed, bran, and peanut shells, of which 2,000,000 tons are now produced and burned yearly, have been found to contain 45 per cent of xylose, a sugar of no food value, which will take the place of glucose in the spinning of rayon, will produce high-power explosives, and a number of other necessary commodities. Xylose now sells for $100 a pound.

Straw makes the best wall board or synthetic lumber; all we have is now produced from sugar-cane pulp and supplies only 1 per cent of the potential demand. Straw also makes high-grade paper pulp.

Potatoes will produce the higher as well as the lower grades of alcohol, which at present to manufacture we import annually from foreign countries $10,000,000 worth of blackstrap molasses. (Le Sueur News-Herald.)

[From the Milan (Minn.) Standard, Friday, January 25, 1929]

Senator THOMAS D. SCHALL is trying to secure legislation which will make it possible to convert cornstalk and other waste from field crops into paper. We are importing a great deal of paper from other countries. If the Senator succeeds, he will have made the United States independent of foreign paper manufacturers and thereby removed a more or less subtle influence from American journalism. It will also provide for an additional source of income for the American farmer.

[From the Alexandria (Minn.) Echo, Thursday, February 14, 1929]

THEY DON'T KNOW OR CARE ABOUT IT

The Milaca Times thinks that few of the organizations which are indorsing the "Minnesota plan" know anything about it; their indorsement of it is just perfunctory; much the same as the indorsement years ago by the same organizations of the plan to bond northern counties for drainage. They didn't study the effects of drainage, but just blindly indorsed the thing.

We would go further and say that very few of the 60 editors who sponsored the "plan" know anything or care anything about it. It is just something to talk about and put the McNary-Haugen type of farm relief out of people's minds.

We can prove it.

One of the chief items of the "Minnesota plan" is the advocacy of utilization of farm waste. Well, before the plan was even drawn up Senator SCHALL began work on a scheme to encourage the manufacture of cornstalk paper. He has proposed two plans: One the building of paper mills in several States by the Government to be run until the process is a success and then sold to private industry; the other, that the Government pay a bounty of 1 cent a pound to any American paper mill that makes paper of at least 60 per cent cornstalk or other farm waste and sells it for not more than $40 a ton. (The present price of Canadian newsprint is $55 a ton.)

Here is a practical effort to utilize farm waste and at the same time help out the country publisher by assuring him an unfailing and cheap supply of newsprint, and to take the monopoly in that product away from Canada. Every single one of the 60 editors should be shouting for SCHALL'S bills if they cared anything about their own plan of farm relief.

Are they?

Not so you could notice it! Very few of them have even mentioned the Schall resolutions. Most of them have advertised the fact that they have received samples of cornstalk paper, but with no mention of the fact that an effort is being made to have the Government encourage its manufacture. A few of the sponsors, like the Detroit Record and the Alexandria Citizen-News have, on the other hand, sneered at Senator SCHALL'S efforts.

They don't care or know anything about what their "plan" proposes to do for agriculture. In fact, they don't care anything about farm relief; never did and never will. All they care about is to keep their gang in office, and "kidding the farmer," is a necessary part of that process.

[From the Milan (Minn.) Standard, Friday, February 8, 1929]

A mill at Danville, Ill., is now manufacturing newsprint from cornstalks and the paper is reported to be of good quality. To help this infant industry to grow the country newspapers should begin to make a demand for such paper and buy it in preference to paper made from wood pulp whenever a supply is available. It would also be good policy to give Senator SCHALL the encouragement he deserves for demanding an appropriation by Congress for establishing experimental plants to determine the practicability of making paper from wheat straw and other waste products of the farm.

[From the Kasson Call, Wednesday, January 23, 1929]

PAPER PRINTED ON CORNSTALK PAPER

The editor of the Kasson Call received a copy of the Evening Huronite, printed at Huron, S. Dak., from H. E. Young, State bank examiner in charge, that was of particular interest to us. The paper was printed on the new cornstalk paper. In appearance it is very nearly the same as wood-pulp paper, except that it is not quite so opaque and the blacker type shows through the sheet. The fault will likely be remedied without difficulty. The paper has a crispness and crackle when it is handled and has a much smoother finish than wood-pulp print, which is likely due to the process of manufacture.

This new means of obtaining cellulose, which is the substance composing print-paper pulp, is the most encouraging development in a great many years of work and study to find a substitute for wood. The United States is the largest user of paper in the world. Its natural supply of wood for paper making is practically exhausted and this country is a great market for the foreign wood-pulp industry. The American industries are using their available pulp supply much faster than it is being replaced by reforestation. This situation has been the cause of much serious study and experiment to prevent the country from becoming dependent upon foreign supplies to make paper.

The new process is of great importance to paper users, but the variety of uses to which cellulose can be put, the locality of the supply of raw material, and the opening of new markets for waste products means a great deal to the Corn Belt and the Northwest.

Cellulose occupies a peculiar place in the chemical world. In their study of the substance, chemists have not been able to isolate its composing elements and are somewhat in the same position as scientists are in finding just what electricity is. Like electricity, however, they have in no way been hindered in developing it and using it. The production of rayon, or artificial silk, a short time ago has brought this substance to general public attention. In the same process of using cellulose in making silk many other articles have been imitated. At Iowa State laboratories no less than 187 useful products, ranging from synthetic lumber and axle grease to face powders and delicate perfumes have been developed from the lowly corn plant. Some of the articles made from cellulose are rayon, paper, lacquer, artificial leather, wall liquid and ice-cream spoons, toilet articles.

The future in the cellulose world is of such magnitude as to defy the imagination of the most visionary. Next to cornstalks, cottonseed hulls promise to be the cheapest source of cellulose. Other vegetables from which it is obtained are flax, jute, hemp, nettle fiber, pineapple fiber, thistle fiber, sea grasses, raphia, Spanish moss, coconut fiber, hops, broomcorn, hibiscus, linden, willow, shells, tobacco stems, and many others.

The only plant that has made paper from cornstalks is the experimental plant of the Cornstalks Products Co. (Inc.), at Tilton, Ill. Plans are under way for many other plants. The importance of the successful operation of such plants is the market which they offer to the corn States for waste material. No prices and figures have been quoted, but the cornstalk paper, at present in its experiment stage, is quite a little higher than wood-pulp paper. As a basis of figuring a price of $5 per ton has been placed on cornstalks. Methods of handling the stalks have not been worked out definitely, although the national farm-machinery companies are working with the plants to perfect a system.

That this new paper is of some importance may be attested by the fact that Senator THOMAS D. SCHALL has presented a bill in Congress to have the CONGRESSIONAL RECORD printed on cornstalk paper, and included in the bill are provisions for pulp mills all through the Northwest.

[From the Olivia (Minn.) Times, Thursday, January 24, 1929]

Senator SCHALL will be entitled to the unanimous support of the farmers of Minnesota if he succeeds in having paper mills established which will utilize the waste products from the land. His bill calls for an appropriation of $7,000,000 for the erection of eight demonstrating plants in the United States, two of which are to be erected in Minnesota. These mills would manufacture paper from the farmers' waste products, which would prove a valuable commodity. Senator SCHALL has made an extensive study of the processes of converting these waste products into paper and there may be much merit in his proposal. We would respectfully suggest to the Senator that Olivia might be considered a strategic point for the location of one of these plants.

[From the White Bear Press]

SCHALL AFTER CANADIAN PAPER TRUST

Senator SCHALL has introduced a bill for an appropriation with which to build experimental factories for the making of print paper from wheat straw, rice straw, cornstalks, canestalks, and cotton stalks. He has met a solid wall of opposition from a Canadian organization which has spent $16,000,000 on American newspapers with a view of controlling them and tying them up with 15-year contracts to use print paper made from wood. They say they have $100,000,000 more to spend if necessary.

The United States Government has spent millions trying to make paper from pine, but it contains too much rosin and it is so sticky it can not be made a success. Only $50,000 could be squeezed out of Congress for experiments on cornstalks, etc.

Now comes the invention or discovery of a process which makes a good grade of newsprint paper from these products, and it is now acknowledged by the Department of Agriculture that it has been known for 20 years that paper could be made from cornstalks, canestalks, cotton stalks and wheat straw, but it has been kept under cover all these years, to the advantage of the Paper Trust.

It is estimated that the utilization of waste farm products for the manufacture of paper would bring a billion and a half dollars into the pockets of the American farmer. It would seem that those who claim to be desirous of helping the farmer would seize this opportunity to assist him, but no undertaking affecting such a gigantic industry as paper making and involving such enormous amounts of capital can ever get by without violent opposition. Senator SCHALL has a fierce battle before him and has started something which will undoubtedly be prolonged in the accomplishment.

The Senator has also "stirred up the animals" by introducing a resolution in the Senate authorizing the appointment of a committee from the Senate "to investigate the activities of groups of foreign citizens controlling the supply of white paper in the United States."

In closing his address before the Senate recently Senator SCHALL said:

"Millions of dollars have been appropriated. This last year, as I said a moment ago, $1,625,000 was appropriated to make studies into the best wood from which to make paper, but no effort is made to do anything along the line of utilizing the farm waste.

"Let us break this foreign monopoly of our newspapers by turning this billion and a half dollar farm waste to its proper use. Let us make the United States the controlling factor of the world's paper market and free ourselves from foreign dominations, and at the same time do what we are about to hold an extra session for—help the farmer. Allow the farmer to cash in on what is now waste, and it will come mighty near settling the farm situation."

[From the Hancock Record, Hancock, Minn.]

Senator SCHALL is making quite a fight in the Senate of the United States in the interests of making paper from cornstalks, cotton stalks, and various plant straws. Paper of such making has been used by several publications and is reported as satisfactory.

The move seems to have a good foundation in that it will, if put on a commercial basis, afford farmers on the average of $15 an acre for cornstalks, tend to preserve our natural forests—what there are left of them—and to liberate the newspapers of the United States from a possible conflict with Canadian paper interests, which are supplying a great amount of the paper used by some American dailies in the East.

And it also seems to have good possibilities for reality considering the fact that Canada paper interests have demanded 25-year contracts from several of their buyers right away before the move gets any further.

[From the Primghar (Iowa) Bell, Wednesday, January 30, 1929]

"WOLF HOWLS"

By Fred B. Wolf

TO FIGHT PAPER TRUST WITH CORNSTALKS

There is a possibility of the newspapers of the United States taking more interest in "farm relief" now that they are facing a strong gouge by the newly formed Canadian Paper Trust, which seeks to control the output and price of newsprint, the paper used for printing all newspapers.

We are in receipt of a letter from Senator DAN STECK, Iowa's Democratic United States Senator, in which he incloses a copy of a bill introduced by Senator SCHALL, of Minnesota, and prepared by that Senator and Mr. STECK, which proposes to vote several millions of dollars for the construction of experimental plants to manufacture print paper out of various farm by-products, including cornstalks, wheat and flax straw pulp, rice-straw pulp, sugar-cane pulp, etc.

Such a law would have a double object, the utilizing of waste products on the farms of the United States worth billions annually and now unused, and making a cheap print paper that would compete with that made from wood pulp now and very largely controlled by the big paper mills in Canada.

Very little wood-pulp paper is now manufactured in the United States, for we have used up most of our raw material. The paper this is printed on comes from a Canadian mill and costs more than twice as much at it did 15 years ago, and the prospects are it will cost still more.

We certainly wish the Minnesota and Iowa Senators success in their undertaking, but realize that they will meet the same opposition that the attempt to bring corn sugar into general use met—the big trusts back of cane sugar have throttled that movement, and the big Paper Trust will make the sledding anything but easy for the Schall bill.

Anyhow, thanks, Dan, for trying to help we poor devils out of a tight hole.

[From the Lexington Leader, Monday, February 18, 1929]

PAPER FROM FARM WASTE

Newsprint and other papers are now being successfully manufactured from rice straw, cornstalks, and other heretofore waste matter on the farms and plantations, precisely as high-grade insulating materials are

being made of bagasse, or the fiber of sugar cane, after the extraction of the juice.

Senator SCHALL, of Minnesota, with the active support and collaboration of Senator SACKETT, of Kentucky, has introduced two important resolutions which, it is hoped, will be acted on at the special session to be called by Mr. Hoover, or at least not later than the December regular session of Congress.

The first of these resolutions provides for a special committee of five Senators, who are to be authorized and directed to investigate certain activities of a group of foreign citizens controlling the supply of white paper, in order to determine whether there is a movement on foot having for its object the creation of a monopoly.

It was announced in a trade magazine in December that this group of men, holding foreign citizenship, have purchased control of a chain of American newspapers at a total cost of $16,000,000, and that it is planned to secure control of some of the leading metropolitan dailies of the country.

The purpose seems to be not only to deluge the country with propaganda as a means of protecting the present wood-pulp paper industry and to influence Congress, but to make 15-year contracts with important newspapers for the supply of white paper.

Senators SCHALL and SACKETT and other influential men believe that if the scheme is carried out it might have a tendency to prevent the development of an American paper industry using cornstalks and other farm wastes. Such an industry, it is felt, will add greatly, when once established and flourishing, to the farm income and will aid in solving the agricultural problem.

In view of these facts the second resolution, on whose behalf Senators SACKETT and SCHALL have been active, provides a Government bounty for the encouragement of the manufacture of newsprint paper from the waste of farm crops, including cornstalks, flax, wheat, rice, or oat straw, cotton stems and sugar-cane pulp in order that an American industry may be developed and one free from foreign control.

The use of these waste materials, it is estimated, would increase the income of the farmers of the country in the sum of $1,000,000,000 or more, and at the same time lower the price of paper and guarantee a product of superior quality.

The proposed bounty would stand on the same basis as that which Congress provides by legislation for the purpose of promoting the cultivation of sugar cane and which has had the effect of developing a very important and profitable industry.

It is further provided that any American manufacturer of paper using 60 per cent of waste or more, such as cornstalks, wheat, rice, or oat straw, etc., and who sells his product at a price not exceeding $40 a ton shall be the recipient of this bounty, which amounts to 1 cent for each pound of paper produced and sold at or below the maximum price indicated.

The resolution, when passed, will take effect immediately and remain in force for a period of five years, thus giving ample time in which to make the experiment involved, at which time Congress can act in the light of developments.

This is a most important piece of legislation and deserves support. The situation demands its passage. There is reason to believe that it will have favorable consideration when it has been thoroughly studied.

[From the Hitterdal (Minn.) Standard, Thursday, February 21, 1929]

SENATOR SCHALL STARTS BIG FIGHT

Senator THOMAS SCHALL, well known to many of our readers, is putting up a real fight at this session for the passage of a bill to foster the manufacture of waste products of the farm, such as cornstalks, straw, etc., into paper, and to convert the excess potatoes into alcohol, the latter item for which we now import $10,000,000 annually on blackstrap molasses.

Actual facts seem to show that by allowing these plants to operate Congress will give the corn grower about $12 per acre for his stalks, the wheat grower should realize about $15 an acre from his assurance of a really dependable market for his product regardless of quality.

None of the statements made by the sponsors of this big movement are guesses, suppositions, or a desire to please the agricultural sections. They are facts, and chemistry has solved this problem beyond the slightest doubt, and as the industry is developed the process will no doubt be improved until the waste from our farms and orchards would be a source of profit far above the annual total value of some of our staple products.

While the present bill now before Congress carries with it a 1 cent per pound subsidy on paper that is made from these waste products, it may develop that capital will be ready to undertake the building of the pulp mills without assistance from the Federal Treasury. At any rate, this is a wonderfully large undertaking and means almost unlimited gain for the American people, and should have the united support of every citizen who is in the least interested in the welfare of the country.

[From the Marshall (Minn.) Messenger, Friday, February 15, 1929]

SCHALL MOVES TO ENCOURAGE MAKING PAPER FROM CORNSTALKS

A joint resolution introduced in the United States Senate recently by Senator THOMAS D. SCHALL, of Minnesota, would provide a bounty for the encouragement of the manufacture of newsprint paper from waste products of field crops produced on American farms.

The resolution provides that an American manufacturer of paper who made newsprint containing at least 60 per cent of waste products from the farm, such as cornstalk, flax, wheat, rice, or oat straw, cotton stems, or sugar-cane pulp, and who sold the paper to publishers at a price not exceeding $50 a ton, should receive a bounty of 1 cent a pound of paper from the Government.

The resolution declares that it is estimated that the utilization of the waste products of field crops would increase the annual income of American farmers by more than a billion dollars and thereby tend to relieve the present agricultural situation and distress of the farmers. The resolution has been read and referred to the Committee on Finance.

Newsprint has been successfully made from cornstalks and has been used recently in printing by both newspapers and magazines.

[From the Minneapolis Journal, March 12, 1929]

MAGNUS SUED AS SEQUEL TO FIGHT AGAINST SCHALL

A suit which is an echo of the attempt to unseat United States Senator THOMAS D. SCHALL three years ago for alleged violation of the corrupt practices act was filed in Hennepin County district court. Sam H. Holt, investigator employed to obtain evidence against Senator SCHALL, is suing Magnus Johnson, former United States Senator, and Henry G. Teigen, Johnson's secretary, for $875 as part of $1,475 which Holt alleges was to be paid him for his work. The suit was filed by H. T. Van Lear, Holt's attorney.

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

The PRESIDING OFFICER. The Secretary will call the roll.

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

Ashurst	Fess	King	Sackett
Barkley	Frazier	McMaster	Schall
Bayard	Glass	McNary	Sheppard
Bingham	Glenn	Mayfield	Smith
Black	Goff	Metcalf	Steck
Blaine	Hale	Moses	Steiwer
Bratton	Harris	Norbeck	Thomas, Idaho
Broussard	Harrison	Norris	Thomas, Okla.
Bruce	Hayden	Nye	Trammell
Capper	Heflin	Oddie	Vandenberg
Copeland	Johnson	Pine	Walsh, Mass.
Couzens	Jones	Reed, Pa.	Warren
Deneen	Kendrick	Robinson, Ark.	Waterman
Dill	Keyes	Robinson, Ind.	Watson

The PRESIDING OFFICER. Fifty-six Senators having answered to their names, a quorum is present.

Mr. HEFLIN. Mr. President, I desire to say a word in support of the resolution of the Senator from Minnesota [Mr. SCHALL]. He has a resolution pending here for making print paper out of cornstalks. I suggested to him the other day that we had succeeded in making print paper out of cotton stalks.

This resolution, if passed, will put into operation machinery that will take care of a great deal of the waste products of our farms, and in this way will help to solve the farm problem. I have seen trees cut to pieces with the great machines with which print paper is made. They take the body of a great tree and feed it into a vast machine and cut it into chips not much larger than your three fingers. It involves an immense amount of cost and a vast amount of machinery. You can take the cornstalks and the cotton stalks on the farm and provide machinery at much less cost and much smaller machinery to pound these cotton stalks and cornstalks into pulp, and, in my judgment, in a little while make this print paper much cheaper than it can be made out of wood. In doing that a vast amount of waste material upon the farm can be taken care of, and the great forests of the United States can be preserved.

I just wanted to say that much in support of the Senator's resolution.

Mr. WALSH of Massachusetts. Mr. President, the Senator from Minnesota [Mr. SCHALL] has called our attention in several addresses to the importance of investigating the newsprint-paper industry.

I desire to call attention to the fact that in the second session of the Sixty-sixth Congress an exhaustive investigation was made by a subcommittee of the Committee on Manufactures, and that a report—Report No. 662—was filed in the Senate on June 2, 1920. That report made several recommendations seeking to give relief to the small consumers of newsprint paper. No action was taken upon those recommendations.

Without making any suggestion as to what the Senate ought to do now in the way of a further investigation, I think the subject ought to be fully presented in the RECORD of the debates. Therefore, I ask that the report made at that time be printed in the CONGRESSIONAL RECORD.

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

The report is as follows:

[S. Rept. No. 662, 66th Cong., 2d sess.]

NEWSPRINT PAPER INDUSTRY INVESTIGATION

Mr. WALSH of Massachusetts, from the Committee on Manufactures, submitted the following report pursuant to Senate Resolution 164:

In pursuance of Senate resolution 164, providing for the investigation of the newsprint industry with a view of discovering whether discriminatory, unjust, or illegal practices are responsible for the present conditions in the newsprint-paper industry, and have affected the prices for the products thereof, the Committee on Manufactures presents the following report:

HISTORICAL BACKGROUND OF THE NEWSPRINT SITUATION

Although the average cost of manufacturing print paper decreased between the years 1913–1916, according to the Federal Trade Commission report, the open-market price charged the consumer rose from 1½ cents per pound in 1913 to 2.35 cents per pound in 1915 f. o. b. destination, and by the end of 1916 to 5 cents per pound f. o. b. mill.

This advance in price was accompanied by a "new policy of delivery on the part of most manufacturers and a strict rule against allowing leeway in tonnage to the buyer, who was compelled to take his allotment monthly whether he needed it or not; and if he was unable to store the surplus shipments, the paper went by forfeit to the maker."

Under the then prevailing system the terms on large contracts were more favorable than those on small ones, and after the increase in price of the second quarter, 1916, but very few short-time contracts were concluded. The smaller newspapers, because of their inability to sign long-time contracts, suffered severely from constantly increasing prices during this period.

Conditions in the industry became so glaringly bad in 1916 that the Trade Commission was requested by the Senate to investigate evidences of unfair practice. This investigation resulted in the prosecution of several offending newsprint manufacturers and, in addition, to fines imposed for admitted violation of the Sherman antitrust law by pleas of "nolo contendere." An agreement was entered into by the then Attorney General and the manufacturers as to a fair price for paper, which was put at $0.03275 per pound, but it was furthermore stipulated that in case a buyer offered more than the price set by the agreement it was lawful for the manufacturer to accept it on the ground that it was a voluntary offer mutually satisfactory to buyer and seller. The utter inadequacy of this agreement to protect the public interest will be later discussed.

RECENT DEVELOPMENTS AS SHOWN IN THE INVESTIGATION

In regard to the situation since that time, the testimony has brought to light two predominating factors which have influenced the conditions of the newsprint market and placed publishers of small country daily and weekly newspapers in a very serious plight. Firstly, that there has existed a shortage of newsprint paper, threatening many small publishers with extinction; and secondly, that certain newsprint manufacturers have taken advantage of this shortage to exploit the purchasers of such paper and hold them up for excessive, unreasonable, and wholly unfair prices. If this shortage could actually be traced to the operation of natural economic laws, the offense of charging high and exorbitant prices would not be so grave, although the committee is not willing to concede the right of the manufacturer, distributor, or any other person to make unfair use of such a condition. But all the evidence of the various witnesses and the substantial and absolutely authentic information we have obtained from official reports seem to indicate that many of the newsprint paper makers here and in Canada were acting in collusion, with the apparent intent to bring about restraint of the normal flow of trade and engage in unfair competition by methods in some cases of creating an artificial supply and in others of resorting indirectly through their bureaus of statistics to an actual fixing of price. Indeed, there is sufficient evidence to warrant the finding that there has been a deliberate curtailment of newsprint paper upon the part of some newsprint paper manufacturers to "get even" with the Government for its prosecution and also to hold up prices.

QUESTIONABLE BUSINESS METHODS OF THE MANUFACTURERS

In regard to contracts made by manufacturers, the committee found that many of them were practically identical so far as terms were concerned. Except in the case of some small independent companies, the contracts nearly all have the same terms of delivery and reserve the right to readjust terms quarterly. Even the large publishers can not to-day, in most cases, contract for a year's supply at a fixed annual price. The mills, with few exceptions, reserve the right to fix prices quarterly, and there is invariably a rise in price each quarter. Moreover, it has been the custom of the large manufacturers during the past three years to notify their customers in advance that it would be necessary to reduce their previous allotments. This, of course, would enable the manufacturers to compute accurately their annual production. It develops in the testimony also that the companies gathered general statistics on the amount of paper consumed by their different customers so as to estimate what quantity of paper would produce the most favorable market conditions.

Newsprint paper known as standard news constitutes 90 per cent of the total production in the newsprint paper industry. Although the demand for standard news has increased very materially, yet the mills have produced more paper of the other grades, which formerly made up 10 per cent of their output, and have limited the production of the standard news below an amount proportional to the increased demand. In the case of one large mill they increased the production of the grades other than standard news more than 170 per cent for 1919 over 1917; and in the case of another, producing more than 25 per cent of the newsprint paper of this country, the production of standard news has decreased over 20 per cent in the last two years, while the other grades of print paper not so widely used by publishers have been increased by more than 65 per cent, despite new large demands for print paper. This total production has decreased from 1,238,787 tons in 1917 to 1,227,180 tons in 1919.

Since the excess-profits tax was put into effect there has been a noticeable increase in the amount of advertising carried by all newspapers, particularly the large urban publications. This is due to the fact that large concerns, having realized greatly excessive returns, have chosen to expend a portion in some form of advertising which can be counted in their tax returns as going expenses of business, rather than turn large amounts over to the Government in taxes. While this is obviously a bad development growing directly out of our income tax laws, and it is also true that the tremendous quantities of paper consumed would naturally cause a rise in the price of newsprint, nevertheless the facts brought out concerning the Manufacturers' Statistical Bureau and its influence in diminishing instead of increasing production of newsprint in the face of new demands would seem to indicate that it was the deliberate intent of some manufacturers to reduce their output in order to find justification in scarcity for a large increase in price.

And the figures of production for the first quarter of 1920 show even a greater falling off in output. During the first part of 1920 all of the paper produced by 76 mills was 12,320 net tons as compared with an output of 15,656 net tons by 51 mills in a similar period of time in 1919. A favorable indication was given in the production figures for April, 1920, which show an increase of newsprint of 10 per cent over April, 1919, and we trust that this production will increase until the supply of paper is sufficient to meet the full requirements of the publishers.

TREND OF NEWSPRINT PRICES

There are two methods of selling and buying newsprint paper, by contract between the manufacturer and the publisher or consumer—this method is confined to the large users—and by purchasing in the open market through brokers and jobbers—this is the method in vogue by the small publishers.

Now, as to the methods of price fixing and its effect on the market. In 1918, subsequent to a prosecution by the Government of certain newsprint manufacturers under the Clayton Act, hereinbefore described, a sort of a sliding-scale agreement based on changing costs was entered into between the Attorney General and the companies, and which is still in force, permitting a charge of $0.03275 per pound for print paper, since this was deemed an equitable and fair rate. We have discovered that the indicted manufacturers have violated the spirit of the agreement and that they have increased their prices considerably beyond that figure without first effecting a legal readjustment of the rates as was provided in the court decision; that they were able to do so by virtue of the provision in their agreement with the then Attorney General which permitted them to receive higher rates for their paper provided that the buying price was satisfactory to both parties. This amounted to a virtual nullification of the law, for if a customer was willing to pay more than $0.037525, it was within the privileges of the company to accept any price offered over that amount, so that obviously the firm attempting to sell on the basis of the rate agreed upon was operating at a relative disadvantage. Hence the natural tendency of the price of print paper was toward a high level.

Why the Department of Justice should have drafted such an ineffective decree the committee is unable to explain. To all intents and purposes the insertion of the clause which permitted the manufacturers and buyers to negotiate privately and fix the purchasing price constituted an annulment of all the other clauses in the agreement which attempted to control this business, prevent combinations in restraint of trade, and punish profiteering. The result has been that though the agreement is still legally in effect, no manufacturer anywhere is making the slightest pretense to live up to it and the Federal Trade Commission and the present Attorney General's office practically admit that it not only can not be enforced, but worse still that it is a hindrance, if not a bar, to prosecution. How deplorable the present situation is can be summed up as follows:

The prevailing pre-war price for newsprint paper was discovered to have been 1½ cents per pound. Many honestly managed mills made contracts for the half year 1920 at 3 to 5 cents, on which—we have it by their own admission—they are realizing fair and reasonable profits. We found that the contracts for the most part were confined to publishers controlling the big metropolitan dailies. The country newspapers, very small users, have been unable to make contracts with the

mills and they have been obliged to buy through brokers and jobbers and pay as high as 22 cents per pound for individual lots. It was not uncommon to find very many country newspapers who have been paying between 12 and 16 cents per pound for shipments since the beginning of the year. To-day it is practically impossible for them to buy at a price less than 15 or 16 cents per pound. The result, of course, is pernicious. A crisis has been reached.

Small publishers are in the hands of unscrupulous profiteers and exploiters. All newsprint paper not bought under large contracts with the mills is for sale to-day to only the highest bidder. Normal business conditions in the newsprint paper are removed and disregarded. Figuratively speaking, the supply of newsprint paper not manufactured under large contracts with the publishers is to-day for sale only by auctioneers, and the auction block is located in the offices of a few brokers and jobbers. Mr. Courtland Smith, testifying before the committee as the representative of 5,300 country papers, said:

"In my opinion not half of the country press, numbering 12,000 weekly papers and 800 daily papers, will survive the next six months unless there is a drastic change in the situation."

PROFITEERING

While this committee has not been able, because of the limited time at its disposal, to consider to what extent profiteering exists in the newsprint paper-manufacturing business, we are satisfied that there has been excessive profit making in this business during the last few years.

One witness before this committee testified that the net earnings of his company for the year 1919 were $400,000, and when closely questioned he admitted that net earnings for the four months of the present year, namely, from January 1 to May 1, 1920, were approximately $500,000. The same witness testified that the actual money invested in this plant was about $4,000,000. It is thus apparent that if the net earnings for the first part of this year continue this company will make in the year 1920 net earnings of $1,500,000 on an actual investment of $4,000,000, or 66⅔ per cent on the total plant value. This witness further testified that his company's selling price during this quarter ranged from 4 to 8 cents, but that most of its output was sold at 6¼ cents per pound. With these figures before us who dares to estimate the extent of profiteering when paper is sold for 15 cents per pound? We use the word "profiteering," but in view of the evidence "usury" would be a better word.

As to the profits of jobbers and brokers, we cite the following case as an extreme example of profiteering among newsprint distributors. One firm dealing in newsprint and other paper paid 7 per cent on its preferred stock last year and 120 per cent on its common stock, besides increasing its surplus substantially. This enormous record of dividends has been paid by this company for the last three or four years. The committee has found several instances of where middlemen had increased their commissions from 2 per cent, the standard less than a year ago, to 10 per cent during the recent paper shortage.

Even the large newsprint publishers are at the mercy of the manufacturers. It is a special favor to-day for any manufacturer to contract at any price to furnish newsprint paper to any publisher. One newspaper publisher, when he was asked what suggestions he could make to assist in remedying the present condition, raised both hands, implying that he could do nothing but get paper where he could and pay what was demanded. It was not and still is not safe for a publisher in any way to criticize or protest to a manufacturer. On the other hand, the small consumer of newsprint paper finds himself in the spot newsprint paper market with the prices prohibitive. In a word, the big publishers, not having mills of their own, are in a "hold-up market," while the small publishers are being driven from the business by threatened bankruptcy.

THE EXPERIENCE OF THE GOVERNMENT PRINTING PLANT

The experience of the Government with the question of newsprint paper would seem to bear out the findings of the committee in regard to the shortage of newsprint paper and the extent of profiteering. At the Government printing plant, where all Federal documents, including the CONGRESSIONAL RECORD, are published, there has been an increase of over 300 per cent in the price of paper since 1917 and a threatened increase to-day of 600 per cent. At that time (1917) an adequate supply was available at 2½ cents per pound, whereas the last price the Government was forced to pay a few weeks ago was 7¼ cents per pound. At present the printing plant is unable to obtain paper because the authorities are unwilling to pay the exorbitant demands of the manufacturers, who are demanding 14½ cents per pound from the Government in the last quotations submitted. Under the obtaining conditions the Government, like the small publishers, is forced into the spot market for paper.

This committee is not convinced that over one-third the price now asked in the spot market is warranted, and, in fact, there are some well-regulated firms who, as the evidence has shown, consider 4 to 5 cents per pound a thoroughly fair and reasonable price for their products.

While the testimony revealed certain paper mills that were reaping extra legal rewards from their dealings, the committee was deeply impressed by other concerns who continued to do business on a fair basis of return. These latter firms serve as a source of gratification and encouragement, since they prove that we still have left in American business, men imbued with a desire to live up to the traditionally high character of American business and to conserve some of the ideals of square dealing, as distinguished from those who pursue the new selfish policy of "get what you can." These firms, in the midst of an era of gross profit taking, managed to resist the many strong temptations embodied in the success of their more unscrupulous paper makers. And the committee wants the honest concerns to know that it is our purpose to repudiate the practices of their fellow manufacturers and to restore the paper industry to a plane of respectability compatible with the trust and confidence of the American public.

CONCLUSIONS

There is no doubt that it is the manufacturers who have spot paper to sell that have and are reaping the large profits and placed such severe penalties upon the country press. There has been evidence presented which would show that jobbers and brokers and commission men are receiving very large financial returns as a result of existing high prices, though many of them frankly admit their disgust with the existing unhealthy and immoral conditions of trade, and candidly admit that they are ashamed to sell newsprint paper for the prices current to-day.

Although the committee has considered the various disturbing elements that the newsprint industry has been subjected to during war time, and the subsequent period of quickly rising material and labor costs, and has also taken into account increased consumption of print paper, the apparent scarcity of wood pulp, and the numerous other unstabilizing forces common to all businesses of to-day, we feel that the scarcity of the product was more the result of artificial obstructions than of the natural laws, and that the market prices and the uniform contract stipulations were arrived at through the shortage of production, the efficient work of the manufacturers' bureau of statistics, and the use of a virtual gentleman's agreement.

We believe that the profits taken by several of these concerns were totally out of keeping with the best business practices, that some manufacturers were and are guilty of breaking the spirit, if not the letter, of their own previous agreement with the Government, and that they took advantage of a condition—attributable for the most part to their own manipulation—in order to make gains far out of proportion to those of fair, legitimate business profits. That the practices were unjust, illegal, and discriminatory is established beyond any doubt, and also that the prices charged for newsprint paper are both excessive and unwarranted. Therefore, in order to remove the causes of this discrimination and excessive price charging and to protect the country press—one of the chief means of enlightening and educating our rural population—the committee makes the following recommendations as a possible solution.

The measures suggested in some instances may be considered drastic. This committee, however, believes and deplores the fact that the existent emergency has made strong, determined action necessary. It is not the function of any government to stand by and watch the enforced decadence of an institution so vital to the soundness and integrity of our Nation as the country press and the press managed and conducted by religious bodies, farm agencies, wage earners, and fraternal associations; nor did the committee feel as though it could witness the wholesale exploitation and imminent bankruptcy of our newspapers, large as well as small, without advising radical procedure against the offenders aimed to prevent in the future the continuance or repetition of any such processes.

REMEDIES

I. Immediate action by the Attorney General for the prosecution and punishment of the newsprint manufacturers guilty of offenses either against the Sherman antitrust law, the Clayton Act, or the provisions of the court decree of 1917 in regard to the newsprint industry, and that in this procedure the Attorney General be furnished with all the information which the Federal Trade Commission may at present have in its possession or which it may hereafter procure.

II. In order to discourage wasteful use of newsprint paper, we recommend that a tax of 10 cents be levied on all Sunday papers weighing over 1.28 pounds, until such time as the supply of print paper shall be adequate for the fullest needs of all publishers. The committee believes that this law would result in limiting the pages of Sunday papers to 80, thus resulting in large savings in the consumption of newsprint paper in Sunday editions that have reached as high as 140 pages in some instances.

III. That the Congress shall amend the sundry civil bill by the appropriation of a sum of $100,000 for research, study, and experimentation into different methods of making paper, with a view of finding a substitute for wood pulp; that this work be conducted by the Department of Agriculture, whose experts shall first report their plans to a special committee of Congress appointed to supervise the work and to receive from time to time reports as to its progress.

IV. We recommend also legislation to establish a parcel-post rate of 1 cent a pound without regard for zones, for 10 or less packages of sheet print paper shipped weekly from any mill direct to a newspaper,

without increasing the present limit of weight of 70 pounds. This would enable the small publishers to combine in the establishment of a mill to supply their needs. At present there is discrimination in postal rates in favor of the finished newspaper, and it is apparent that in order to sustain thousands of smaller papers a similar favorable discrimination is necessary for newsprint paper.

V. And if the Government's efforts to fix and maintain a reasonable price appears to be futile because of a virtual monopoly in the print-paper industry or because of continued protests from the manufacturers that the supply is running dangerously low, we recommend that the Government by law establish a newspaper print board to supervise the manufacture and distribution of newsprint paper; and to enter into a cooperative organization with the country newspapers which would eliminate the jobber or middleman and enable the country press to buy newsprint at the lowest mill rate.

VI. That the Government consider seriously the possible purchase or establishment of a newsprint paper mill for the purpose of manufacturing the newsprint used at the Government printing plant and that the overproduction of such mill be sold to the small consumers of newsprint paper.

VII. Finally, that Congress amend the Lever Act to include the commodity—newsprint paper—under its provisions.

In conclusion the members of this committee wish to express their regret that since the drafting of this report the Senate has voted to adjourn, which action postpones and prevents action on this report. The undersigned members of the committee believe the Senate has not acted wisely or in the interest of the public welfare, in view of the many pressing problems left unsolved, and we have therefore by our voice and vote recorded ourselves against the proposition to adjourn and assume no responsibility for future results growing out of neglect to act on this and other public questions.

CHAS. L. MCNARY.
ASLE J. GRONNA.
DAVID I. WALSH.

On account of the fact that my time since the conclusion of the taking of evidence in the above matter has been completely absorbed in important committee work, which required immediate attention, I have been unable to give to the foregoing report the careful examination which the importance of the question demands. I am, therefore, reserving the right to express my views at a later date.

JAS. A. REED.

Mr. HEFLIN. Mr. President, the resolution of the Senator from Minnesota [Mr. SCHALL], to which I referred a moment ago, has passed the Senate. It orders an investigation into the operations of the print-paper trust.

The testimony before the committee, of which I am a member, disclosed the fact that the big dailies were paying about $55 a ton for this print paper, and the small papers were having to pay about $85 to $100 a ton. The Senator from Minnesota, among other things, is seeking to relieve them and to have justice done to the smaller papers of the United States, as well as to provide ways and means for making print paper out of cornstalks, and I suggested in the hearing cotton stalks.

This experiment has been made; and the Senator exhibited before the committee a daily paper printed on paper made out of cornstalks alone, and I have seen paper made out of cotton stalks. I repeat that by making this paper out of the vast amount of cornstalks and cotton stalks that we have in the country every year we can save a great deal of the forests of the United States.

PRINTING OF HEARINGS BEFORE INDIAN AFFAIRS COMMITTEE

Mr. FRAZIER. Mr. President, I ask unanimous consent to submit a resolution and ask for its immediate consideration. It simply authorizes the printing of more copies of the hearings before the Indian Affairs Committee.

The PRESIDING OFFICER. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 350), and it was considered by the Senate and agreed to, as follows:

Resolved, That the Committee on Indian Affairs of the Senate is hereby authorized to have printed, for its use, extra copies of the hearings held before the committee pursuant to Resolutions 79, 303, and 308, Seventieth Congress, up to the limitations of cost provided by existing law.

FORMULATION OF SCHEDULE OF RADIO FEES

Mr. DILL. Mr. President, I ask unanimous consent to present a resolution and have it read for the purpose of immediate consideration.

The PRESIDING OFFICER. The resolution will be read.

The legislative clerk read the resolution (S. Res. 351), and it was considered by the Senate and agreed to, as follows:

Resolved, That the Federal Radio Commission is hereby requested to formulate a schedule of fees to be recommended to Congress as the charges which should be made for the different kinds of radio licenses issued by the commission and report the same to the Senate for its consideration in connection with radio legislation at as early a date as convenient to do so.

AMENDMENT OF NAVAL RETIREMENT ACT

Mr. STEIWER. Mr. President, from the Committee on Naval Affairs I report back favorably a bill for which I ask immediate considertion.

The PRESIDING OFFICER. The Secretary will read the bill.

The legislative clerk read the bill (H. R. 17322) to amend the act approved June 22, 1926, entitled "An act to amend that part of the act approved August 29, 1916, relative to the retirement of captains, commanders, and lieutenant commanders in the line of the Navy."

Mr. ROBINSON of Arkansas. Mr. President, what is the bill?

Mr. STEIWER. I think I can explain it in just a word, without debate.

The Navy is now retiring officers under the authority of the so-called temporary law, passed in June, 1926, which, by its terms, automatically will expire next Tuesday. Unless the law is continued, some 15 or 16 officers will be retired in a very short time, some of them never having had an opportunity to go before a retiring board.

In recognition of that situation, the House, in response to the request of the Navy Department, has passed this bill, and the Naval Affairs Committee is very much in favor of it and hopes it will be passed.

Mr. BLACK. That is not the so-called Britten bill, is it?

Mr. STEIWER. No; it is not the Britten bill.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. ROBINSON of Arkansas. Has the bill been considered by the committee?

Mr. STEIWER. Yes; it has. The committee was polled, and all the members who were reached are in favor of it.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

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

T. L. YOUNG AND C. T. COLE

Mr. CAPPER submitted the folowing report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4848) entitled "An act for the relief of T. L. Young and C. T. Cole" having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, strike out all the language in said bill after the numerals "1924," in line 1, page 2, except the period at the end thereof; and the House agree to the same.

ARTHUR CAPPER,
GERALD P. NYE,
Managers on the part of the Senate.
ED. M. IRWIN,
U. S. GUYER,
Managers on the part of the House.

Mr. CAPPER. Mr. President, this is the conference report on a bill introduced by the senior Senator from Kansas [Mr. CURTIS]. It involves only $2,500, and relieves two citizens of Kansas from the payment of a small judgment of the United States court. They were bondsmen, and the United States attorney recommends the legislation.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MISSOURI RIVER BRIDGE, NEBRASKA

Mr. NORRIS. Mr. President, last night the Senate passed Senate bill 5875, to extend the time for the beginning of the building of a bridge across the Missouri River near Niobrara. The House has passed an identical bill, and it has just come over to the Senate, so the bills crossed each other. I ask unanimous consent for the consideration of the House bill, which has just been sent to the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate a bill from the House of Representatives.

The bill (H. R. 17208) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Niobrara, Nebr., was read twice by title.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

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

ESTABLISHMENT OF AND BOUNDARY REVISIONS OF CERTAIN NATIONAL PARKS

Mr. NYE, from the Committee on Public Lands and Surveys, submitted a report (No. 2073) pursuant to Senate Resolution 237, relative to the advisability of establishing certain national parks and proposed changes in, and boundary revisions of other national parks, as follows:

Proposed Roosevelt National Park, N. Dak.;
Proposed Kildeer National Park, N. Dak.;
Yellowstone National Park, Wyo., Mont., and Idaho;
Proposed Grand Teton National Park, Wyo.;
Wind Cave National Park, S. Dak.;
Proposed Teton (Bad Lands) National Park, S. Dak.; and
Rocky Mountain National Park, Colo.;

which was ordered to be printed in the RECORD, as follows:

[S. Rept. No. 2073, 70th Cong., 2d sess.]

Mr. NYE, from the Committee on Public Lands and Surveys, submitted the following report (pursuant to S. Res. 237):

The Committee on Public Lands and Surveys, pursuant to, and in accordance with, Senate Resolution 237, reports that a subcommittee consisting of Senators NYE, NORBECK, DALE, KENDRICK, and ASHURST, in July and August of 1928 visited the sites of certain proposed national parks and certain other national parks, and that the said subcommittee has submitted the following report, which is approved by the committee:

In accordance with Senate Resolution 237, the subcommittee of the Committee on Public Lands and Surveys, authorized and directed to investigate the advisability of establishing certain national parks and the proposed changes in, and boundary revisions of, certain other national parks, visited, in the order named, the following areas:

Proposed Roosevelt National Park, N. Dak.
Proposed Kildeer National Park, N. Dak.
Yellowstone National Park, Wyo., Mont., and Idaho.
Proposed Grand Teton National Park, Wyo.
Wind Cave National Park, S. Dak.
Proposed Teton (Bad Lands) National Park, S. Dak.
Rocky Mountain National Park, Colo.

PROPOSED ROOSEVELT AND KILDEER NATIONAL PARKS, N. DAK.

The committee spent several days in the so-called Bad Lands of North Dakota and visited the Kildeer Mountains.

With relation to the proposed Roosevelt National Park in the Bad Lands, the committee is of the mind that the site is of national-park status, though the area embraced in the proposed site ought to be materially reduced.

There is offered here something quite different from the usual national-park scenery, which is coupled with the historic interest created by the fact that Theodore Roosevelt ranched for several years in these parts. The old Roosevelt log house is still in existence, and at its original site within the proposed park would prove of great interest to the great number of people who travel through this proposed park on their way to and from the national parks farther west. The park boundary should be made to include the old Roosevelt ranch, the Petrified Forest, the so-called Painted Canyon (which has been likened to a small edition of the Grand Canyon in Arizona), and perhaps one or two other exceptionally attractive spots within the Bad Lands. These are linked by good highways, which would make a large part of the Bad Lands scenery available to visitors.

The establishment of the Roosevelt National Park in the Bad Lands is understood to be dependent upon the availability of all land involved without cost to the Federal Government.

YELLOWSTONE NATIONAL PARK, WYO., MONT., AND IDAHO

The committee held hearings at Cody, Wyo., on July 19, 1928, on the proposed additions to and adjustment in the boundaries of Yellowstone National Park. As a result of the committee's study, S. 3001 was amended January 17, 1929, to cover the proposed revision of the boundary of Yellowstone National Park, except the addition of the upper Yellowstone region, which was left for further study. This bill passed the Senate on February 7, 1929, and is now pending before the House of Representatives.

A further study of the adjustments of the southeast, south, and southwest boundaries of Yellowstone National Park is provided for in Senate Joint Resolution 206, which authorizes the appointment of a Yellowstone National Park boundary commission. This joint resolution was passed by the Senate on February 9, 1929, and is also pending before the House.

PROPOSED GRAND TETON NATIONAL PARK, WYO.

Hearings were held in the territory, and the committee is unanimously in favor of the establishment of the Tetons as a national park. S. 5543, creating these great peaks as a national park, to be known as the Grand Teton National Park, passed the Senate on February 7, 1929, and was passed by the House of Representatives on February 18, 1929. This territory comprises outstanding scenery and is easily deserving of national-park designation.

WIND CAVE NATIONAL PARK, S. DAK.

The committee only briefly visited this area en route to the proposed Teton National Park, S. Dak., passing through the park and the interesting Custer State (Black Hills) Park to the north.

PROPOSED TETON (BAD LANDS) NATIONAL PARK, S. DAK.

The committee made an inspection of an extensive area of the South Dakota Bad Lands and was greatly impressed with their value for scientific and scenic interest. The principal scenic features are the Great Wall, Cedar Pass, Big Foot Pass, and an unsurveyable area of great fascination known as The Pinnacles.

The topography of the South Dakota Bad Lands is so unique, varied, and interesting, and the fame of the region as a large field for scientific exploration of the geologic past is so extensive, the committee is of the opinion that this area is worthy of a national-park status. The whole area is an open book on the evolution of animal life from the earliest geologic period. The fossil remains of prehistoric animals embedded in the formations of this region are found in great profusion. For over 80 years it has been the scene of operation for scientific expeditions from all parts of the world. Specimens of these fossils repose in the world's principal museums.

Erosion has facilitated the exposure of these fossil remains and has caused the rugged contour of this section to assume the most fantastic and unique shapes. There is a wealth of scenic features with a wide range of exquisite coloring which can not be found elsewhere.

ROCKY MOUNTAIN NATIONAL PARK, COLO.

The committee visited this park and looked over the present development and proposed road and trail construction plans, passing over the Fall River Highway, which ascends an elevation of 11,797 feet, the highest altitude reached by an automobile road in the national park system. The members of the committee discussed briefly with local interests the question of cession of jurisdiction over the Rocky Mountain National Park by the State of Colorado to the United States in order that the development of this park could be actively planned and continued.

NATIONAL PARK SERVICE

The committee would not fulfill an obligation owing if it did not at least briefly recite its enthusiastic approval of the manner in which the National Park Service is being conducted.

The Government and the people are fortunate in having and having had the services of such men as Stephen T. Mather, Horace M. Albright, Roger W. Toll, and others working with them in the management of the national parks. Wherever the committee went it found the maximum of return being effected through the national parks of means made available by the Government and a service being accorded the people that was of the highest standard.

The retirement of Mr. Mather from the directorship of the National Park Service is greatly regretted, as is the extremely unfortunate condition of his health which caused it. He has during his years at the head of the Park Service laid a foundation upon which a finer service will be builded from year to year. He must at all times be numbered among the most unselfish and able of public servants.

Succeeding Mr. Mather as Director of the National Park Service is Mr. Horace M. Albright, formerly superintendent of Yellowstone National Park, who has been intimately associated with Mr. Mather since the inception of the Park Service back in 1916. Mr. Albright brings to the Park Service a continued great interest in the park cause, and his administration of the service can be expected to win that same great measure of confidence which has been accorded the administration of Mr. Mather.

CONCLUSION

That the committee has discharged its duty in accordance with Senate Resolution 237, is made manifest by the subsequent results of its field investigation and hearings, especially in the case of the proposed Grand Teton National Park and the boundary revisions of Yellowstone National Park.

It has since become evident that the only way in which these results could have been brought about was through the committee's visit to the areas involved and in hearing and meeting all the people interested and in feeling out and obtaining first-hand knowledge of local sentiment and wishes.

The establishment of the Grand Teton National Park, Wyo., has become a reality after 21 years of effort with the passage by the House of Representatives of S. 5543 (by Senator KENDRICK, of Wyoming) on February 18, 1929. The committee's hearings in the shadow of the Tetons, at which representative people from the surrounding country attended, tended to iron out the misunderstandings and difficulties which have prevented enactment of this legislation for years.

The passage by the Senate of S. 3001, by Senator NORBECK (now pending in the House), which provides for the readjustment of the

northwest, northeast, and east boundaries of Yellowstone National Park, is partly due at least to the committee's investigation into this matter. It fulfills in part the recommendations of the coordinating commission on national parks and forests made to the President back in 1925. The recommendations of the commission covering the revision of the boundaries of Yellowstone Park on the southeast and south, together with a proposal by the State of Idaho to eliminate the southwest corner of the park (Bechler Meadows) for irrigation reservoir purposes are to be further studied by a Yellowstone National Park boundary commission to be appointed by the President pursuant to Senate Joint Resolution 206 (now pending before the House of Representatives). It was through testimony before your committee that this Yellowstone Park boundary situation has been finally straightened out and the way paved for final disposition of the matter, a matter which has actually been before Congress in one way or another since the establishment of the Yellowstone as a national park in 1872.

The visit of the committee into North Dakota for the purpose of studying the proposal to establish the Roosevelt and Kildeer National Parks, and the holding of hearings at Medora, N. Dak., in regard thereto, has furnished the committee with first-hand knowledge of the situation, which will prove invaluable when the matter comes up for consideration. The historical background of the area proposed to be set aside as the Roosevelt National Park is a fitting atmosphere for these bad lands, with their crimson buttes rising out of this picturesque country. Besides the historical importance connected with Theodore Roosevelt's stay in the Bad Lands, there is also a bit of romance associated with the name Marquis de Mores. He was a French nobleman who came early into this Bad Lands country and built a chateau overlooking the little town of Medora, which stands to-day preserved in its original state and contains the furnishings of its builder. It is of great interest to the tourist who visits this unusual country. A monument stands to his memory in Medora, where he established the first of a chain of packing plants which were to have stretched westward from Chicago, if his dream had been realized.

The Bad Lands of South Dakota furnished the committee with an entirely different character of this picturesque and unique scenery than is to be found in the Bad Lands of North Dakota (proposed Roosevelt National Park). The formations of the proposed Teton (Bad Lands) National Park are of a jagged spire type, an extremely unusual formation, as compared with the crimson buttes of North Dakota, and convinced the committee that this area should be given national-park status, in order that it can be properly preserved and administered for the benefit of the thousands of people who pass through this section yearly.

The chief obstacle in the way of properly developing and promoting Rocky Mountain National Park has been the failure of the Colorado Legislature to enact legislation providing for the cession by the State of Colorado of jurisdiction over the park to the United States, as is the case of the other parks in the national system. The Colorado Legislature has now passed such a bill, and it has been signed by the governor. Thus, with its enactment into law by Colorado, it will be necessary for this committee to consider the matter when it is presented to Congress for action. The cession of jurisdiction will open the way for needed development of this park in the bosom of the Rockies, especially in the building and maintenance of highways, and in the development of the area in accordance with high national-park standards. The information and knowledge obtained by the committee's visit to Rocky Mountain National Park will be necessary in the consideration of legislation looking to the proper development of this area.

It is becoming more and more apparent that additional national parks are necessary and needed, in order that the natural wonders and scenic beauties of this great country of ours may be preserved and administered for the benefit and enjoyment of the people of these United States and future generations to come.

The visit to the national parks and proposed park sites herein referred to has given your committee a wealth of valuable information and a far better understanding of park administration, standards, interests, and needs. This information and understanding is necessary to a proper consideration of park problems and development, and will prove exceedingly valuable in the consideration of park legislation by this committee.

ENLARGEMENT OF CAPITOL GROUNDS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13929) to provide for the enlarging of the Capitol Grounds.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The next amendment was, on page 2, line 4, after the word "Northwest," to strike out the period and insert a semicolon.

The amendment was agreed to.

The next amendment was, on page 2, line 8, to strike out the words "First Street NE.," and insert "Delaware Avenue"; and in line 10, to strike out "subway passing under Delaware Avenue" and insert "depression and subway between New Jersey Avenue and Delaware Avenue, and extending the street-car tracks on C Street from Delaware Avenue to First Street NE.," so as to read:

Closing of C Street to vehicular traffic between New Jersey Avenue and Delaware Avenue, and removal of street-car tracks from C Street and re-laying them in a depression and subway between New Jersey Avenue and Delaware Avenue, and extending the street-car tracks on C Street from Delaware Avenue to First Street NE.

The amendment was agreed to.

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

The LEGISLATIVE CLERK. On page 2, line 17, to strike out after the word "northeast," as follows: "and establishing a convenient subway connection with the basement of the Senate Office Building," and to insert a colon.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is still in Committee of the Whole and open to amendment. If there be no further amendment to be offered, the bill will be reported to the Senate.

The bill was reported to the Senate as amended.

Mr. BLAINE. Mr. President, I desire to offer an amendment to the pending bill, and also to discuss the bill and the amendment.

The PRESIDING OFFICER. The clerk will report the amendment proposed by the Senator from Wisconsin.

The LEGISLATIVE CLERK. Add to the bill the following additional sections:

That the Secretary of Labor is hereby authorized and directed to provide for the construction, equipment, maintenance, repair, and operation of Government dormitories for women employees of the United States in the District of Columbia, and of such refectories, laundries, power houses, infirmaries, and other structures as, in the opinion of the Secretary of Labor, are suitable and necessary for use in connection with such dormitories. Such dormitories and other buildings may, in the discretion of the Secretary of Labor, be erected either upon the present sites of the Government hotels or dormitories, known as the Capitol group and the Plaza group, between Delaware Avenue and New Jersey Avenue, or upon lands which may be acquired for this purpose in the District of Columbia within a radius of not more than one mile from the Capitol Building. The dormitories shall be capable of accommodating not less than one thousand five hundred nor more than two thousand five hundred persons, and they may be constructed in separate units to accommodate five hundred persons or any multiple of such number.

SEC. 2. That in order to carry out the purposes of this act the Secretary of Labor is hereby authorized and empowered—

(a) To sell for the purpose of removal the existing Government hotels or dormitories referred to in section 1 of this act, or to remove the same and sell or otherwise dispose of the materials used in their construction;

(b) To exercise exclusive direction and control over all matters pertaining to the dormitories and other buildings herein authorized to be constructed and over the Government dormitories fund hereinafter established, through such agency or agencies as he may create or designate;

(c) To make such agreements, contracts, and regulations as he may deem necessary and appropriate;

(d) To appoint, in accordance with the civil service laws, such officers and employees as are necessary for executing the functions vested in him by this act, and, in accordance with the classification act of 1923, to fix the salaries of such officers and employees; and

(e) To acquire by purchase, condemnation, or otherwise such lands as may be necessary.

SEC. 3. (a) There is hereby established a special fund, to be known as the Government dormitories fund (hereinafter referred to as the fund). All amounts received in carrying out the provisions of this act shall be covered into the fund, and are reserved, set aside, and appropriated to be available for use by the Secretary of Labor in accordance with the provisions of subdivision (b) of this section.

(b) The amounts derived from the sale of the bonds hereinafter authorized shall be available only for the payment of the costs of construction and equipment of the dormitories and other buildings herein authorized and for the payment of interest on such bonds during the period of construction. The receipts derived from rentals shall be available for the payment of the principal and interest on such bonds and for defraying the expenses of maintenance, repair, and operation of such dormitories and other buildings. After the payments of the principal and interest on such bonds have been completed, so much of the receipts derived from rentals as are not necessary for defraying such expenses of maintenance, repair, and operation shall be annually covered into the Treasury to the credit of miscellaneous receipts.

SEC. 4. That in order to provide funds for the payment of the costs of construction and equipment of such dormitories and other buildings, the Secretary of the Treasury is hereby authorized, upon request of the

Secretary of Labor, to issue bonds of the United States Government of such denominations as the Secretary of the Treasury shall determine and of an aggregate amount not to exceed the sum of $5,000,000. Each such bond (1) shall contain a provision for the payment of the principal of the bond and the interest thereon upon an amortization plan, by means of a fixed number of quarterly installments sufficient to cover the interest upon the unpaid principal and such amounts, to be applied on the principal, as will extinguish the indebtedness within a period of 50 years from the date of issue of the bonds; (2) shall bear interest at a rate not to exceed 5 per cent per annum; and (3) shall be subject to such other terms and conditions as the Secretary of the Treasury may prescribe.

SEC. 5. That the right to occupy such dormitories shall be restricted to women employees of the United States in the District of Columbia. Each such occupant shall be required to pay a weekly charge or rental in an amount determined by the Secretary of Labor to be just and reasonable as between such occupant and the Government. In making such determination the Secretary of Labor shall take into consideration among other factors (1) the total amount necessary for each quarterly period for the payment of the principal and interest on the bonds herein authorized and for defraying the estimated expenses of maintenance, repair, and operation of such dormitories and other buildings, (2) the total number of persons that such dormitories are capable of accommodating, and (3) the relative rental values of the rooms in such dormitories. Upon the completion of the payments of the principal and interest on such bonds the Secretary of Labor may readjust such weekly charges or rentals.

Mr. BLAINE. Mr. President, I think it is unnecessary to call attention to the fact that we had a presidential election campaign in 1928. However, I think it is essential to call attention to the fact that in that campaign the very question embodied in the amendment which I have proposed to the pending bill is one of the issues upon which the Republican nominee appealed for support and upon which he obtained support.

It will be recalled that Mr. Hoover, in his speech of acceptance, declared, "Our problems of the future are problems of construction." That acceptance speech was divided into paragraph headings. One of those headings is "A Nation of Homes," and I am going to quote, in support of the amendment I have proposed, no less authority than the successful candidate for President. I am appealing to the membership on this side of the Chamber that in good faith their votes should be cast for this amendment. Of course, the proposal to furnish living quarters which approach the ideal of a home was initiated before the last presidential campaign. I do not suppose Mr. Hoover had in mind the bill which I introduced at the first session of this Congress, and which bill I now propose as an amendment to the pending measure.

I have no doubt, however, that those who supported Mr. Hoover believe in him, and in the pronouncements he made during the campaign. I have no doubt but that it is quite immaterial to the President elect whether this proposed amendment is adopted before he takes office next Monday or subsequent to his assuming the Presidency of our country.

This proposed amendment embodies in legislative form what tens of thousands of people of America believe to be the most important issue in the presidential campaign. Mr. Hoover, in his acceptance speech, under the paragraph headed "A Nation of Homes," said:

> Our party platform deals mainly with economic problems, but our Nation is not an agglomeration of railroads, of ships, of factories, of dynamos, or statistics.

He said further:

> It is a nation of homes, a nation of men, of women, of children. Every man has a right to ask of us whether the United States is a better place for him, his wife, his children, to live in because the Republican Party has conducted the Government for nearly eight years.

Mr. President, these words which he spoke and this language which he used must have referred to homes for everyone, whether in private life or as employees of this great Government of ours.

Continuing he said:

> Every woman has a right to ask whether her life, her home, her hopes, her happiness will be better assured by the continuance of the Republican Party in power.

In that paragraph he concluded:

> I propose to discuss the questions before me in that light.

That is the language of the President elect. Paraphrasing his concluding sentence I say I propose to discuss these questions, in so far as they relate to homes for women employed by the Government of the United States within the District of Columbia, here this night. I shall endeavor to show the pressing necessity, the urgent demand for decent living quarters at reasonable prices for the women who so faithfully serve this Government.

The women employees of our Government in the main are not residents of the District of Columbia. They come from everywhere, from the North, from the South, from the East, and from the West. They come from every State in the Union. Those women are your constituents. They are serving your Government. I am quite certain that no one will disagree with me when I suggest that efficiency of the highest character comes from satisfied employees. There is something more in the life that we lead than the simple necessities of life. Life under drudgery, life surrounded by environments that depress the mind and the soul, life that has no other course than the mere routine labor, is a life that is scarcely worth living. It was designed in the creation of life that there should be some opportunity for mental development and cultural development. Those opportunities are not afforded unless there is a reasonable provision for the physical comfort.

Mr. President, I want to look into some of these homes in the city of Washington. This is a great metropolitan center. It is a location sought almost by the tens of thousands who enjoy ignoble ease and whose vast fortunes can be counted only by the tens of millions. Here the very citadel of wealth, the great Government of the United States, is about to abandon the only housing proposition for Government employees and the committee proposes to abandon the only housing conditions that the Government sustains without any substitution therefor.

What are the homes of many of the faithful women who are doing their daily toil, the arduous tasks, in the departments of our Government? One of these employees, who has given six years of her life in the service of her Government in Washington, has been paid the fabulous, unprecedented salary of $1,440 a year. It is true that that is not the average salary. I will direct my attention to that question a little later. But what kind of a home is afforded for some of these women employed at the salary of $1,440 a year?

Mr. Hoover, when he was a candidate for President, said that—

> every woman has the right to ask whether her life, her home, her hopes, her happiness, will be better assured by the continuance of the Republican Party in power.

Yes; she has a right to ask that question, and it is our duty to grant to those Government employees an opportunity that they may have a decent home in Washington at reasonable cost. Let us look into some of these homes. This is but one among many. I am about to quote from a statement of one of the women in the employ of our Government. She is one of those who receive this fabulous salary of $1,440 a year. She said:

> Many of us can only afford $20 a month for a room.

That is $240 out of her meager salary every year. What kind of living quarters does this mean? I am speaking now of some of the private lodging and boarding houses in the city of Washington where some of these women make their domiciles.

In these rooms there is no closet space; nothing but a little corner curtained off in which to hang clothes on which the dust of the carpets may rest. There are no towels, linens sometimes unfit for covering the body; filthy rooms with little heat. Some of these rooms are located in so-called apartments where the women must climb 2, 3, and 4 flights of stairways before reaching their rooms. They are even without a bathroom upon the floor where their rooms are located.

By the abandonment of the so-called Government hotels the Republican Party proposes solemnly to decree that some 600 or 800 women now occupying those hotels must go out and search for rooms which they must rent at a very low cost because of the meager salaries paid to those employees.

The city of Washington is quite distinct from any other city in the United States. The great plan that has been worked out for the beautification of the Capital of the United States through added parks and open spaces, has had a tendency and a very rapid tendency toward a tremendous unearned increase in land values, with the result that these employees must pay not only what would be the normal cost of respectable living quarters but as well must pay their proportionate share to make up earnings for the landlord upon an inflated value which has come to him not through any effort of his own, but rather because of these great improvements, the cost of which comes out of the people of America and out of the pockets of our employees not only in taxes but as well in the stingy treatment of the workers for our Government, in the failure of the Government to pay them a decent wage to meet the ever-increasing cost of living.

Mr. President, there are other elements entering into the situation which in my opinion demand that the Government of the United States make a special effort to provide for the proper housing of our Government employees. The problem of housing is becoming an acute problem in all the large cities of our country. It has been seriously considered and deeply studied by the State of New York. Governor Smith during his term as Governor of the Empire State turned his attention to this problem. The great centers, some commercial, some industrial, others of a special character such as is Washington, are developing one of the most serious problems confronting the solution of those responsible for our several governments. The congested areas of these great cities are bringing far greater problems than the mere problem of furnishing places in which people may live.

I am sure that the distinguished Senator from New York [Mr. COPELAND], skilled I know in the line of medical science, appreciates the necessity of well-lighted, well-heated, well-ventilated homes, with open spaces for the breathing of fresh air given to us by the Creator, and I want to congratulate the State of New York, so ably represented as it is by the distinguished medical authority, in having taken advanced steps in relation to this problem of housing. I am sorry, indeed, that I have not the voice, the experience, the ability, the knowledge, and the scientific understanding of the distinguished Senator from New York. I am making an especial appeal to one of the Members of this body, whom I know to be deeply interested in the problems of health, in the hope that I may have the force of his experience and his understanding behind this measure which I propose as an amendment to the so-called plaza bill.

Mr. COPELAND. Mr. President——

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

Mr. COPELAND. I am very much obliged to the distinguished Senator from Wisconsin for his kind reference to me. There can be no doubt that there is no more important question than the proper housing of the people. I was a member of the District of Columbia Committee immediately after the World War, when we had to consider the serious housing problem in Washington and the question of the price to be paid for rent. At that time we made an extensive survey of the city to see how well housed the people were or how well housed they might be.

There can be no doubt that the Senator from Wisconsin is on sound ground when he pleads for proper housing for the employees of our Government. We must make every effort to see to it that there is such housing. I shall be very glad, Mr. President, to join with the Senator in any movement looking to the improvement of the housing conditions in this city. He may count upon my very hearty and cordial support.

Mr. BLAINE. Mr. President, I assure the Senator from New York that I deeply appreciate the interest and the efforts of the distinguished Senator from New York, and I have given my reasons why I am sure he can bring great force to bear on this movement, so that it may become a success in the very near future if we can not adopt my amendment to-night.

Mr. COUZENS. Mr. President, will the Senator from Wisconsin yield to me?

Mr. BLAINE. For what purpose?

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER (Mr. ODDIE in the chair). Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. BLAINE. I yield.

Mr. COUZENS. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

Mr. NYE. Mr. President, the Senator from Wisconsin having yielded for that purpose, does he lose the floor?

The PRESIDING OFFICER. The Senator will lose the floor if he yields for that motion.

Mr. COUZENS. I move that the Senate take a recess until 11 o'clock to-morrow morning.

Mr. TRAMMELL. Mr. President——

Mr. REED of Pennsylvania. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Ashurst	Couzens	Heflin	Norbeck
Barkley	Deneen	Johnson	Norris
Bingham	Dill	Jones	Nye
Black	Fess	Kendrick	Oddie
Blaine	Frazier	Keyes	Pine
Bratton	Glenn	King	Pittman
Brookhart	Goff	McMaster	Reed, Mo.
Broussard	Gould	McNary	Reed, Pa.
Bruce	Hale	Mayfield	Robinson, Ark.
Burton	Harris	Metcalf	Robinson, Ind.
Capper	Harrison	Moses	Sackett
Copeland	Hayden	Neely	Schall
Sheppard	Thomas, Idaho	Walsh, Mass.	Wheeler
Smith	Thomas, Okla.	Warren	
Steck	Trammell	Waterman	
Steiwer	Vandenberg	Watson	

The PRESIDENT pro tempore. Sixty-one Senators having answered to their names, a quorum is present. The question is on agreeing to the motion of the Senator from Michigan [Mr. COUZENS].

Mr. WATSON obtained the floor.

Mr. COUZENS. Mr. President, a parliamentary inquiry: Is this motion debatable?

The PRESIDENT pro tempore. It is not.

SEVERAL SENATORS. Let us have the yeas and nays.

Mr. BROUSSARD. What is the motion?

The PRESIDENT pro tempore. The Senator from Michigan [Mr. COUZENS] has moved that the Senate take a recess until 11 o'clock to-morrow.

Mr. WATSON. And I move to amend that motion by making it 10 o'clock Monday morning.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Indiana to the motion of the Senator from Michigan.

Mr. NYE. Mr. President, a parliamentary inquiry: Is a motion such as that offered by the Senator from Michigan amendable?

The PRESIDENT pro tempore. Under the precedents of the Senate, yes. It is not debatable.

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

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Indiana to the motion of the Senator from Michigan.

Mr. BINGHAM. Mr. President, I move, as an amendment to the amendment of the Senator from Indiana, that the Senate take a recess until 11.10 to-morrow.

Mr. HEFLIN. That motion is out of order.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Connecticut [Mr. BINGHAM] to the amendment proposed by the Senator from Indiana [Mr. WATSON].

Mr. COUZENS. On that I call for the yeas and nays.

Mr. BLACK. Mr. President, I move, as a substitute, that the Senate recess——

The PRESIDENT pro tempore. That amendment would be in the third degree, and can not be entertained.

Mr. BLACK. I offer a substitute, Mr. President.

Mr. REED of Pennsylvania. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Pennsylvania will state it.

Mr. REED of Pennsylvania. Can not the Senator from Alabama move a substitute for the original motion of the Senator from Michigan; and, if he does so move, does not his motion take priority?

The PRESIDENT pro tempore. The attempt to amend or to deal with the original motion has gone as far as it can.

The question is on agreeing to the amendment proposed by the Senator from Connecticut [Mr. BINGHAM] to the amendment proposed by the Senator from Indiana [Mr. WATSON] to the motion of the Senator from Michigan [Mr. COUZENS].

Mr. BLACK. Mr. President, I move that the Senate adjourn until Monday morning at 10 o'clock.

Mr. ROBINSON of Arkansas. That motion is in order.

The PRESIDENT pro tempore. That motion takes precedence of everything.

Mr. BINGHAM. Mr. President, I move to amend that motion——

Mr. KING. Is that motion debatable?

The PRESIDENT pro tempore. It is not at any stage.

Mr. FESS. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Senator from Ohio will state it.

Mr. FESS. Is a motion to adjourn in a qualified form in order at this stage? The motion was to adjourn until a certain time.

The PRESIDENT pro tempore. A motion to adjourn to a time certain is a privileged motion.

Mr. FESS. That is when we vote to fix the time to adjourn, but not on a motion to adjourn.

The PRESIDENT pro tempore. The Chair will hold that this is one of the privileged motions. The question is upon the motion of the Senator from Alabama that the Senate adjourn until 10 o'clock Monday morning.

Mr. FESS. That is not in order.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Kentucky will state it.

Mr. BARKLEY. Is the motion of the Senator from Alabama subject to amendment?

The PRESIDENT pro tempore. It being to adjourn to a day certain?

Mr. BARKLEY. Yes, sir.

The PRESIDENT pro tempore. Certainly.

Mr. BARKLEY. I move to amend the motion by making it 11.10 to-morrow.

Mr. SACKETT. Mr. President, how about the special order which says that we shall meet at 11 o'clock for the remainder of the session?

The PRESIDENT pro tempore. This would supersede any arrangement of that sort.

Mr. BLACK. Mr. President, I desire to withdraw the motion I made, and move that the Senate adjourn.

Mr. FESS. That is in order.

The PRESIDENT pro tempore. That motion is in order. It would carry the Senate until 12 o'clock Monday.

Mr. REED of Pennsylvania. Mr. President, a point of order. The standing order of the Senate is that the hour of daily meeting of the Senate be 11 o'clock a. m. for the remainder of the present session of Congress.

The PRESIDENT pro tempore. That will carry it until Monday at 11 o'clock.

Mr. SACKETT. That is the point I was making.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Alabama [Mr. BLACK].

Mr. BINGHAM. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BINGHAM. Is it true that a motion to adjourn is not amendable in any form?

The PRESIDENT pro tempore. A straight motion to adjourn? No.

Mr. HEFLIN and Mr. BLACK called for the yeas and nays, and they were ordered.

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

The Chief Clerk called the roll.

Mr. JONES. I desire to announce the following general pairs:

The Senator from Connecticut [Mr. MCLEAN] with the Senator from Virginia [Mr. GLASS];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from Colorado [Mr. PHIPPS] with the Senator from Georgia [Mr. GEORGE];

The Senator from New Jersey [Mr. EDGE] with the Senator from Virginia [Mr. SWANSON]; and

The Senator from California [Mr. SHORTRIDGE] with the Senator from Maryland [Mr. TYDINGS].

Mr. REED of Pennsylvania (after having voted in the affirmative). I transfer my general pair with the Senator from Delaware [Mr. BAYARD] to the Senator from Massachusetts [Mr. GILLETT] and allow my vote to stand.

Mr. ROBINSON of Arkansas (after having voted in the affirmative). I have a pair with the Senator from Kansas [Mr. CURTIS]. I transfer that pair to the junior Senator from Arkansas [Mr. CARAWAY] and let my vote stand.

Mr. WARREN. I transfer my general pair with the Senator from North Carolina [Mr. OVERMAN] to the Senator from New Mexico [Mr. LARRAZOLO], and vote "yea."

Mr. BURTON. I transfer my pair with the Senator from North Carolina [Mr. SIMMONS] to the Senator from Vermont [Mr. GREENE], and vote "yea."

The result was announced—yeas 16, nays 42, as follows:

YEAS—16

Black	Harrison	Neely	Steck
Burton	Hayden	Reed, Pa.	Trammell
Hale	Heflin	Robinson, Ark.	Warren
Harris	Mayfield	Sheppard	Watson

NAYS—42

Barkley	Dill	McMaster	Sackett
Bingham	Fess	McNary	Schall
Blaine	Frazier	Metcalf	Smith
Bratton	Glenn	Moses	Steiwer
Brookhart	Goff	Norbeck	Thomas, Idaho
Broussard	Gould	Norris	Vandenberg
Bruce	Johnson	Nye	Walsh, Mass.
Capper	Jones	Oddie	Waterman
Copeland	Kendrick	Pine	Wheeler
Couzens	Keyes	Reed, Mo.	
Deneen	King	Robinson, Ind.	

NOT VOTING—37

Ashurst	Dale	Gillett	La Follette
Bayard	Edge	Glass	Larrazolo
Blease	Edwards	Greene	McKellar
Borah	Fletcher	Hastings	McLean
Caraway	George	Hawes	Overman
Curtis	Gerry	Howell	Phipps
Pittman	Simmons	Thomas, Okla.	Walsh, Mont.
Ransdell	Smoot	Tydings	
Shipstead	Stephens	Tyson	
Shortridge	Swanson	Wagner	

So the Senate refused to adjourn.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state his inquiry.

Mr. NORRIS. If the Senate should adjourn without any condition, just taking a straight adjournment, would it not follow that it could not reconvene until the expiration of this Congress, and that it would be the end of the Senate, as far as this session is concerned?

The PRESIDENT pro tempore. The Chair will answer that in the negative, because under the standing order the Senate would come in at 11 o'clock on Monday, which would be an hour prior to noon of March 4. But on the point whether it would be the end of the Senate, the Chair will answer that in the affirmative.

Mr. NYE. Mr. President, I move now that the Senate take a recess until 11 o'clock to-morrow morning.

Mr. MOSES. That is in the third degree. There is already the motion of the Senator from Michigan [Mr. COUZENS] with the amendment proposed by the Senator from Indiana [Mr. WATSON], and the amendment to the amendment proposed by the Senator from Connecticut [Mr. BINGHAM], and upon this last stated question the Senate will now vote.

Mr. WATSON. May they all be stated?

The PRESIDENT pro tempore. The Senator from Michigan moves that the Senate take a recess until 11 o'clock to-morrow.

The Senator from Indiana moves to amend so that the Senate would recess until 10 o'clock on Monday.

The Senator from Connecticut moves to amend the amendment by asking that the Senate take a recess until 11.10 to-morrow, and on that question the Senate will now vote.

Mr. COUZENS. I ask for the yeas and nays.

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

Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the Senator from Kansas [Mr. CURTIS], which I transfer to the junior Senator from Arkansas [Mr. CARAWAY], and vote "nay."

Mr. WARREN (when his name was called). Making the same announcement as to my pair and its transfer as on the previous vote, I vote "nay."

The roll call was concluded.

Mr. REED of Pennsylvania (after having voted in the negative). I have a general pair with the Senator from Delaware [Mr. BAYARD], which I transfer to the Senator from Massachusetts [Mr. GILLETT], and allow my vote to stand.

Mr. JONES. I desire to announce the following general pairs:

The Senator from Connecticut [Mr. MCLEAN] with the Senator from Virginia [Mr. GLASS];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from Colorado [Mr. PHIPPS] with the Senator from Georgia [Mr. GEORGE];

The Senator from New Jersey [Mr. EDGE] with the Senator from Virginia [Mr. SWANSON]; and

The Senator from California [Mr. SHORTRIDGE] with the Senator from Maryland [Mr. TYDINGS].

Mr. BURTON. Making the same announcement as on the previous vote, I vote "yea."

Mr. ASHURST (after having voted in the negative). I desire to withdraw my vote.

Mr. REED of Pennsylvania. I challenge the count of the vote, and ask that it may be read again.

The PRESIDENT pro tempore. The vote will be recapitulated.

The vote was recapitulated.

The PRESIDENT pro tempore. Before announcing the vote, the Chair wishes to read to the Senate Rule XII, and call the special attention of the Senator from Arizona [Mr. ASHURST] to it. It is as follows:

> When the yeas and nays are ordered, the names of Senators shall be called alphabetically; and each Senator shall, without debate, declare his assent or dissent to the questions, unless excused by the Senate; and no Senator shall be permitted to vote after the decision shall have been announced by the Presiding Officer, but may for sufficient reasons, with unanimous consent, change or withdraw his vote. No motion to suspend this rule shall be in order, nor shall the Presiding Officer entertain any request to suspend it by unanimous consent.

Mr. ASHURST. Mr. President, it was obvious that I was under a misapprehension owing to some failure on the part of

the Chair properly to state the question. I wish to vote to preserve the immigration law as it now is.

The PRESIDENT pro tempore. Then, if the Senator wishes the Chair to give him an answer to that as a parliamentary inquiry, the Chair should permit his negative vote to stand.

Mr. KING. Mr. President, I submit the Chair is not competent to decide that question.

The PRESIDENT pro tempore. The Chair is still a Senator, and has some rights as such.

Mr. ROBINSON of Arkansas. Mr. President, the question before the Senate is on the motion to take a recess until 11.10 o'clock to-morrow. No parliamentary question arises on the effect of that motion.

Mr. JOHNSON. I ask that the vote be announced.

Mr. REED of Pennsylvania. Mr. President, I change my vote from "nay" to "yea" for the purpose of enabling me to move for a reconsideration.

Mr. DILL. I object. That can only be done by unanimous consent.

The result was announced—yeas 31, nays 27, as follows:

YEAS—31

Bingham	Couzens	Jones	Oddie
Blaine	Deneen	Keyes	Reed, Pa.
Brookhart	Dill	King	Schall
Broussard	Fess	McMaster	Thomas, Idaho
Bruce	Frazier	Metcalf	Vandenberg
Burton	Glenn	Norbeck	Walsh, Mass.
Capper	Gould	Norris	Wheeler
Copeland	Johnson	Nye	

NAYS—27

Barkley	Hayden	Pine	Steiwer
Black	Heflin	Robinson, Ark.	Thomas, Okla.
Bratton	Kendrick	Robinson, Ind.	Trammell
Goff	McNary	Sackett	Warren
Hale	Mayfield	Sheppard	Waterman
Harris	Moses	Smith	Watson
Harrison	Neely	Steck	

NOT VOTING—37

Ashurst	George	McKellar	Smoot
Bayard	Gerry	McLean	Stephens
Blease	Gillett	Overman	Swanson
Borah	Glass	Phipps	Tydings
Caraway	Greene	Pittman	Tyson
Curtis	Hastings	Ransdell	Wagner
Dale	Hawes	Reed, Mo.	Walsh, Mont.
Edge	Howell	Shipstead	
Edwards	La Follette	Shortridge	
Fletcher	Larrazolo	Simmons	

So Mr. BINGHAM's amendment to Mr. WATSON's amendment was agreed to.

Mr. REED of Pennsylvania. Mr. President, I move a reconsideration of the vote by which the amendment to the amendment was agreed to.

Mr. BINGHAM. Mr. President, the Senate having recessed until 11.10 a. m. to-morrow, that motion is not in order until 11.10 a. m. to-morrow.

The PRESIDENT pro tempore. The Senate has not recessed until 11.10 a. m. to-morrow yet. The Senate has merely amended the amendment of the Senator from Indiana to the motion of the Senator from Michigan. The question now recurs to the amendment of the Senator from Indiana as amended.

Mr. HEFLIN. Mr. President, I move to lay the amendment as amended on the table.

Mr. REED of Pennsylvania. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The vote just taken developed the presence of a quorum, so the suggestion is not in order.

Mr. BINGHAM. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state the point of order.

Mr. BINGHAM. Does the Chair hold that a motion to lay on the table takes precedence over a motion to recess?

The PRESIDENT pro tempore. Having been amended in as many degrees as it has, the Chair so holds.

Mr. BINGHAM. Oh, no, Mr. President.

The PRESIDENT pro tempore. Does the Senator desire to appeal from the decision of the Chair? If so, the question is——

Mr. BINGHAM. I hesitate to appeal from the decision of so distinguished a parliamentarian as the present occupant of the Chair, but I am sure that if the Senator who is now occupying the Chair will look at the rule he will see that he is in error.

The PRESIDENT pro tempore. The Chair prefers to have the appeal taken and the question submitted to the Senate.

Mr. BINGHAM. If the Chair prefers to have the appeal taken, I appeal from the decision of the Chair.

The PRESIDENT pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. REED of Pennsylvania. On that question I ask for the yeas and nays.

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

Mr. BRUCE (when his name was called). "Not that I love Caesar less, but that I love Rome more," I vote "nay."

Mr. BURTON (when his name was called). I have a pair with the Senator from North Carolina [Mr. SIMMONS]. I transfer that pair to the Senator from Vermont [Mr. GREENE] and vote "nay."

Mr. REED of Pennsylvania (when his name was called). Making the same announcement as on the previous vote, I vote "yea."

Mr. ROBINSON of Arkansas (when his name was called). As heretofore stated, I have a pair with the senior Senator from Kansas [Mr. CURTIS] which I transfer to the junior Senator from Arkansas [Mr. CARAWAY], and vote "nay."

Mr. WARREN (when his name was called). Making the same transfer as before, I vote "yea."

The roll call was concluded.

Mr. JONES. I desire to announce the following general pairs:

The Senator from Connecticut [Mr. MCLEAN] with the Senator from Virginia [Mr. GLASS];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from Colorado [Mr. PHIPPS] with the Senator from Georgia [Mr. GEORGE];

The Senator from New Jersey [Mr. EDGE] with the Senator from Virginia [Mr. SWANSON]; and

The Senator from California [Mr. SHORTRIDGE] with the Senator from Maryland [Mr. TYDINGS].

The result was announced—yeas 24, nays 32, as follows:

YEAS—24

Ashurst	Harris	Pine	Steck
Barkley	Hayden	Reed, Pa.	Thomas, Okla.
Black	Heflin	Robinson, Ind.	Trammell
Capper	McNary	Sackett	Warren
Goff	Mayfield	Sheppard	Waterman
Hale	Neely	Smith	Watson

NAYS—32

Bingham	Couzens	Keyes	Reed, Mo.
Blaine	Dill	King	Robinson, Ark.
Bratton	Fess	Metcalf	Schall
Brookhart	Frazier	Norbeck	Steiwer
Broussard	Gould	Norris	Thomas, Idaho.
Bruce	Johnson	Nye	Vandenberg
Burton	Jones	Oddie	Walsh, Mass.
Copeland	Kendrick	Pittman	Wheeler

NOT VOTING—39

Bayard	George	La Follette	Shortridge
Blease	Gerry	Larrazolo	Simmons
Borah	Gillett	McKellar	Smoot
Caraway	Glass	McLean	Stephens
Curtis	Glenn	McMaster	Swanson
Dale	Greene	Moses	Tydings
Deneen	Harrison	Overman	Tyson
Edge	Hastings	Phipps	Wagner
Edwards	Hawes	Ransdell	Walsh, Mont.
Fletcher	Howell	Shipstead	

So the Senate refused to sustain the decision of the Chair.

The PRESIDENT pro tempore. The decision of the Chair is not sustained. The question now recurs upon the amendment of the Senator from Indiana [Mr. WATSON] as amended.

Mr. HEFLIN. On that I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The question recurs upon the motion of the Senator from Michigan [Mr. COUZENS] as amended.

Mr. HEFLIN. Mr. President, what is the question now?

The PRESIDENT pro tempore. The motion of the Senator from Michigan to take a recess until to-morrow morning at 11 o'clock having been amended by the adoption of the amendment of the Senator from Indiana [Mr. WATSON] as amended, the question now is, Shall the Senate recess until 11.10 to-morrow morning?

Mr. ROBINSON of Arkansas. On that I demand the yeas and nays.

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

Mr. BURTON (when his name was called). I am paired with the Senator from North Carolina [Mr. SIMMONS]. I transfer that pair to the Senator from Vermont [Mr. GREENE] and vote "yea."

Mr. REED of Pennsylvania (when his name was called). Making the same announcement as before, I vote "nay."

Mr. ROBINSON of Arkansas (when his name was called). Announcing the same pair and transfer as on the previous vote, I vote "nay."

Mr. WARREN (when his name was called). Making the same announcement as on the last vote, I vote "nay."

The roll call was concluded.

Mr. JONES. I desire to announce the following general pairs:

The Senator from Connecticut [Mr. McLEAN] with the Senator from Virginia [Mr. GLASS];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Tennessee [Mr. McKELLAR];

The Senator from Colorado [Mr. PHIPPS] with the Senator from Georgia [Mr. GEORGE];

The Senator from New Jersey [Mr. EDGE] with the Senator from Virginia [Mr. SWANSON]; and

The Senator from California [Mr. SHORTRIDGE] with the Senator from Maryland [Mr. TYDINGS].

The result was announced—yeas 34, nays 27, as follows:

YEAS—34

Bingham	Couzens	Kendrick	Pine
Blaine	Deneen	Keyes	Reed, Mo.
Bratton	Dill	King	Schall
Brookhart	Fess	McMaster	Thomas, Idaho
Broussard	Frazier	Metcalf	Vandenberg
Bruce	Glenn	Norbeck	Walsh, Mass.
Burton	Gould	Norris	Wheeler
Capper	Johnson	Nye	
Copeland	Jones	Oddie	

NAYS—27

Ashurst	Hayden	Reed, Pa.	Steiwer
Barkley	Heflin	Robinson, Ark.	Thomas, Okla.
Black	McNary	Robinson, Ind.	Trammell
Goff	Mayfield	Sackett	Warren
Hale	Moses	Sheppard	Waterman
Harris	Neely	Smith	Watson
Harrison	Pittman	Steck	

NOT VOTING—34

Bayard	George	Larrazolo	Smoot
Blease	Gerry	McKellar	Stephens
Borah	Gillett	McLean	Swanson
Caraway	Glass	Overman	Tydings
Curtis	Greene	Phipps	Tyson
Dale	Hastings	Ransdell	Wagner
Edge	Hawes	Shipstead	Walsh, Mont.
Edwards	Howell	Shortridge	
Fletcher	La Follette	Simmons	

So the motion as amended was agreed to; and the Senate (at 10 o'clock and 20 minutes p. m.) took a recess until to-morrow, Sunday, March 3, 1929, at 11.10 a. m.

NOMINATIONS

Executive nominations received by the Senate March 2 (legislative day of February 25), 1929

UNITED STATES COAST GUARD

Carpenter Kenneth S. McCann to be a chief carpenter in the Coast Guard of the United States, to take effect from date of oath.

This officer is deemed qualified for the promotion for which he is recommended.

POSTMASTERS

ILLINOIS

John H. Wehrley to be postmaster at Beecher, Ill., in place of J. H. Wehrley. Incumbent's commission expired June 6, 1928.

Fred H. Fairbanks to be postmaster at Roselle, Ill., in place of H. B. Schmidt, resigned.

William C. Nulle to be postmaster at Union, Ill., in place of W. C. Nulle. Incumbent's commission expires March 2, 1929.

MISSISSIPPI

Virginia B. Duckworth to be postmaster at Prentiss, Miss., in place of V. B. Duckworth. Incumbent's commission expired February 16, 1929.

Josephine B. Block to be postmaster at Tunica, Miss., in place of B. S. Williams. Incumbent's commission expired January 10, 1928.

OKLAHOMA

Nellie S. Hall to be postmaster at Canton, Okla., in place of H. J. Fleming, resigned.

PENNSYLVANIA

Harry D. Stevens to be postmaster at Folcroft, Pa., in place of D. W. Shaw, removed.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 2 (legislative day of February 25), 1929

COMMISSIONER OF IMMIGRATION

John B. McCandless to be commissioner of immigration at the port of Philadelphia, Pa.

COMPTROLLER OF CUSTOMS

Leslie L. Glenn to be comptroller of customs in customs collection district No. 39, with headquarters at Chicago, Ill.

COLLECTOR OF INTERNAL REVENUE

Myrtle Tanner Blacklidge to be collector of internal revenue for the first district of Illinois.

UNITED STATES COAST GUARD

Niels S. Haugen to be lieutenant.

Kenneth S. McCann to be chief carpenter.

IN THE ARMY

CHIEF OF STAFF

Maj. Gen. Charles P. Summerall, Chief of Staff, to be general while holding office as Chief of Staff of the Army, with rank from February 23, 1929.

GENERAL OFFICER

To be major general, reserve

Maj. Gen. Roy Dee Keehn, Illinois National Guard.

APPOINTMENTS BY PROMOTION

To be colonel

Lieut. Col. Archibald Henry Sunderland, Coast Artillery Corps.

To be lieutenant colonel

Maj. Clarence Self Ridley, Corps of Engineers.

To be majors

Capt. John Theodore Pierce, jr., Cavalry.
Capt. Vincent Bargmant Dixon, Air Corps.
Capt. George Macdonald Herringshaw, Quartermaster Corps.
Capt. Constant Louis Irwin, Infantry.
Capt. Thomas Forrest Limbocker, Cavalry.
Capt. Wilmer Stanley Phillips, Coast Artillery Corps.
Capt. Leven Cooper Allen, Infantry.
Capt. Cornelius Martin Daly, Cavalry.
Capt. Richard Brogdon Trimble, Cavalry.
Capt. Arthur Sandray Harrington, Field Artillery.

To be captains

First Lieut. John Orn Roady, Infantry.
First Lieut. Abraham Lincoln Bullard, Coast Artillery Corps.
First Lieut. Clarence Dixon Lavell, Field Artillery.

To be first lieutenants

Second Lieut. John Ismert Hincke, Coast Artillery Corps.
Second Lieut. Fred Arley Ingalls, Air Corps.
Second Lieut. Raymond Thomas Beurket, Field Artillery.

MEDICAL CORPS

To be colonels

Lieut Col. Charles Franklin Craig, Medical Corps.
Lieut. Col. Robert Hamilton Pierson, Medical Corps.

PROMOTIONS IN THE NAVY

To be pay inspectors

Arthur H. Mayo.
Frederick C. Bowerfind.

UNITED STATES DISTRICT JUDGES

Charles Edgar Woodward to be United States district judge, northern district of Illinois.

Allen Cox to be United States district judge, northern district of Mississippi.

UNITED STATES ATTORNEYS

John C. Gung'l to be United States attorney, district of Arizona.

George R. Jeffrey to be United States attorney, southern district of Indiana.

UNITED STATES MARSHAL

John H. Vickery to be United States marshal, northern district of Oklahoma.

POSTMASTERS

ALABAMA

Phala B. Atkins, Crichton.
John R. Fowler, Fayette.
Griffin G. Guest, Fort Payne.
John F. Harmon, Troy.

ARKANSAS

Melvin E. Torrence, Atkins.
Ferrell S. Tucker, Black Oak.
Sammie W. Kennedy, Cotton Plant.
George D. Tubbs, State Sanatorium.
John L. Hyde, Tillar.

CALIFORNIA

Archie N. Moore, Covelo.
Asa E. Bishop, Mendocino.

GEORGIA

Minnie E. Nance, Arlington.
Glossie A. Dunford, Helena.
Edgar S. Hicks, Yatesville.

ILLINOIS

Lottie M. Jones, Antioch.
John H. Wehrley, Beecher.
George C. Schoenherr, Carlinville.
Fred H. Fairbanks, Roselle.
William C. Nulle, Union.

KANSAS

Neva F. Van Dolah, Preston.

MARYLAND

Lewis J. Williams, Bel Air.

MASSACHUSETTS

LeRoy H. Fuller, Allerton.

MICHIGAN

John Y. Martin, Corunna.
Arthur L. Sturgis, Newaygo.

MINNESOTA

Charles C. Gilley, Cold Spring.
Madison H. Gregg, Dexter.
Frank Schweiger, Ely.
Maurice Holden, Garvin.
Richard C. O'Neill, Graceville.
Anton M. Anderson, St. Peter.
Burt I. Weld, Slayton.
John N. Irving, South St. Paul.
Ferdinand J. Reimers, Stewart.

MISSISSIPPI

Jack F. Ellard, Leland.
Virginia B. Duckworth, Prentiss.
Josephine B. Block, Tunica.

MISSOURI

Homer E. West, Dexter.
Earl M. Brittain, Guilford.

MONTANA

Joseph F. Dolin, Medicine Lake.

NEW YORK

Clara F. Wood, Angola.
Vincent Phelps, Briarcliff Manor.

NORTH CAROLINA

Annie L. Lassiter, Jackson.
William K. Stonestreet, Landis.

OHIO

Ralph R. Jackson, Piedmont.

OKLAHOMA

Nellie S. Hall, Canton.

PENNSYLVANIA

Benjamin F. Parry, Farrell.
Harry D. Stevens, Folcroft.

SOUTH DAKOTA

John A. Nannestad, Brandt.
Charles S. Hight, White River.

TEXAS

Hazel L. Gibner, Spearman.

WEST VIRGINIA

James R. Wratchford, Moorefield.

WISCONSIN

Fred S. Bell, Mosinee.
Fora G. DuBois, North Freedom.

HOUSE OF REPRESENTATIVES

SATURDAY, *March 2, 1929*

The House met at 12 o'clock noon.

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

Because of the Father's mercy we are here. We thank Thee, for Thy stars have been watching overhead. A prevailing Providence has laid its hand upon us, and called us to manifold service. Thou hast charged us with great responsibilities and put us in trust of great things, from which there is no escape. Oh, the pain and the bliss of living! Merciful Lord God, when we were impatient, it was because we were weak; when we were harsh, it was because our wisdom was imperfect. Forgive us and let us rest quietly and hope confidently that we have the approval of Thy benediction. The scenes of this Congress are closing; we are helped because of its memories and associations. The union of hearts and minds will soon be severed. We would not close the door with a restless or impatient hand. O God, bless our Speaker, all Members, officers, and pages. Keep bright and radiant every sky and cleanse the last cloud from every horizon. Lead us on; carry us when weary, and always provide strength according to our need. Ever clothe us with peace and happiness; always hold us in the sweet and beautiful trust that some time, some way, some where we shall meet in the perfect day. In this tranquil moment we think of that Member who was associated with the intimate work of this Congress. The Grim Reaper has called; he who stood high in the scale of service answered. We cast at his bier loving tokens of esteem and appreciation. Remember the family in the deep night of its sorrow. Through Jesus Christ our Lord. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 5995. An act for the relief of John F. O'Neil;

H. R. 6698. An act for the relief of William C. Schmitt;

H. R. 6705. An act for the relief of Clotilda Freund;

H. R. 7174. An act granting compensation to William T. Ring;

H. R. 8401. An act for the relief of Jack Mattson;

H. R. 8691. An act for the relief of Helen Gray;

H. R. 9396. An act to compensate Eugenia Edwards, of Saluda, S. C., for allowances due and unpaid during the World War;

H. R. 10321. An act for the relief of B. P. Stricklin;

H. R. 10912. An act to reimburse or compensate Capt. John W. Elkins, jr., for part of salary retained by War Department and money turned over to same by him;

H. R. 11339. An act for the relief of the estate of C. C. Spiller, deceased;

H. R. 12255. An act for the relief of Martha C. Booker, administratrix of the estate of Hunter R. Booker, deceased; H. H. Holt; and Annie V. Groome, administratrix of the estate of Nelson S. Groome, deceased;

H. R. 13440. An act for the relief of Howard P. Milligan;

H. R. 13734. An act for the relief of James McGourty;

H. R. 13801. An act for the relief of John Bowie;

H. R. 14022. An act for the relief of Felix Cole for losses incurred by him arising out of the performance of his duties in the American Consular Service;

H. R. 14089. An act for the relief of Dale S. Rice;

H. R. 14583. An act for the relief of A. Brizard (Inc.);

H. R. 15715. An act authorizing Eugene Rheinfrank, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Maumee River at or near its mouth;

H. R. 16090. An act for the relief of Hugh Dortch;

H. R. 16089. An act for the relief of Elizabeth Quinerly Cummings;

H. R. 16122. An act for the relief of E. Schaaf-Regelman;

H. R. 16342. An act for the relief of Clyde H. Tavenner;

H. R. 16535. An act authorizing the Secretary of War to execute a satisfaction of a certain mortgage given by the Twin City Forge & Foundry Co. to the United States of America;

H. R. 16666. An act for the relief of Katherine Elizabeth Kerrigan Callaghan;

H. R. 16839. An act to provide for investigation of sites suitable for the establishment of a naval airship base;

H. R. 16982. An act authorizing J. E. Robinson, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Tombigbee River at or near Coffeeville, Ala.;

H. R. 17007. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Hickman, Ky.;

H. R. 17060. An act to readjust the commissioned personnel of the Coast Guard, and for other purposes;

H. R. 17075. An act to extend the times for commencing and completing the construction of a bridge across the Red River of the North at or near Fargo, N. Dak.;

H. R. 17101. An act to accept the cession by the State of Colorado of exclusive jurisdiction over the lands embraced within the Rocky Mountain National Park, and for other purposes;