

Also, a bill (H. R. 1768) for the relief of Mary S. Neel; to the Committee on Claims.

Also, a bill (H. R. 1769) for the relief of Edna Morris; to the Committee on Claims.

Also, a bill (H. R. 1770) for the relief of James A. Davidson; to the Committee on Claims.

Also, a bill (H. R. 1771) for the relief of Mary A. Cole; to the Committee on Claims.

Also, a bill (H. R. 1772) for the relief of Irma S. Haller; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 1773) for the relief of John Buchanan; to the Committee on Military Affairs.

Also, a bill (H. R. 1774) to correct the military record of John K. McMains; to the Committee on Military Affairs.

Also, a bill (H. R. 1775) to define promotion status of J. Earl McNamany, lieutenant, junior grade, Chaplain Corps, United States Navy; to the Committee on Naval Affairs.

By Mr. KIESS: A bill (H. R. 1776) granting a pension to Wilber Green; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1777) granting a pension to Alice M. McCrea; to the Committee on Pensions.

Also, a bill (H. R. 1778) granting an increase of pension to Minnie L. Klock; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 1779) granting an increase of pension to Lena Kircher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1780) for the relief of the Cold Springs Brewing Co., of Cold Springs, Minn., a corporation; to the Committee on Claims.

Also, a bill (H. R. 1781) to correct the military record of Vernon S. Ross; to the Committee on Military Affairs.

Also, a bill (H. R. 1782) granting a pension to Edward W. Collins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1783) granting a pension to Lizzie C. Walsh; to the Committee on Pensions.

Also, a bill (H. R. 1784) granting a pension to Frances M. Myers; to the Committee on Invalid Pensions.

By Mr. LOZIER: A bill (H. R. 1785) granting a pension to Porter Mayo; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1786) granting an increase of pension to Elizabeth C. Jackson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1787) granting a pension to Caroline Cassity; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1788) granting a pension to Clellen G. (or C. G.) Bigger; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 1789) granting an increase of pension to Louisa V. Moore; to the Committee on Invalid Pensions.

By Mr. McFADDEN: A bill (H. R. 1790) granting an increase of pension to Rosanna Lyon; to the Committee on Invalid Pensions.

By Mr. MOORE of Virginia: A bill (H. R. 1791) granting a pension to Frank A. Parkhurst; to the Committee on Pensions.

By Mr. NELSON of Wisconsin: A bill (H. R. 1792) for the relief of Frederick E. Burgess; to the Committee on Military Affairs.

By Mr. STRONG of Kansas: A bill (H. R. 1793) for the relief of Albert L. Loban; to the Committee on Claims.

Also, a bill (H. R. 1794) to authorize the payment of an indemnity to the owners of the British steamship *Kyleakin* for damages sustained as a result of a collision between that vessel and the U. S. S. *William O'Brien*; to the Committee on War Claims.

By Mr. TREADWAY: A bill (H. R. 1795) granting an increase of pension to Emma J. Duncan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1796) granting a pension to Archie Harrington; to the Committee on Invalid Pensions.

By Mr. TILSON: A bill (H. R. 1797) granting a pension to Sarah B. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1798) for the relief of Francis Leo Shea; to the Committee on Naval Affairs.

By Mr. WELCH of California: A bill (H. R. 1799) granting an increase of pension to Thomas J. Golding; to the Committee on Pensions.

Also, a bill (H. R. 1800) granting a pension to Thomas J. Coogan; to the Committee on Pensions.

Also, a bill (H. R. 1801) to extend the provisions of the United States employees' compensation act of September 7, 1916, to James E. Dethlefsen; to the Committee on Claims.

Also, a bill (H. R. 1802), for the relief of Thomas H. Dowd; to the Committee on Military Affairs.

Also, a bill (H. R. 1803) for the relief of the Yosemite Lumber Co.; to the Committee on Claims.

Also, a bill (H. R. 1804) for the relief of David I. Brown; to the Committee on Military Affairs.

Also, a bill (H. R. 1805) for the relief of Patrick J. Sullivan; to the Committee on Military Affairs.

Also, a bill (H. R. 1806) to authorize the appointment of Staff Sergt. Stephen Miller, retired, United States Army, to master sergeant, retired, United States Army; to the Committee on Military Affairs.

Also, a bill (H. R. 1807) granting a pension to William F. Buckley; to the Committee on Pensions.

PETITIONS, ETC.

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

165. Petition of City Council of Seattle, Wash., to limit the immigration of natives of the Philippines to this country; to the Committee on Immigration and Naturalization.

166. By Mr. BURTNESS: Petition of the citizens of Grand Forks, N. Dak., asking for the repeal of the national-origins provisions of the immigration act, and requesting continuance of quotas based on 2 per cent of the 1890 census; to the Committee on Immigration and Naturalization.

167. By Mr. HADLEY: Petition of Board of County Commissioners of Kitsap County, Wash., urging a tariff on lumber; to the Committee on Ways and Means.

168. By Mr. HOPE: Petition signed by numerous voters of Hutchinson, Kans., urging the passage of House bill 14676, providing certain increases in pensions for veterans and nurses who served in the Spanish-American War; to the Committee on Pensions.

169. Also, petition signed by numerous business men of Hutchinson, Kans., urging the passage of House bill 14676, providing certain increases in pensions for veterans and nurses who served in the Spanish-American War; to the Committee on Pensions.

170. Also, petition signed by numerous bankers of Hutchinson, Kans., urging the passage of House bill 14676, providing certain increases in pensions for veterans and nurses who served in the Spanish-American War; to the Committee on Pensions.

171. Also, petition signed by numerous attorneys of Hutchinson, Kans., urging the passage of House bill 14676, providing certain increases in pensions for veterans and nurses who served in the Spanish-American War; to the Committee on Pensions.

172. By Mr. LAMPERT: Resolution from the Dairy Cooperative Organizations, requesting the passage of the tariff schedule for dairy products and for oils and other materials used in the manufacturing of substitutes as drafted by the tariff committee of the National Milk Producers' Federation, and passage of a comprehensive plan of financing capital operations of farm cooperative organizations; to the Committee on Ways and Means.

173. By Mr. McCORMACK of Massachusetts: Petition of Boston Central Labor Union, Harry P. Grages, secretary-business representative, 987 Washington Street, Boston, Mass., strongly urging a downward revision of the Federal income tax law; to the Committee on Ways and Means.

174. By Mr. MAGRADY: Resolution adopted by Bear Valley Local No. 1669, United Mine Workers of America, in behalf of a tariff on anthracite coal and textiles; to the Committee on Ways and Means.

175. Also, resolution adopted by Local Union No. 1384, United Mine Workers of America, of Shamokin, Pa., in behalf of a tariff on anthracite coal; to the Committee on Ways and Means.

176. By Mr. O'CONNELL of New York: Petition of the Domestic Sugar Producers' Association, Washington, D. C., favoring an increase in duty on sugar; to the Committee on Ways and Means.

SENATE

TUESDAY, April 23, 1929

Rev. Joseph R. Sizoo, D. D., minister of the New York Avenue Presbyterian Church of the city of Washington, offered the following prayer:

Almighty and ever-living God, we draw near unto Thee, believing that Thou art, and that Thou art the rewarder of all those who diligently seek Thee. We are weak, mortal men immersed in the world's affairs, buffeted by its blows, flung to and fro by its conflicts of right and wrong, prone to wander in our own way. We ask to-day some sure anchor for our souls, some abiding stay. Be Thou unto us that rock of ages. May the Lord bless us and keep us; make His face shine upon us and be gracious unto us; lift up the light of His countenance upon us and give us His peace. Through Christ our Lord. Amen.

ELLISON D. SMITH, a Senator from the State of South Carolina, appeared in his seat to-day.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. JONES and by unanimous consent, the further reading was dispensed with and the Journal was approved.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a memorial of sundry citizens of Elk City, Kans., remonstrating against the proposed calendar change of weekly cycle, which was referred to the Committee on Foreign Relations.

He also presented resolutions adopted by the Golden Gate Valley Commercial Club and the North Beach Promotion Association, of San Francisco, both in the State of California, favoring the passage of legislation reducing by 50 per cent the Federal tax on earned incomes, which were referred to the Committee on Finance.

Mr. FRAZIER presented the petitions of J. S. Lund and 25 other citizens of Powers Lake, and A. O. Banks and 23 other citizens of Fordville, all in the State of North Dakota, praying for the repeal of the national-origins provision of the immigration act and for the continuance of quotas based on 2 per cent of the 1890 census, which were referred to the Committee on Immigration.

Mr. WAGNER presented resolutions adopted by the Council of the City of Buffalo, N. Y., favoring the construction of a disabled-veterans' hospital in western New York, and stating that "the Common Council of the City of Buffalo is ready and willing to consider an application from the American Legion of Erie County for a free site for this hospital from the many lands now owned by the city of Buffalo," which were referred to the Committee on Finance.

Mr. LA FOLLETTE presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on the Judiciary:

Joint resolution memorializing the Congress of the United States to enforce all articles and amendments of the United States Constitution alike

Whereas the Congress of the United States has appropriated large sums of money to enforce the eighteenth amendment of the United States Constitution; and

Whereas each amendment or article of the United States Constitution should be enforced with the same vigor and impartiality; and

Whereas many of the States are openly violating section 2 of the fourteenth amendment of the United States Constitution, which section reads as follows: "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 when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the executive and judicial officers of a State, or the members of the legislature thereof, is denied to any of the male inhabitants of such State, being 21 years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens 21 years of age in such State"; and

Whereas due to such violation of said section of the United States Constitution sufficient votes were mustered in Congress to pass over President Wilson's veto the so-called Volstead Act; and

Whereas such violation of the United States Constitution is unfair and unjust to those States that live up to the provisions of such section, and to the people of the Nation as a whole: Therefore be it

Resolved by the assembly (the senate concurring), That the same amounts of money be appropriated by Congress to bring about the enforcement of section 2 of the fourteenth amendment to the Constitution of the United States as is appropriated for the enforcement of the eighteenth amendment; and be it further

Resolved, That a copy of this resolution, properly attested, be sent to the presiding officer of each House of the Congress of the United States and to each Wisconsin Member thereof.

HENRY A. HUBER,
President of the Senate.
O. G. MUNSON,
Chief Clerk of the Senate.
CHAS. B. PERRY,
Speaker of the Assembly.
C. E. SHAFFER,
Chief Clerk of the Assembly.

Mr. BLAINE presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Finance:

Joint resolution relating to agricultural relief and memorializing Congress

Whereas President Hoover has convened the Congress of the United States to meet in special session on April 15, 1929, to consider the problem of agricultural relief; and

Whereas the problem of agricultural relief presents two distinct aspects, namely, that of making the tariff effective as to those agricultural products in which American farmers face foreign competition and that of providing the equivalent of tariff protection to agricultural products of which we produce a surplus; and

Whereas the present tariff duties fall far short of adequately protecting the American farmers from the competition of more cheaply produced foreign products, as evidenced by the fact that \$2,500,000,000 worth of farm products are imported into the United States annually; and

Whereas among the agricultural products imported from foreign countries there were in 1928: 78,000,000 pounds of cheese, which represented an increase of over 50 per cent in the last five years, a direct consequence of an inadequate tariff duty; 13,000,000 pounds of dried peas and 65,000,000 pounds of dried beans, which have rendered unprofitable the production of peas and beans in this State; and 245,000,000 pounds of coconut oil, which constituted the principal constituent of the more than 257,000,000 pounds of oleomargarine manufactured in this country, and all of which was imported absolutely free of duty; and

Whereas the Republican national platform of 1928 pledged revision of tariff duties to give the American farmer the entire home market "to the full extent of his ability to supply it" and the Democratic national platform pledged "equality of treatment between agriculture and other industries"; and

Whereas increase in tariff duties, while vital in the case of agricultural products which are imported in large quantities, obviously will not give relief to the producers of agricultural products of which we produce a surplus, but instead relief for the producers of such products must be sought through some method of disposing of the surpluses: Now, therefore, be it

Resolved by the senate (the assembly concurring), That the Legislature of Wisconsin hereby respectfully memorializes the Congress of the United States to promptly enact legislation for agricultural relief along the two following lines:

1. Increase in the tariff duties upon agricultural products which are imported in large quantities, and particularly an increase in the duties upon cheese, condensed and evaporated milk and other dairy products, and on dried peas and beans, and, above all, the imposition of a tariff duty upon coconut oil imported from the Philippines, to equalize the cost of manufacturing oleomargarine with the cost of production of butter.

2. An effective method for the disposal of the surpluses of agricultural products in such a manner that the domestic price will not be depressed to the level of the world price through the existence of such surpluses: Be it further

Resolved, That properly attested copies of this resolution be sent to the presiding officers of both Houses of the Congress of the United States and to each Wisconsin Member thereof.

HENRY A. HUBER,
President of the Senate.
O. G. MUNSON,
Chief Clerk of the Senate.
CHAS. B. PERRY,
Speaker of the Assembly.
C. E. SHAFFER,
Chief Clerk of the Assembly.

Mr. BLAINE also presented a memorial signed by 32 citizens of Langlade County, in the State of Wisconsin, remonstrating against the proposed calendar change of weekly cycle, which was referred to the Committee on Foreign Relations.

Mr. BRATTON presented the following joint resolution of the Legislature of the State of New Mexico, which was referred to the Committee on Finance:

House Joint Resolution 12 (introduced by M. Ralph Brown)

A joint resolution memorializing the Congress of the United States to extend the time under section 445 of Title 38, United States Code Annotated, as amended May 29, 1928, chapter 875, section 1, Forty-fifth Statutes, within which actions may be filed on war-risk insurance policies

Be it resolved by the Legislature of the State of New Mexico, That—

Whereas it was the intent and purpose of the United States Government in issuing war-risk insurance policies to soldiers during the World War to provide them and their dependents with protection in the event of death or total permanent disability incurred as a result of said military service; and

Whereas large numbers of ex-service men have been ill and disabled ever since their discharge from the military service of the United States during the World War; and

Whereas many of these veterans have, because of said disability and otherwise, been unfamiliar with the rights and benefits which accrued

to them and to which they are entitled under said war-risk insurance policies; and

Whereas the limitation on actions on said war-risk insurance policies will soon expire to the great detriment of many disabled ex-service men; and

Whereas it is only fair and proper that the time limitation within which these suits may be filed be extended for an additional period of five years from May 29, 1929: Therefore be it

Resolved, That the Congress and the Government of the United States be, and are hereby, memorialized to amend section 445 of Title 38, United States Code Annotated, as amended May 29, 1928, chapter 875, section 1, Forty-fifth Statutes, so as to extend for an additional period of five years from May 29, 1929, the period within which suits may be filed on war-risk insurance policies; and be it further

Resolved, That a copy of this resolution be forwarded to all of the New Mexico Representatives in the Congress of the United States and to the Director of the United States Veterans' Bureau.

ROMAN L. BACA,
Speaker of the House of Representatives.

Attest:

ISIDORO ARMILJO,
Chief Clerk of the House of Representatives.
HUGH B. WOODWARD,
President of the Senate.

Attest:

FRANK STAPLIN,
Chief Clerk of the Senate.

Approved by me this 11th day of March, 1929.

R. C. DILLON,
Governor of the State of New Mexico.

Filed in office of secretary of state of New Mexico, March 11, 1929.
MRS. E. A. PENULT,
Secretary.

Mr. BRATTON also presented the following joint memorial of the Legislature of the State of New Mexico, which was referred to the Committee on Public Lands and Surveys:

Senate Joint Memorial No. 2 (introduced by Senator E. D. Salazar and Senator M. A. Gonzales)

Memorializing the Secretary of Agriculture to make less stringent the rules and regulations governing the pasturing of livestock within the national forest preserves of New Mexico

Whereas certain of the present rules and regulations of the United States Forest Service relative to the pasturing of livestock in the forest preserves of this State are working a hardship on the owners of such livestock: Therefore be it

Resolved by the Senate of the State of New Mexico (the House of Representatives concurring), That the Secretary of Agriculture of the United States be memorialized to lessen the stringency of such rules and regulations by providing:

First, That the owners of livestock desiring to pasture their stock within the forest preserves of this State be permitted to pay one half of the fee for such pasturage at the time their livestock is turned into the said forest preserves and the other half at the time when they take such livestock out of the said forest preserves;

Second, That the number of livestock, such as sheep, cows, etc., allowed on such forest preserves, be materially increased where practicable; and

Third, That the owners of such livestock be themselves permitted to place salt within such forest preserves for their said livestock instead of having the same placed therein by the forest ranger in charge of such forest preserve, as is now provided by Forest Service regulations; and be it further

Resolved, That copies of this memorial be forwarded to the honorable Secretary of Agriculture of the United States, to Hon. BRONSON CUTTING and Hon. SAM BRATTON, United States Senators from New Mexico, and to Hon. ALBERT SIMMS, Representative in Congress.

HUGH B. WOODWARD,
President of the Senate.

Attest:

FRANK STAPLIN,
Chief Clerk of the Senate.

ROMAN L. BACA,
Speaker of the House of Representatives.

Attest:

ISIDORO ARMILJO,
Chief Clerk of the House of Representatives.

Approved by me this 11th day of March, 1929.

R. C. DILLON,
Governor of New Mexico.

Mr. BRATTON also presented the following joint resolutions of the Legislature of the State of New Mexico, which were referred to the Committee on Military Affairs:

House Joint Resolution No. 7 (introduced by J. M. McMath)

Joint resolution petitioning the Congress of the United States and the President of the United States to set aside old Fort Union, located in Mora County, State of New Mexico, as a national monument

To the Congress of the United States:

Whereas in 1851 the United States Government established in the present county of Mora, State of New Mexico, a military post, Fort Union, which was for 40 years the military headquarters and base of supplies for the Army of the Southwest; and

Whereas this fort is located on the Comanche Trail, the Santa Fe Trail, and the California Gold Trail, and was a strategic point during the Civil War; and

Whereas many of our noted military figures were at some time during their career assigned to duty at Fort Union; and

Whereas these buildings are falling into decay, thereby risking the loss of a spot rich in historic lore; and

Whereas the New Mexico Chapters of the Daughters of the American Revolution, including the Stephen Watts Kearny Chapter, of Santa Fe, have unanimously indorsed the movement started by the Las Vegas service clubs to preserve and maintain Fort Union as a national monument, and have requested the Legislature of the State of New Mexico to memorialize the President and Congress of the United States on this subject: Now, therefore, be it

Resolved, That the Legislature of the State of New Mexico respectfully memorializes and petitions the Congress of the United States to set aside this historic site and to preserve and maintain Fort Union as a national monument; and be it further

Resolved, That copies of this memorial be sent to the President of the United States and to the presiding officers of the Senate and House of Representatives and to the Senators and Representative of the State of New Mexico.

ROMAN L. BACA,
Speaker of the House of Representatives.

Attest:

ISIDORO ARMILJO,
Chief Clerk of the House of Representatives.
HUGH B. WOODWARD,
President of the Senate.

Attest:

FRANK STAPLIN,
Chief Clerk of the Senate.

Approved by me this 12th day of March, 1929.

R. C. DILLON,
Governor of the State of New Mexico.

House Joint Resolution 9 (introduced by Mr. Alvan N. White)

A resolution calling upon the Secretary of War to establish a regular Army Cavalry post within the State of New Mexico

Be it resolved by the Legislature of the State of New Mexico:

Whereas there are at the present time no regularly established units of the United States Army located in New Mexico; and

Whereas the establishment of such a unit within New Mexico, preferably a squadron of Cavalry, would be of inestimable value to the National Guard of New Mexico by giving the guardsmen the advantage of intimate association with the Regular Army and by providing a more economical maintenance of the annual encampments of the citizen components of the Army of the United States, which the citizens of this State insist should be held within the borders of this State; and

Whereas the establishment of such a unit within New Mexico would enable the Regular Army to more economically perform its mission of training the National Guard and at the same time would afford the Regular Army a location unsurpassed from the standpoint of climate, terrain, and ability to carry an outdoor instruction throughout the year: Now, therefore, be it

Resolved by the Legislature of the State of New Mexico, That the honorable Secretary of War be, and he hereby is, requested to establish a unit of the United States Regular Army, preferably a squadron of Cavalry, within the State of New Mexico; and be it further

Resolved, That a copy of this resolution be sent to the honorable Secretary of War, the Chief Militia Bureau, the commanding general of the Eighth Corps Area, and to New Mexico's Representatives in the Senate and Congress of the United States.

ROMAN L. BACA,
Speaker of the House of Representatives.

Attest:

ISIDORO ARMILJO,
Chief Clerk of the House of Representatives.
HUGH B. WOODWARD,
President of the Senate.

Attest:

FRANK STAPLIN,
Chief Clerk of the Senate.

Approved by me this 11th day of March, 1929.

R. C. DILLON,
Governor of the State of New Mexico.

DECENNIAL CENSUS AND APPORTIONMENT OF REPRESENTATIVES

Mr. JONES. Mr. President, by direction of the Committee on Commerce, the Senator from Michigan [Mr. VANDENBERG] and I report back favorably without amendment the bill (S. 312) to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress, and we submit a report (No. 2) thereon. It is a combination of the bill (S. 2) to provide for the fifteenth and subsequent decennial censuses and the bill (S. 3) to provide for apportionments of Representatives in Congress already introduced.

The VICE PRESIDENT. The bill will be placed on the calendar.

FARM RELIEF

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 1) to establish a Federal farm board to aid in the orderly marketing, and in the control and disposition of the surplus, of agricultural commodities in interstate and foreign commerce, reported it without amendment and submitted a report (No. 3) thereon.

UNVEILING OF STATUE OF ROBERT M. LA FOLLETTE

Mr. MOSES. Mr. President, from the Committee on Printing I report back favorably without amendment the concurrent resolution (S. Con. Res. 5) and ask unanimous consent for its present consideration.

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

There being no objection, the concurrent resolution (S. Con. Res. 5) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, etc., That there be printed and bound, with illustrations, the proceedings in Congress, together with the proceedings at the unveiling in Statuary Hall, upon the acceptance of the statue of Robert M. La Follette, presented by the State of Wisconsin, 10,000 copies, of which 2,000 shall be for the use of the Senate and 5,000 for the use of the House of Representatives, and the remaining 3,000 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Wisconsin.

SEC. 2. The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer, who shall provide suitable illustrations to be bound with these proceedings.

EXPENSES OF EXTRA SESSION

Mr. WARREN. Mr. President, from the Committee on Appropriations I report back favorably with an amendment the bill (H. R. 1412) making appropriations for certain expenses of the legislative branch incident to the first session of the Seventy-first Congress. I ask that the bill may be read, and I then ask for its immediate consideration.

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

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read. The amendment was, on page 2, after line 2, to insert:

For equipment and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Building, including personal and other services, to be expended from the contingent fund of the Senate, under the supervision of the Committee on Rules, United States Senate, fiscal year 1929, \$5,000.

The amendment was agreed to.

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

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

The bill was read the third time and passed.

UNITED STATES MARINE BAND AT CONFEDERATE VETERANS' REUNION

Mr. OVERMAN. Mr. President, I am authorized by the Committee on Appropriations to report back favorably without amendment the bill (S. 5) making an appropriation for defraying the expenses of the United States Marine Band in attending the Confederate Veterans' Reunion to be held at Charlotte, N. C. This is an emergency matter. The appropriation asked for has been authorized by Congress. I ask unanimous consent for the present consideration of the bill.

The VICE PRESIDENT. The clerk will report the bill for the information of the Senate.

The Chief Clerk read the bill.

Mr. OVERMAN. I ask unanimous consent for the present consideration of the bill.

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

Mr. SMOOT. Mr. President, I have no objection to the bill, but I call the attention of the Senator from North Carolina

to the fact that twice in recent times we have received polite messages from the House that appropriation bills must originate in that body. I am very much of the opinion that that is the kind of notice we will get with reference to this bill if we pass it.

Mr. WALSH of Montana. I wish to inquire of the Senator from Utah upon what basis the House of Representatives claims the right to originate all appropriation bills?

Mr. SMOOT. The answer in the previous cases was the return of the two bills to which I have just made reference. The House gave no reason whatever other than that they returned the bills. They did not act upon them at all.

Mr. McKELLAR. Mr. President, will the Senator state what two bills they were? There is nothing in the Constitution whatsoever about where appropriation bills shall originate. Of course we all know that revenue bills have to originate in the House.

Mr. JONES. Mr. President, I should like to ask the Senator from Massachusetts [Mr. GILLET] that question. He has been Speaker of the House, and I think can give the Senate light on the attitude of the House with reference to measures of this kind.

Mr. GILLET. Mr. President, I am sorry I did not understand the Senator's question.

Mr. JONES. The bill now under discussion appropriates \$7,500, and the question was whether, if it were sent to the House, the House would reject it and send it back on the theory that such bills should originate there. The question has been raised as to why the House takes that attitude.

Mr. GILLET. I think the precedent established has been on the ground that while the Constitution provides that bills raising revenue must originate in the House, yet at the time of the adoption of the Constitution bills for raising revenue were supply bills which included both raising revenue and making appropriations. For a great many years one committee had jurisdiction of both tax and appropriation bills, and pretty universally the House has held that the constitutional phrase applied to appropriating as well as raising revenue.

Mr. OVERMAN. That argument is of no force whatsoever. There is nothing in the Constitution relating to it, as the Senator admits.

Mr. GILLET. The Constitution simply states that bills for raising revenue shall originate in the House and, as I said, at that time the supply bills included bills both raising and appropriating money.

Mr. MOSES. Mr. President—

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

Mr. GILLET. I yield.

Mr. MOSES. I want to ask the Senator from Massachusetts, inasmuch as he is an undoubted authority on the rules and practice of the House of Representatives, whether the practice to which he refers does not apply almost exclusively, indeed, exclusively, to general supply bills and not to small matters of appropriation such as this bill contemplates?

Mr. GILLET. I am not aware just what the bill now before us provides. I was not giving attention to it at the moment, but undoubtedly the precedents apply mainly to general appropriation bills.

Mr. WARREN and Mr. SWANSON addressed the Chair.

The VICE PRESIDENT. The Chair recognizes the Senator from Wyoming.

Mr. WARREN. There is nothing in the Constitution which prevents any or all appropriation bills from originating in the Senate and then going to the House. It is only a practice, and I think we ought to sustain, as it has been the practice such a long time. There is nothing in the rules that I know of requiring that appropriation bills shall come to us from the House, but it has been the practice which we have followed for a long time. As the Senator from New Hampshire just stated, we have sent any number of bills from the Senate which made appropriations in this way that were almost identical with the one reported by my distinguished colleague on the committee this morning.

Mr. SWANSON. Mr. President, this rule was made in the early sessions of Congress in the way that has been stated; but the revenue bills at that time also included the supply bills, so that they were usually one and the same bill. It has been contended by the House that that practice should prevail, but it has been abandoned more or less. The Senate has insisted that it has the right to originate appropriation bills and I have never known the House to refuse bills like this one.

Mr. SMOOT. I have.

Mr. SWANSON. But the Senator acquiesced in it and did not fight against it. If the House should say "We can not pass a small bill containing an appropriation because it did not origi-

nate with us," it would be time for the Senate to abdicate and cease to be a coequal body of the Government. The old system used to be, when we wanted a small appropriation, to get the bill passed in the Senate first and then sent to the House and passed there. I have never known any objection to be made to these small bills originating in the Senate.

Mr. GILLET. I think the Senator is quite correct. There are innumerable instances of small bills with appropriations originating in the Senate.

Mr. SWANSON. I think the rule relates to general revenue bills. A general appropriation bill might in some way affect the revenue. The House has insisted that all general appropriation bills carrying large sums of money which might affect the revenue must originate in the House, and constantly have insisted upon it as a prerogative of the House. It has been customary for general appropriation bills to be first passed in the House and then come over here, but I have never known of a small appropriation bill like the one now before us, which originated in the Senate, being refused by the House on that ground. I have never known the issue to be made on the floor in the case of an appropriation such as this in all the years I have been in the House and the Senate, and I served in the House of Representatives for 13 years.

Mr. BINGHAM. Mr. President, may I read what the Constitution says in regard to this matter? Section 7 of Article I provides that—

All bills for raising revenue shall originate in the House of Representatives, but the Senate may propose or concur with amendments as on other bills.

Mr. WALSH of Montana. Mr. President, I think there is abundant reason for according to the House the privilege of originating the general supply bills, not that they might not justly under the Constitution originate in this body, but all of those supply bills must have in their support the testimony, rather elaborate in character, of representatives of the various departments, and it would be a waste of time and energy to hold extensive hearings upon those general supply bills in both Houses at one and the same time. So it is an excellent arrangement to allow to originate in the House of Representatives those bills that are supported by extensive hearings on the part of representatives of the various departments, but the rule can not possibly apply to such a measure as the one now proposed by the Senator from North Carolina, and I think the Senate ought not to accede to any contention of the House if any such contention be made, with respect to bills of that character which the Senate has the right to originate.

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

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 5) making appropriation for defraying the expenses of the United States Marine Band in attending the Confederate Veterans' Reunion to be held at Charlotte, N. C., which was read, as follows:

Be it enacted, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$7,500, or so much thereof as may be necessary, for defraying the expenses of the United States Marine Band in attending the Thirty-ninth Annual Confederate Veterans' Reunion to be held at Charlotte, N. C., June 4 to 7, inclusive, 1929, pursuant to the authorization contained in the act of Congress entitled "An act authorizing the attendance of the Marine Band at the Confederate Veterans' Reunion to be held at Charlotte, N. C.," approved February 5, 1929.

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

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. COPELAND:

A bill (S. 453) providing for the appointment of a diplomatic representative to the Caucasian Republics consisting of the National Republics of Georgia, Azerbaidjan, and North Caucasica; to the Committee on Foreign Relations.

A bill (S. 454) to establish a commission to be known as a commission on a national museum of engineering and industry; to the Committee on Education and Labor.

By Mr. MOSES:

A bill (S. 455) granting Harold L. Lytle the sum of \$5,000 to reimburse him for hospital and medical expenses and loss of salary due to an injury received in a collision with a Government truck in Portsmouth, N. H., May 10, 1927 (with accompanying papers); to the Committee on Naval Affairs.

By Mr. REED:

A bill (S. 456) to create the reserve officers' division of the War Department, and for other purposes; to the Committee on Military Affairs.

A bill (S. 457) for the relief of the estate of Benjamin Braznell; to the Committee on Claims.

By Mr. PHIPPS:

A bill (S. 458) granting a pension to Mary H. Rodgers (with accompanying papers); and

A bill (S. 459) granting a pension to Thomas Courtland Bowers (with accompanying papers); to the Committee on Pensions.

By Mr. METCALF:

A bill (S. 460) to amend the immigration act of 1924, as amended; to the Committee on Immigration.

By Mr. PITTMAN:

A bill (S. 461) for the relief of U. R. Webb; to the Committee on Claims.

A bill (S. 462) to include certain lands in the counties of Lincoln, Nye, and White Pine, Nev., in the Nevada National Forest, Nev., and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. FLETCHER:

A bill (S. 463) for the relief of the Gray Artesian Well Co.; to the Committee on Claims.

A bill (S. 464) providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Fort Pierce, St. Lucie County, Fla.; to the Committee on the Judiciary.

By Mr. TYSON:

A bill (S. 465) to give war-time rank to retired officers and former officers of the United States Army; to the Committee on Military Affairs.

By Mr. HARRIS:

A bill (S. 466) to authorize the Public Health Service and the National Academy of Sciences jointly to investigate the means and methods for affording Federal aid in discovering a cure for cancer, and for other purposes; to the Committee on Education and Labor.

By Mr. BORAH:

A bill (S. 467) granting a pension to Marie Maynard (with accompanying papers); to the Committee on Pensions.

By Mr. HATFIELD:

A bill (S. 468) granting an increase of pension to Mary C. Montgomery (with accompanying papers); to the Committee on Pensions.

A bill (S. 469) to authorize the appointment of Master Sergt. Lyle E. White as a warrant officer, United States Army; to the Committee on Military Affairs.

By Mr. CONNALLY:

A bill (S. 470) for the prevention and removal of obstructions and burdens upon interstate commerce in cotton by regulating transactions on cotton-futures exchanges, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. JONES:

A bill (S. 471) providing for a 44-hour week for certain Government employees; to the Committee on Civil Service.

By Mr. HALE:

A bill (S. 472) granting an increase of pension to Emma A. Gannett; to the Committee on Pensions.

A bill (S. 473) to correct the military record of Alexander W. Goodreau; to the Committee on Military Affairs.

A bill (S. 474) for the relief of Alice Smith Tapley; and A bill (S. 475) for the relief of the widow of Capt. Benjamin D. Cotter; to the Committee on Claims.

By Mr. ROBINSON of Indiana:

A bill (S. 476) 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; and

A bill (S. 477) to revise and equalize the rate of pension to certain soldiers, sailors, and marines of the Civil War, to certain widows, former widows, of such soldiers, sailors, and marines, and granting pensions and increase of pensions in certain cases; to the Committee on Pensions.

By Mr. SWANSON:

A bill (S. 478) to provide for the study, investigation, and survey, for commemorative purposes, of the Bull Run and second Manassas battle fields in the State of Virginia; and

A bill (S. 479) for the relief of Thomas Finley; to the Committee on Military Affairs.

A bill (S. 480) to provide for preparation of a design or designs and estimates of the cost of a bridge to supplant the Chain Bridge; to the Committee on the District of Columbia.

A bill (S. 481) for the relief of the heirs of Thomas G. Wright;

A bill (S. 482) for the relief of Thomas T. Grimsley; and
 A bill (S. 483) for the relief of J. W. Anderson; to the Committee on Claims.

By Mr. NORBECK:

A bill (S. 484) to provide for the protection of watersheds within the national forests which are the source of a municipal water supply; to the Committee on Agriculture and Forestry.

A bill (S. 485) to amend section 9 of the Federal reserve act and section 5240 of the Revised Statutes of the United States, and for other purposes; and

A bill (S. 486) to amend section 5153 of the Revised Statutes, as amended; to the Committee on Banking and Currency.

A bill (S. 487) for the relief of Emerson E. Hunt and C. N. McMillan; and

A bill (S. 488) for the relief of Hannah Nielson Larsen; to the Committee on Claims.

A bill (S. 489) granting a pension to Charles L. Edgerton;
 A bill (S. 490) granting a pension to Frank M. Lockhart (with accompanying papers); and

A bill (S. 491) granting a pension to Bazil Claymore (or Clement) (with accompanying papers); to the Committee on Pensions.

By Mr. BRATTON:

A bill (S. 492) to amend subdivision (7) of section 202 and section 500 of the World War veterans' act, 1924, as amended;

A bill (S. 493) to authorize the Secretary of the Treasury to prepare a medal with appropriate emblems and inscriptions commemorative of the services, sacrifices, and patriotism of the American women of all wars in which the United States has participated;

A bill (S. 494) to amend section 19 of the World War veterans' act, 1924, as amended; and

A bill (S. 495) extending the benefits of the World War veterans' act, 1924, as amended, to Charles Mebane Fullwood; to the Committee on Finance.

A bill (S. 496) for the relief of Claude J. Neis; to the Committee on Military Affairs.

A bill (S. 497) to provide for the erection and operation of public bathhouses at Hot Springs, N. Mex.; and

A bill (S. 498) granting certain public lands to the State of New Mexico for the use and benefit of the Eastern New Mexico Normal School, and for other purposes; to the Committee on Public Lands and Surveys.

A bill (S. 499) to establish a fish-hatching and fish-cultural station in the State of New Mexico; to the Committee on Commerce.

A bill (S. 500) to enroll as citizens of the Choctaw Nation Daisy Crockett Coleman, Agnes Irene Coleman, and Verna Ruth Coleman, of Hillsboro, N. Mex.; to the Committee on Indian Affairs.

A bill (S. 501) to create a commission to collect and publish the records of American women in war; to the Committee on Education and Labor.

A bill (S. 502) granting a pension to Victor Culberson;

A bill (S. 503) granting a pension to Charles A. Allingham;

A bill (S. 504) granting an increase of pension to Emilio DuBois;

A bill (S. 505) granting a pension to Gertrude E. Reid;

A bill (S. 506) granting a pension to Ida Lyons;

A bill (S. 507) granting an increase of pension to Garfield Hughes;

A bill (S. 508) granting a pension to Charles Watlington; and

A bill (S. 509) granting an increase of pension to R. L. Baca; to the Committee on Pensions.

A bill (S. 510) for the relief of Hunter D. Scott;

A bill (S. 511) for the relief of Martin E. Riley;

A bill (S. 512) for the relief of Sigmund Landauer;

A bill (S. 513) for the relief of Nicholas Gallegos;

A bill (S. 514) for the relief of J. B. McGhee;

A bill (S. 515) for the relief of Manuel A. Martinez;

A bill (S. 516) to extend the benefits of the United States employees' compensation act of September 7, 1916, to Joseph K. Humphrey;

A bill (S. 517) for the relief of Arch L. Gregg; and

A bill (S. 518) for the relief of the heirs of Cristobal Ascarate; to the Committee on Claims.

By Mr. BROUSSARD:

A bill (S. 519) to provide for an examination and survey of Bayou Senette, Jefferson Parish, La.; to the Committee on Commerce.

A bill (S. 520) to amend section 1 of the act entitled "An act in relation to the execution of declarations and other papers in pension claims," approved July 26, 1892; to the Committee on Pensions.

A bill (S. 521) for the relief of Georgianna Brannan; and

A bill (S. 522) for the relief of the estates of Francis A. Gonzales and Antonio Gonzales; to the Committee on Claims.

A bill (S. 523) for the relief of Harrison H. Bradford; and

A bill (S. 524) for the relief of John F. Matthews; to the Committee on Military Affairs.

A bill (S. 525) authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Louisiana State Museum, of the city of New Orleans, La., the silver service in use on the cruiser *New Orleans*; to the Committee on Naval Affairs.

By Mr. CAPPER:

A bill (S. 526) for the relief of Uldene Botkin (with accompanying papers); to the Committee on Finance.

A bill (S. 527) granting a pension to Katy R. Hoover (with accompanying papers);

A bill (S. 528) granting an increase of pension to Monterey T. McPherson (with accompanying papers); and

A bill (S. 529) granting a pension to Alice J. Bridwell; to the Committee on Pensions.

A bill (S. 530) for the relief of M. K. Stephens (with accompanying papers); to the Committee on Claims.

By Mr. WHEELER:

A bill (S. 531) authorizing the erection of a memorial to the Lewis and Clark expedition at Three Forks, Mont.; to the Committee on the Library.

A bill (S. 532) to withdraw from settlement and entry lands within the Custer National Forest; to the Committee on Public Lands and Surveys.

A bill (S. 533) to create a Federal child relief board, and for other purposes; to the Committee on Education and Labor.

By Mr. GEORGE:

A bill (S. 534) to remit certain duties on glazed paper imported by the American Mills Co.;

A bill (S. 535) for the relief of John A. Woods;

A bill (S. 536) to amend the World War adjusted compensation act, as amended; and

A bill (S. 537) for the relief of Ralph W. Hood; to the Committee on Finance.

A bill (S. 538) for the relief of Mahlon A. Russell; and

A bill (S. 539) for the relief of Julius Victor Keller; to the Committee on Military Affairs.

A bill (S. 540) relating to the salaries of clerks of United States district courts, their deputies and assistants, who are appointed United States commissioners; and

A bill (S. 541) to limit the time for bringing suit on the bonds of clerks of United States district courts; to the Committee on the Judiciary.

A bill (S. 542) to establish an assay office at Dahlonega, Lumpkin County, Ga.; to the Committee on Mines and Mining.

A bill (S. 543) to increase the pay of mail carriers in the village delivery service; to the Committee on Post Offices and Post Roads.

A bill (S. 544) authorizing receivers of national banking associations to compromise shareholders' liability; to the Committee on Banking and Currency.

A bill (S. 545) for the relief of W. C. Moye and Nannie Moye;

A bill (S. 546) granting compensation to Dempsey Stoney Edenfield; and

A bill (S. 547) for the relief of the St. James Episcopal Church, of Marietta, Ga.; to the Committee on Claims.

By Mr. HALE:

A bill (S. 548) for the relief of retired and transferred members of the Naval Reserve Force, Naval Reserve, and Marine Corps Reserve;

A bill (S. 549) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes;

A bill (S. 550) to regulate the distribution and promotion of commissioned officers of the line of the Navy, and for other purposes; and

A bill (S. 551) to regulate the distribution and promotion of commissioned officers of the Marine Corps, and for other purposes; to the Committee on Naval Affairs.

By Mr. PITTMAN:

A bill (S. 552) to amend an act entitled "An act 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," approved November 9, 1921, known as the Federal highway act, and for other purposes; to the Committee on Post Offices and Post Roads.

A bill (S. 553) to amend paragraph (18) of section 1 of the interstate commerce act, as amended; to the Committee on Interstate Commerce.

A bill (S. 554) to provide for the acquisition of a site and the erection thereon of a Federal building at Ely, Nev.; and

A bill (S. 555) to authorize the acquisition of a site and the erection of a Federal building at Tonopah, Nev.; to the Committee on Public Buildings and Grounds.

A bill (S. 556) for the relief of the estate of Moses M. Bane; to the Committee on Claims.

A bill (S. 557) to authorize the disposition of certain public lands in the State of Nevada; and

A bill (S. 558) to authorize an exchange of lands with Eva Allred and William M. Horton; to the Committee on Public Lands and Surveys.

By Mr. BLAINE:

A bill (S. 559) granting a pension to William Goehrig (with accompanying papers); to the Committee on Pensions.

By Mr. SCHALL:

A bill (S. 560) to amend the definition of oleomargarine contained in the act entitled "An act defining butter, also imposing a tax upon and regulating the manufacture, sale, importation, and exportation of oleomargarine," approved August 2, 1886, as amended; and

A bill (S. 561) authorizing an appropriation to encourage the utilization of farm waste for the production of paper by aiding farmers and local chambers of commerce to develop the manufacturing of paper pulp from waste crops; to the Committee on Agriculture and Forestry.

By Mr. BINGHAM:

A bill (S. 562) to amend an act entitled "An act creating the United States Court for China and prescribing the jurisdiction thereof" (Public, No. 403, 59th Cong.), and an act entitled "An act making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1921" (Public, No. 238, 66th Cong.).

Mr. BINGHAM. I may say that on the face it would seem that the bill should be referred to the Committee on the Judiciary, since it concerns the court in Shanghai, China. Actually, however, all members of that court are appointed by the State Department and are not concerned with the Department of Justice, and the bill should therefore be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, the bill with the accompanying paper will be referred to the Committee on Foreign Relations.

By Mr. REED:

A joint resolution (S. J. Res. 20) to promote peace and to equalize the burdens and to minimize the profits of war; to the Committee on Military Affairs.

By Mr. BRATTON:

A joint resolution (S. J. Res. 21) providing for the designation and maintenance of a national cemetery at Fort Bayard, N. Mex.; to the Committee on Military Affairs.

By Mr. WHEELER:

A joint resolution (S. J. Res. 22) to create a joint congressional committee to be known as the committee on narcotic traffic; to the Committee on the Judiciary.

AMENDMENT TO BILL REPEALING NATIONAL-ORIGINS PROVISIONS OF IMMIGRATION ACT

Mr. HARRIS submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 151) to repeal the national-origins provisions of the Immigration act of 1924, which was referred to the Committee on Immigration and ordered to be printed.

PRINTING OF FARM RELIEF HEARINGS BEFORE AGRICULTURAL COMMITTEE OF THE SENATE

Mr. McNARY submitted the following concurrent resolution (S. Con. Res. 6), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the printing act approved March 1, 1907, the Committee on Agriculture and Forestry of the Senate be, and is hereby, empowered to have printed for its use 2,000 additional copies of the hearings held before said committee on farm relief legislation, Seventy-first Congress, first session.

OBSERVANCE OF PROHIBITION LAWS BY FOREIGN REPRESENTATIVES

Mr. BLEASE. I submit a concurrent resolution and ask that it be referred to the Committee on the Judiciary.

The concurrent resolution (S. Con. Res. 7) was read and referred to the Committee on the Judiciary, as follows:

Whereas Wilson on International Law (p. 170) and 3 Phillimore International Law (160 et seq.) and others set forth: "It is now generally accepted that diplomatic representatives are exempt from prosecution and punishment for violation of criminal laws. This does not free

him from the obligation to respect the law enacted to insure the well-being of the state in which he is sojourning, but removes him from the legal authority of the state. For failure to observe the law a diplomat may be requested to leave a state, or, in an extreme case, may be expelled"; and

Whereas Wilson on International Law (p. 171) and other authorities on international law lay down the doctrine that "Diplomatic representatives are also exempt from the ordinary police regulations. This exemption is not to be construed as a license to disregard the regulations prescribed for the safety of the community. The diplomatic officer is supposed to be carefully observant of the law of the state in which he is sojourning, in order that his presence may be acceptable and his service may be most effective because free from friction. A diplomatic representative who disregards local police regulations, as by driving a vehicle at a speed beyond the limits prescribed to insure public safety, may be restrained, though he may not be punished"; and

Whereas Wilson on International Law (pp. 171-172) and Fourth Moore (No. 669) and others hold that "In considering the immunities of diplomatic officers it is important to draw a distinction which, it is believed, has not usually been noticed, between measures of punishment and measures of prevention. The theory of diplomatic immunity is not that the diplomatic officer is freed from the restraints of the law and exempt from the duty of observing them, but only that he can not be punished for his failure to respect them. The punitive power of the state can not be directly enforced against him. It will hardly be denied, however, that it is his duty to respect the laws of the country in which he resides, and that he may in many conceivable cases be prevented from doing unlawful acts for which, if he were allowed to commit them, he could not be punished. This distinction is peculiarly applicable to police regulations made for the purpose of assuring the public health and safety"; and

Whereas the eighteenth amendment to the Constitution of the United States, which is the supreme law of the land, prohibits the importation into and the transportation within the United States and all territory subject to the jurisdiction thereof of intoxicating liquors; and

Whereas the national prohibition laws have been enacted to carry the same into effect for the purpose of assuring the public health, morals, and safety of the people of this country; and

Whereas it is a matter of common knowledge that ambassadors, diplomats, consuls, and other representatives, agents, and servants of foreign governments are continuously importing and transporting huge quantities of intoxicating liquors into and within this country, and are using the same in violation of the laws thereof in the various embassies, legations, consulates, and other places in the United States occupied by the representatives of foreign governments; and

Whereas it is likewise a matter of common knowledge that various public officials and departments of this Government are openly aiding, abetting, assisting, and protecting the said ambassadors, diplomats, consuls, and other representatives, agents, and servants of foreign governments in the importation and transportation of intoxicating liquors into and within this country and their use therein, all in violation of the laws thereof: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That all public officials of the United States and departments of the Government thereof be, and they are hereby, requested and directed not to aid, abet, assist, or protect the importation into or the transportation or use within the United States and all territory subject to the jurisdiction thereof, including embassies, legations, and all places occupied by the representatives of foreign governments, of intoxicating liquors by any person or persons whomsoever, ambassadors, diplomats, consuls, representatives, agents, or servants of foreign governments or otherwise.

Resolved further, That all public officials of the United States charged with the enforcement of the laws thereof do forthwith seek to enjoin and restrain the further importation into and possession and use within the United States and all territory subject to the jurisdiction thereof, including embassies, legations, consulates, and all places occupied by the representatives of foreign governments, of intoxicating liquors by any person or persons whomsoever, native or foreign, ambassadors, diplomats, consuls, representatives, agents, and servants of foreign governments or otherwise.

Resolved further, That all public officials of the United States charged with the enforcement of the laws thereof do forthwith seek to enjoin and restrain the hiring, counseling, or procuring of any person or persons, as agent, servant, or otherwise, to aid, abet, or assist the importation into or the transportation or use within the United States and all territory subject to the jurisdiction thereof, including embassies, legations, and all places occupied by the representatives of foreign governments, of intoxicating liquors by any person or persons whomsoever, including ambassadors, diplomats, and all representatives of foreign governments.

Resolved further, That for failure to respect and observe any and all laws of the United States that each ambassador, diplomat, consul, or other representative, agent, or servant of a foreign government violating the same first be requested to leave the United States, and upon refusal, neglect, or failure to do so, that he shall be expelled.

Resolved further, That copies of this resolution, upon adoption, be forwarded by the Secretary of the Senate to the President of the United States, the various chief officials of the departments of this Government, and to each and every ambassador, minister, diplomat, consul, and representative of a foreign government in the United States.

Mr. BLEASE. I ask to have inserted in the RECORD in connection with the concurrent resolution certain newspaper clippings, which I send to the desk.

The VICE PRESIDENT. Without objection, it is so ordered. The clippings referred to are as follows:

[From the Washington Post, Sunday, April 21, 1929]

JURIES WILL NOT CONVICT

There seems to be more than a casual relationship between orders issued from the office of Mrs. Willebrandt directing United States attorneys to "use a wise discretion" in applying the Jones law, and the acquittal in a New York court of Helen Morgan, night-club hostess, of a charge of violating the prohibition laws. The Morgan prosecution was not made under the Jones law, but the result testifies to the unwillingness of juries to convict when heavy penalties are demanded for prohibition-law violators. The Willebrandt order specifies that "cases in which the evidence renders conviction doubtful should be prosecuted upon a charge of possession, common nuisance, or other misdemeanor" and seems to indicate, although an official elaboration is declined, that juries can not be expected to convict minor violators of the Jones Act.

Twice within a week New York juries refused to convict night-club hostesses. In both cases, that of Texas Guinan, acquitted a week ago Thursday, and that of Helen Morgan, the prosecution professed great surprise that it was defeated. It believed that it had developed in both instances an open-and-shut case against which sentimental pleas of defense counsel would not prevail, but it did not reckon with jury sentiment. Following the acquittal of Miss Morgan a New York paper obtained a statement from a juror, who said: "The human side entered in. The jury felt Miss Morgan was only earning a living, that the law was wrong, and that no conviction was possible under such circumstances."

Another case was concluded last week that demonstrates the unwillingness of the average jury to mete out severe sentences to prohibition law violators. Following enactment of the Jones law United States Attorney De Groot, of New York, singled out a case that he considered suitable for prosecution under that act. The case involved the sale of liquor to a policeman, and the defendant stood on the assertion that while the transaction undeniably took place, he had refused to accept payment for the liquor. The trial ended in an acquittal, and led a member of the United States attorney's staff to remark that in view of the result it would be useless to prosecute other offenders under the Jones law. In the meantime the first man arrested in Brooklyn under the Jones act, and who elected to plead guilty rather than stand trial, received a sentence of but 10 days in jail.

Discussing the Jones law from the legal standpoint, and without regard to the merits of prohibition, Judge W. H. S. Thompson, of the Federal district court of Pittsburgh, makes the following observation:

"The Jones Act is based on the general idea that severity of punishment is the solution of the trouble. The inevitable tendency of this is to cause grand juries to hesitate in finding indictments and petit juries to become more reluctant in rendering verdicts which may subject the offender to a very severe penalty. The whole tendency of this legislation appears to me to retard rather than aid enforcement of the law."

New York court records of recent weeks appear amply to support his contention.

[From the New York Times, Friday, April 19, 1929]

MRS. WILLEBRANDT ORDERS "DISCRETION" IN USING JONES ACT—DIRECTS FEDERAL ATTORNEYS TO APPLY DRASTIC DRY LAW ONLY IN "STRONG" CASES—AIMS AT A THOROUGH TEST—JUSTICE OFFICIAL ADVISES HEAVY PENALTIES FOR "COMMERCIALISM," NOT FOR MINOR OFFENSES—ACT MEETS SETBACK HERE—FIRST DEFENDANT ON TRIAL UNDER THE MEASURE IS QUICKLY CLEARED OF SELLING WINE TO POLICEMAN

WASHINGTON, April 18.—The general disposition of the administration to proceed carefully in the prosecution of prohibition cases was further indicated to-day in an order issued to Federal attorneys everywhere to apply the Jones Act "only in good, strong cases involving commercialism."

This law makes violation of the Volstead Act a felony, punishable by not more than five years' imprisonment and not more than \$10,000 fine. The prosecutors are advised to use it with discretion and in minor cases to employ the earlier law which makes a minor violation a misdemeanor.

The order, issued under the date of March 23, and accompanied by a copy of the Jones law, in a letter signed by Mrs. Mabel Walker Willebrandt, Assistant Attorney General in charge of prohibition enforcement, was as follows:

"You will note that by virtue of the prison sentences authorized by that act the offenses of illegal manufacture, sale, transportation, importation, and exportation of intoxicating liquor under the national prohibition act have been raised to the status of felonies, and therefore if committed after the passage of the act may be prosecuted only upon an indictment or presentment by a grand jury.

"If committed prior to the act, such offenses are subject to the same penalties and may be prosecuted in the same manner as though the act had not been passed. (Sec. 13, Rev. Stat.; Great Northern Railway Co. v. United States, 208 U. S. 452; Hertz, Collector, v. Woodman, 218 U. S. 205, 216; De Four v. United States (C. C. A. 9), 260 Fed. 596, 599.)

"All other offenses under the national prohibition act, including first and second offenses of possession of intoxicating liquor, maintenance of a common nuisance, violation of the terms of a permit, and the making of a false record, report or affidavit required by Title II, remain misdemeanors and may be prosecuted, as heretofore, by criminal information.

"In order that this new legislation may be given a fair test, it is suggested that you use a wise discretion as to the character of cases in which you seek indictments for violations coming within its purview. Only good, strong cases involving commercialism should be made the basis for these initial tests.

"Isolated violations, cases in which the evidence renders conviction doubtful, and cases in which the offenses are of such minor character as do not in your judgment warrant more than a 12 months' sentence, should, if practicable, be prosecuted by criminal information upon a charge of possession, common nuisance, or other misdemeanor charge under the national prohibition act.

"Your discretion in these matters should, however, be carefully exercised with a view to the best interests of justice and the creation in the public mind of a confidence in the effectiveness of the new law as an enforcement measure."

United States Attorney Charles H. Tuttle stated last night that he had received the order from Mrs. Willebrandt, but refused to make any comment upon it.

FIRST TEST HERE A SETBACK—JONES LAW DEFENDANT QUICKLY CLEARED OF SELLING WINE TO POLICEMAN

The first trial in the metropolitan district of an alleged violator of the Jones law, which prescribes a maximum penalty of five years in prison and a fine of \$10,000, resulted in a setback for the Government when a jury in the United States district court in Brooklyn yesterday returned a verdict of not guilty in the case of Anthony Sager in 50 minutes.

Sager lives at 1962 Cropsey Avenue and was charged by plain clothes Patrolmen William Heise and Peter Keenan with selling two gallons of wine for \$8 on March 9, one week after the Jones law was signed by President Coolidge. In addition, the patrolmen charged they had found more than 300 gallons of wine in Sager's cellar and the latter was indicted for the sale and possession of the beverage and the maintenance of a nuisance.

The trial took place before Judge Warren B. Burrows, of New London, Conn., who is sitting temporarily in Brooklyn. Assistant United States Attorney Morris Scheinick conducted the prosecution, while Joseph H. Wackerman represented Sager. It was testified that Patrolman Heise had made arrangements for the sale of the wine and that he paid the money to Sager.

DENIES TAKING MONEY

Sager in his own defense testified that he knew that Heise was a policeman, but that the latter had come to him and said he was going to have a party and wanted to know if Sager would let him have some wine. Sager admitted giving the policeman the 2 gallons of wine, but denied that he accepted any money.

Mr. Wackerman stressed the testimony of Sager in his closing address and insisted that Heise had made several trips to the home of Sager before the defendant consented to let him have the wine. Mr. Scheinick called the attention of the jury to evidence brought out that although the building in which Sager lived was ostensibly a private dwelling, there were three tables in the front room at which 16 persons could sit. Mr. Scheinick charged that the beverage given to the policeman was of more than the legal alcoholic content and charged that Sager had tried to return the \$8 to Heise when he discovered Heise was a policeman.

In his charge to the jury Judge Burrows said that the important issue for the jury to decide was whether there had been a sale of liquor.

"The defense has tried to prove that there was no money passed," said the judge. "You are to decide this question. This is a case under the new Jones law. It does not make any difference whether we believe in this law or not. We have the right to our personal opinions. But you as a jury and I as a judge are sworn to do our duty. Our personal opinions must be swept aside. It is no concern of yours what the penalties are; you are here to determine the facts according to the evidence."

After the jury had returned its verdict and left the courtroom several members said they had considered the case solely on the testimony and not with any thought of the possible serious consequences to the defendant under the Jones law. It was learned that on the first ballot the jury had stood 6 to 6. The next poll was 8 to 4 for acquittal. Five ballots were taken.

CLUB MANAGER PLEADS GUILTY

Earlier in the day in the same courtroom Charles Harvey, 26 years old, of 295 Sackett Street, Brooklyn, manager of the Happy Hour Social Club, at 1281 Bedford Avenue, the first prisoner arrested in the Federal eastern district of New York under the provisions of the Jones Act, pleaded guilty of selling two drinks of whisky to prohibition agents. Harvey was taken into custody on March 2, a few hours after the bill was signed.

Judge Burrows imposed a sentence of 10 days in jail without comment. It was explained at the Federal building that by his conviction Harvey loses his citizenship, because when the possible sentence for a crime under the Federal laws is more than a year the crime constitutes a felony irrespective of the sentence actually imposed.

DECLARES JONES LAW WILL CONGEST COURTS—FEDERAL JUDGE AT PITTSBURGH SAYS IT WOULD CAUSE CONTINUOUS SESSIONS OF GRAND JURORS

PITTSBURGH, Pa., April 18.—The Jones law is a grievous mistake and Congress defeated its own purpose in enacting it, in the opinion of Judge W. H. S. Thomson, of the Federal district court.

Judge Thomson expressed this view on his return to the city to-day after sitting in the court of appeals at Philadelphia.

The Jones Act, if conscientiously applied, he said, will congest the courts and require almost continuous sessions of grand juries. By placing bootlegging in the same category as such crimes as murder and burglary it will immensely complicate the legal procedure in prosecution, and the severity of the possible punishment will make grand juries reluctant to indict and petit juries to convict, he declared.

Discussing the matter from a legal standpoint and without regard to the merits of prohibition, Judge Thomson said:

"Under the Jones Act every violation of the prohibition law must be prosecuted by the indictment of a grand jury. This is due to the fact that under a provision of the Constitution all capital and other infamous crimes must be prosecuted by indictment.

"As the law now stands, all felonies are regarded as within the definition of infamous crimes, and as all violations under the Jones Act are felonies all must be prosecuted by indictment.

"In the great centers of population this will mean an almost continuous session of the grand jury if violators are really proceeded against as heretofore. This will cause very great delay and entail an enormous expense, with the result that the calendars of the court will be greatly congested.

"The Jones Act is based on the general idea that severity of punishment is the solution of the trouble. With this in view, it makes all violations of the liquor laws a felony, thus placing them on the same general plane as the highest-grade crimes.

"The inevitable tendency of this is to cause grand juries to hesitate in finding indictments and petit juries to become more reluctant in rendering verdicts which may subject the offender to a very severe penalty.

The whole tendency of this legislation appears to me to retard rather than aid enforcement of the law."

[From the Washington Times, April 19, 1929]

"GO EASY," UNITED STATES WARNS IN DRY TRIALS

By George R. Holmes

Mrs. Mabel Walker Willebrandt's instructions to United States district attorneys to be careful and discreet in seeking to send prohibition violators to prison for five years under the Jones Act constitutes the first official admission Washington has made that it is probably going to be very difficult to apply the drastic provisions of the act.

The prosecuting arm of the Government, keenly cognizant of the great hue and cry that went up when it became known that it would be possible to send a hip-flask totter to jail for five years and fine him \$10,000 has been studying the situation for some weeks.

Advice from district attorneys throughout the country has been sought. They were asked to report on their local conditions, the attitude of judges, whether they thought juries would convict under the Jones Act, and similar questions designed to bring out a guiding chart for the formulation of a general policy. Mrs. Willebrandt's instructions are the result of that survey.

TO BE RUM CZAR

"Only good strong cases involving commercialism" should be brought under the Jones section of the act, Mrs. Willebrandt advised them. All other cases, involving having a pint on the hip or a quart in the house, home brews for home consumption, all these are to be prosecuted, if at all, under the old misdemeanor section of the act.

"Your discretion in these matters," said Mrs. Willebrandt's letter, "should be carefully exercised, with a view to the best interests of justice and the creation in the public mind of a new confidence in the effectiveness of the new law as an enforcement measure."

Mrs. Willebrandt, who is to become the enforcement "czar" of prohibition, after the bureau is transferred from the Treasury to the Department of Justice, was actuated by three motives in advising district attorneys to "go easy."

1. The fear that universal application of the maximum penalties of the act will contribute materially to the unpopularity of prohibition.

2. The fear that juries would be reluctant to convict under it. A jury might not hesitate to convict a violator of a misdemeanor, involving usually a fine, but it might balk at convicting for a felony, involving a maximum of five years' imprisonment, \$10,000 fine, and loss of citizenship in any case.

3. A desire to win the first test of the Jones law before the United States Supreme Court.

READY FOR BIG TEST

The last reason is considered by the prosecuting arm of the Government to be fairly important.

Realizing that the first violator convicted under the Jones Act and "given the limit" probably will carry the case to the Supreme Court of the United States for a test case, Mrs. Willebrandt wants to have that test made on a case that is as nearly foolproof as possible.

She doesn't want to go before the highest tribunal with a case that is not rock ribbed from the Government's point of view.

She realizes that the decision of the Supreme Bench carries with it a moral and psychological influence difficult to underestimate. She wants that first decision to be for the Government.

Meanwhile, the prohibition pot was set to boiling merrily in Congress to-day by Senator COLE BLEASE (Democrat), of South Carolina, the only legislator who frankly and publicly admits that he "drinks wet and votes dry." Senator BLEASE says he takes an occasional drink "for himself," but he votes dry "for his constituents."

[From the New York Herald Tribune, Friday, April 19, 1929]

FIRST JONES JURY ACQUITS HERE—UNITED STATES TO IGNORE SMALL CASES—FOES OF NEW DRY ACT HAIL RESULT AT TEST TRIAL IN BROOKLYN—"USELESS TASK," SAYS DE GROOT AID—HELEN MORGAN FREED OF NUISANCE CHARGE—"MRS. WILLEBRANDT'S ORDER LIMITING PROSECUTIONS IN LIQUOR CASES TANTAMOUNT TO APOLOGY," SAYS COUDERT

Developments here and elsewhere yesterday in the efforts of the Government to enforce prohibition were as follows:

The first trial by jury in this city for violation of the Jones law resulted in a speedy acquittal.

Helen Morgan was acquitted in Federal court of a nuisance charge under the prohibition law.

Mrs. Willebrandt notified Federal district attorneys to prosecute "only strong cases" under the Jones Act.

Senator COLE BLEASE offered resolutions calling on the President to request foreign diplomats to refrain from using or serving intoxicating liquors, and for vigorous prosecution of Volstead Act violations on American ships.

FIRST JURY HERE ACQUITS

Anthony Sager, of 1962 Cropsey Avenue, Brooklyn, the first person to be brought to trial in this city under the Jones law, which provides for maximum punishment of five years' imprisonment and \$10,000 fine for those trafficking in liquor or transporting it illegally, was acquitted yesterday. It took a jury in the United States district court, Brooklyn, only 50 minutes to return the verdict.

The case had been selected by William A. De Groot, United States attorney, as one suitable for the introduction of the drastic dry law into the city. Its prompt termination led a member of his staff to remark that, in view of the result, it would be useless to prosecute other offenders here under the Jones law. Frederic Coudert, jr., chairman of the committee of lawyers whose services are available without charge to petty offenders prosecuted under the Jones law, hailed the verdict with delight and said it gave emphasis to instructions issued by Mrs. Mabel Walker Willebrandt, Assistant Attorney General, to United States attorneys to prosecute offenders for conducting public nuisances rather than under the Jones law.

Judge Warren B. Burrows, of New London, Conn., who presided at the trial of Sager and later imposed a sentence of only 10 days upon Charles Harvey, manager of the Happy Hour Social Club, 1281 Bedford Avenue, Brooklyn, the first man to be arrested in this city for violation of the Jones law, did his best to impress upon the jury that it was not to permit itself to be swayed by any prejudice it might have against the Jones law.

"This is undoubtedly," he said in his charge, "the first case to be brought before a jury in this district under the Jones Act. As far as we are concerned, it makes no difference whether it is a Jones law or a Smith law. It does not make any difference whether we believe in the law or not."

"I am making this statement not to be impertinent, but I will say, furthermore, that it is none of your business under what act the charge is brought. It is none of my business."

Sager was arrested by Patrolmen William Heise and Peter Keenan, of the tenth inspection district. They testified that Sager had three tables, seating 16 persons, in the parlor of his home on Cropsey Avenue and that Heise had paid Sager \$6 for 2 gallons of wine. Sager testified that he recognized Heise as a policeman and refused to accept his money, whereupon Heise had thrust the bills into Sager's pocket.

Members of Mr. De Groot's staff listened to the trial of the case with interest and professed astonishment and disgust at the outcome.

"I've learned one thing," remarked one of them after the trial. "I am never going to try a case based on a beer or wine sale before a jury." The acquittal of the heretofore obscure Mr. Sager, whose denials of trafficking in wine could hardly be understood in court, is looked upon by the liberal groups organized in protest to the drastic provisions of the Jones law as a real victory.

LAY DEFEAT TO PUBLICITY

While the Personal Liberty Committee, of which Mr. Coudert is chairman, had no part in Sager's defense even the Government lawyers freely credited the publicity resulting from the organization of the committee for much of their difficulty in obtaining convictions.

"I heard that the first Jones Act case before a jury in New York brought an acquittal," said Mr. Coudert, "just after I had read in the newspapers a dispatch from Chicago that Mrs. Willebrandt was ordering United States attorneys to charge little bootleggers with 'maintaining public nuisances' instead of with selling liquor. I then felt that our dry administrators are trying to get prohibition out of the hole they have forced it in with their fanaticism."

"The order of the Assistant Attorney General is tantamount to an apology for the Jones law and a surprisingly swift indication of recognition of an aroused public resentment. That the Government should feel obliged to warn United States attorneys against a law is truly amazing. It indicates that either the omnivorous autocracy in Washington recognizes that it is a very bad law or that it has not great faith in the discretion of its own district attorneys and judges."

In Manhattan Leo Judson, proprietor of the Club Shadowland, 102 West Fifty-third Street; Benny Levy, bartender, and Benny Levy, doorman, escaped with fines and a suspended sentence of four months and two years' probation when they were arraigned before Federal Judge Edwin C. Thomas. Judson was fined \$250, the bartender \$150, and the doorman \$100. The Club Shadowland was raided just before Mrs. Willebrandt's general raids on night clubs last June.

MRS. WILLEBRANDT LIMITS JONES ACT TO CLEAR CASES—SUGGESTS UNITED STATES ATTORNEYS EMPLOY "WISE DISCRETION" TO GIVE LAW A FAIR TEST—MOVE MOLLIPIES OPPONENTS—LIQUOR POSSESSION TO BE PROSECUTED AS MISDEMEANOR

(From the Herald Tribune Washington Bureau)

WASHINGTON, April 18.—Federal attorneys throughout the Nation, it was disclosed to-day, have been instructed to seek convictions under the provisions of the Jones Act only in cases which involve flagrant violations on a commercial scale.

The attitude of the Department of Justice was communicated to the United States attorneys in a letter written March 23 by Mrs. Mabel Walker Willebrandt, Assistant Attorney General in charge of prohibition. She suggested "a wise discretion" in selecting cases to be tried under the act, so that the legislation "may be given a fair test."

"Only good, strong cases involving commercialism," she counseled, "should be made the basis of these initial tests."

MOVE APPROVED BY MITCHELL

The Jones Act carries penalties of five years' imprisonment, a fine of \$10,000, or both, for all prohibition violations except possession. Mrs. Willebrandt's warning that caution should be used in invoking the severe penalties is known to have the approval of Attorney General Mitchell, and it is understood to have the tacit approval of the administration.

Opponents of the Jones Act, who had feared that the provisions of the law applicable to "casual offenders" would be ignored by over-zealous prosecutors, were somewhat mollified by the statement from Mrs. Willebrandt. It was taken as an indication that the hip-flask violators will not be exposed to the same penalties that are to be inflicted on wholesale dealers in liquor and bootleggers.

Mrs. Willebrandt's letter was carefully phrased to dispel the inference that her suggestions were definite orders to the district attorneys. Nevertheless, those in Washington who are directly interested in the Jones Act construed the letter to be tantamount to formal instructions.

The letter containing the instructions was issued at the Department of Justice to-day in a statement for newspapers which attributed the communication to the department and not to the Attorney General or to any assistant.

TEXT OF DEPARTMENT'S STATEMENT

The complete statement as issued by the department follows:

"There has been sent from the Department of Justice to United States attorneys in the various districts throughout the country copies

of the act of Congress passed March 2, 1929, known as the Jones Act. Accompanying the copy of this law there was sent the following letter:

"You will note that by virtue of the prison sentences authorized by that act the offenses of illegal manufacture, sale, transportation, importation, and exportation of intoxicating liquor under the national prohibition act have been raised to the status of felonies, and therefore if committed after the passage of the act may be prosecuted only upon an indictment or presentment by a grand jury. If committed prior to the act such offenses are subject to the same penalties and may be prosecuted in the same manner as though the act had not been passed."

"Section 13, Revised Statutes, Great Northern Railway Co. v. United States (208 U. S. 452, 465); Hertz, Coltor v. Woodman (218 U. S. 205, 216); De Four v. United States (C. A. A. 9th) (Fed. 596, 599). All other offenses under the national prohibition act, including first and second offenses of possession of intoxicating liquor, maintenance of a common nuisance, violation of the terms of a permit, and making a false record, report, or affidavit required by Title II, remain misdemeanors and may be prosecuted as heretofore by criminal information."

WISE DISCRETION ADVOCATED

"In order that this new legislation may be given a fair test it is suggested that you use a wise discretion as to the character of the cases in which you seek indictment for violations coming within its purview. Only good, strong cases involving commercialism should be made the basis of these initial tests. Isolated violations, cases in which the evidence renders conviction doubtful, and cases in which the offense is of such a minor character as does not in your judgment warrant more than a 12-month sentence should, if practicable, be prosecuted by criminal information upon a charge of possession, common nuisance, or other misdemeanor charge under the national prohibition act. Your discretion in these matters should, however, be carefully exercised with a view to the best interests of justice and the creation in the public mind of a confidence in the effectiveness of the new law as an enforcement measure."

In view of the fact that the enforcement agencies of the Government will be transferred from the Treasury Department to the Department of Justice, the letter of Mrs. Willebrandt was believed to be significant of the plans for reorganization. Attorney General Mitchell has intimated that the transfer of power probably would bring about reforms in administrative organization and the policies which will be pursued.

[From the New York Herald, Friday, April 19, 1929]

HELEN MORGAN FREED WITHOUT GOING ON STAND—MRS. WILLEBRANDT BEATEN IN SECOND NIGHT CLUB LIQUOR TRIAL; JURY OUT FIVE HOURS—ARGUMENT PICTURESQUE—PROSECUTOR TELLS JURORS GOVERNMENT IS TOTTERING

Helen Morgan, actress and night club entertainer, was acquitted last night at 9.30 by a Federal jury on charges of "maintaining a common nuisance" by aiding and abetting the sale of liquor at the Summer Home Night Club last June. The jury was out nearly five hours before bringing in its verdict.

Miss Morgan was alternately laughing and crying as she went up to shake hands with the jurors. If she had been convicted she would have been subject to a maximum sentence of one year's imprisonment and \$1,000 fine.

"Thank you so much," she said over and over. "You were wonderful."

PROSECUTION DISMAYED

The verdict was received with surprise and dismay by the Government forces, who believed they had an "open and shut" case.

The prosecution had prepared the case with care and tried it with the utmost vigor, because it was felt that an acquittal, following the acquittal of Texas Guinan last week, would be a heavy blow to the campaign against Manhattan night clubs begun with the expensive and much-discussed dry agent investigation of last spring.

The surprise of the third and last day of the trial was the failure of Miss Morgan to take the stand in her own defense. She received the decision of her counsel not to call upon her with obvious relief. She had seemed nervous and frightened during the day. Dressed all in black, she was a subdued figure as she listened to arguments of counsel and the charge by Judge Edwin C. Thomas, dabbling her eyes from time to time with her handkerchief.

PROSECUTOR DELIGHTS AUDIENCE

Disappointed by Miss Morgan's failure to take the stand, the spectators found consolation in the show put on by the attorneys in their summations. They were especially delighted with Leslie Salter, the prosecutor especially sent up from Washington for this case by Mrs. Mabel Walker Willebrandt.

Mr. Salter is a small man, but his voice is of unusual power. He regretted having to prosecute a woman, he declared.

"I honor Miss Morgan's sex. God's greatest gift to man is the love of a virtuous woman," he thundered.

"I will concede at the outset that Miss Morgan has behaved like a lady in the courtroom. She has made no wisecracks. I will admit that she is a gifted woman, of great talents. But has she honored her

Maker for giving her these talents? No, gentlemen, no! She has sold her birthright for a mess of pottage."

There was laughter in the courtroom, but Mr. Salter drowned it with easy mastery by raising his voice. He depicted Miss Morgan as a horrible example.

"The charm of this defendant makes her all the more dangerous. Think of the power of her example, upon your own daughters, upon all the youth of this great land. Think of them following her lead, slinking down the pathway of corruption and crime."

PICTURES GOVERNMENT TOTTERING

Mr. Salter's voice cracked momentarily under the strain, but he mopped his brow and quickly resumed. He pictured the Government as tottering if the Volstead Act is not enforced.

"I fear for the perpetuity of this great land of ours," he declared, "if you 12 fine, intelligent, honorable men, sworn to your duty with hands held to high heaven, can fall to convict in so clear a case as this. Why, if there was a soul in New York to deny the Government evidence as to liquor sales, the defense would have him here, shouting from the housetops.

"In my feeble way," he shouted, "I want to clear away the prejudice defense counsel has tried to instill into your minds." Mr. Salter then vigorously defended the heavy expenditures of the dry agents in obtaining evidence. "You can't expect Government agents to be pikers," he asserted.

The 12 middle-aged jurors received high praise from both attorneys. J. Arthur Adler, young defense counsel, addressed them as "men of the world, men of intelligence, men of experience, men of judgment." Mr. Salter also complimented them upon their intelligence, but emphasized, too, their "honor, courage, and conviction." He went so far at one point to call them "you 14 men."

ASKS RETURN "TO HER MOTHER"

The high point of Mr. Adler's summation was his plea to the jury to "let this little lady go back to her mother."

"Can you imagine any man sinking so low," he demanded, "as to try to tell you that this little lady's mother is a bootlegger?" He was referring to the Government's testimony that Miss Morgan at the night club had ordered a waiter to "Go over to my house and get mamma to give you 6 quarts of brandy, but not that Napoleon."

He asserted that the Government case was a frame-up and that Miss Morgan was being prosecuted "simply to get some publicity to justify the thousands of dollars of taxpayers' money spent in night clubs by prohibition agents."

He denounced the Volstead Act and referred in unkind terms to the prosecution's two dry agent witnesses, John J. Mitchell and Lon Tyson. He shook his finger at the two agents, who were sitting in the back of the court.

"Look at them! Look at them! Mitchell, from the West, where men are men, boasting of his lies to a lady. Tyson, from the South, with its fine old traditions of chivalry, using his wife as a decoy."

NO INTEREST IN CLUBS, HER AGENT SAYS

Earlier in the day Myron S. Benthall, Miss Morgan's theatrical agent, the only witness called for the defense, testified that she had no proprietary interest in the Summer Home Club, but was employed as an entertainer on a flat salary basis. The salary was first \$750 a week and was subsequently increased to \$1,000 and then to \$1,250 a week, he said.

Mr. Benthall, a gray-haired, bespectacled man, was affably at ease on the stand. He casually admitted, under cross-examination, that he usually "carries along" his own liquor, but said that he doesn't usually drink much in the summer time. He admitted also that he often had difficulty in collecting his 10 per cent commission on Miss Morgan's salary, but explained that "all artists are that way."

Many of his replies drew laughter from the spectators, until Judge Thomas threatened to clear the courtroom.

In his charge to the jury Judge Thomas stated that it was unnecessary for the Government to prove that Miss Morgan had any proprietary interest in the club. It was sufficient, he said, if it had been shown that she "aided, abetted, counseled, or assisted" in the sale of liquor on the premises. The wording of the charge followed closely that given by him a week ago in the Texas Guinan trial.

[From the Washington Post, Sunday, April 21, 1929]

DRYS ARRESTED; WOMEN CHARGE INTENT TO KILL—DROPPED BY GOVERNOR GRAVES, ALABAMA PROSECUTOR UPHOLDS MEN—BULLETS FLY IN CHASE OVER SEVEN BLOCKS—MONTGOMERY GIRLS, HAILED BY TWO IN CAR, FLEE FROM SUPPOSED MASHERS

MONTGOMERY, Ala., April 20.—Two young school teachers, victors in a gun battle early to-day with two State enforcement agents, who apparently supposed the girls were rum runners, as they drove home from a fish fry, had brought about arrest of the men to-night on warrants charging assault with intent to murder.

The chase through Montgomery streets that ended only when the young women reached home and emptied a pistol at their pursuers, was described in detail version by those concerned to-night.

According to the men under arrest, J. C. Sealy and Gay Cargill, operating out of the attorney general's office, they gave chase shortly after midnight to a car answering the description of a rum runner's automobile.

They shouted for the car to halt as the environs of the city were reached, but it sped on. As the chase continued, the agents fired at the tires—seven shots—according to their report.

At a street intersection the pursued car swerved about and one of the occupants stepped on the running board and opened fire, the arrested men alleged.

Assistant Attorney General John Haynes reported the agents informed him a jug or bottle had been thrown from the car during the chase.

The two young teachers, Miss Annie May Lewis and Miss Estelle Camp, who were attired in knickers during the episode, said they mistook the men in the car that followed them for "mashers." Miss Lewis admitted firing at the officers from the porch of the house of a friend when the officers followed them into the yard.

UPHELD BY PROSECUTOR

Gov. Bibb Graves announced after the details of the chase had been reported to him that the two men had been dropped from the attorney general's pay roll. On the other hand, Attorney General Charlie C. McCall denied the enforcement officers were at fault.

"They acted entirely within their rights in firing on the car after it refused to stop when ordered to do so," he said.

According to the women, teachers at Tinala School, 14 miles out, they always carried a small caliber pistol in a pocket of the car because of their frequent drives home at night. Neither was unstrung by the experience.

Sealy and Cargill contended a jug or bottle had been tossed from the car, but that they were unable to find it when they retraced the route. At the house where the girls took refuge, that of Mrs. Nell Wheeler, they alleged there was the broken glass of a bottle at the curb. Charlie Fuller, a neighbor, said it had been there several days.

AGENTS ACCUSE GIRLS

When the girls entered the house the agents followed and accused them of having liquor, the teachers said. Miss Lewis then telephoned her father, J. C. Lewis. He took the girls home and later swore out the warrants against the enforcement officers.

The fish fry which the girls attended was at Hope Hull, Ala. The party ended at 1:30 a. m., they said, and their escorts, Mr. and Mrs. L. R. Scarborough, drove with them to within 2 miles of the city where they turned off to go home. At Washington Park, just outside of Montgomery, the teachers saw a car shoot by and a spotlight turned on them. Then the car slowed down and let them pass.

Alarmed, the girls drove fast, with the car after them. They denied swerving about and blocking the street, but said they backed around a corner to start down a side street and as they did the two men jumped from the car and started toward them. The women kept on going and they heard shots. One punctured a tire, but the careening car continued until it reached the Wheeler home.

[From the Washington Daily News, Saturday, April 20, 1929]

BROADWAY "WHOOPEE" TOOK FLOOD RELIEF FUND, JURY IS TOLD—CHICAGO LOBBYISTS, WASHINGTON BOUND, VISITED WHITE WAY—SCANDAL COMES OUT WHEN NEW YORK HOTEL SUES CHICAGO SANITARY BOARD FOR DAMAGES—WRECKED ROOMS IS CHARGE—SECRETARY TELLS OF MAKING EXPENDITURES ON PROMISE OF IMMUNITY; RUM TRAIN DESCRIBED

CHICAGO.—The story of a \$6,900 "whoopie" party, allegedly staged in a New York hotel by representatives of the Chicago Sanitary District at the expense of the taxpayers of Cook County, leaked from the grand-jury room of the county building to-day.

The special grand jury, which is investigating expenditures, accounts of the sanitary district, was reported to have received an itemized list of wrecked furnishings for which the Waldorf-Astoria Hotel demanded payment of the sanitary board representatives.

SECRETARY TELLS STORY

Arthur Mathiesen, private secretary to Timothy J. Crowe, former president of the board, was said to have recounted the story of the "whoopie" party in return for prosecution immunity.

The party was understood to have climaxed a journey to Washington by a sanitary board delegation in the interests of Mississippi flood sufferers in 1927. Mathiesen's reported story revealed that the delegation never reached the Nation's Capital, that the party spent its time and the taxpayers' money celebrating along Broadway.

The \$6,900 bill presented by the Waldorf-Astoria covered broken mirrors, furniture, and numerous valuable fixtures which assertedly flew from the windows of the canal board party's rooms on an early morning of November, 1927.

TRAIN STOCKED WITH RUM

According to the story the party included not only the official Washington delegation but 120 other sanitary district employees who made

up a special train from Chicago. That special train, it was said, was stocked with whisky, gin, beer, and champagne, which accounted for the delegation's decision to carry its relief work to Broadway instead of the halls of the Capitol.

Railroad fare alone cost \$14,200, according to Mathiesen's testimony, and was paid, along with other bills, by Mathiesen, termed the "walking cashier" of the sanitary board.

"WHOOPEE" ON BROADWAY

The delegation, it was reported, after leaving two members for appearances at Washington, attended the Army-Notre Dame football game, and because the Irish lost attempted to drown its sorrow along Broadway.

The night clubs were visited, the story continues, and after several rounds of drinks, allegedly paid for by the "walking cashier," the party adjourned to the hotel in preparation for an electric-light bulb bombardment of the city. When the supply of light bulbs was exhausted other movable fixtures were acquired from the halls of the hotel and added to the barrage.

OUT THE WINDOW

Before the bombardment ended, it was said, tables, chairs, and drawers flew out the window onto the pavement below.

The expense account is understood to be in the hands of the grand jury as well as further items which previously had not been accounted for.

The grand-jury investigation of sanitary district expenditures will continue, Prosecutor Frank Loesch says, until the jury learns as near as possible just how much the board spent in pursuing its duties and how much it spent in making "whoopie."

JONES LAUDS MABEL'S "DISCRETION" EDICT—WILLEBRANDT UKASE DECLARED IN KEEPING WITH PRESIDENTIAL POLICY ON DRY ENFORCEMENT

Mrs. Mabel Walker Willebrandt's order that district attorneys employ prison-penalty provisions of the Jones law only against "the big fellows" was declared to-day to be in line with presidential policy and praised by Senator Jones, author of the "5 and 10 law," as carrying out his original purpose.

"There are enough laws to get the small violators," said the Senator. "What I had in mind when I proposed the bill was a weapon that would permit the Government to crush the commercial conspirators and wholesale bootleggers. As amended that is what the law instructs enforcement agencies to do."

The Federal bench, Jones declared, would undoubtedly follow the intent of Congress as revealed in the debate and in the qualifying phrases limiting operation of the \$5,000 fine and 10-year prison sentence to "habitual, criminal, and commercial violators."

[From the Washington Post, Saturday, April 20, 1929]

INJUNCTIONS ASKED IN TWO RUM CASES—UNITED STATES ATTORNEYS ACT AGAINST OWNERS AND OCCUPANTS OF HOUSES IN DISTRICT

Petitions for two padlock injunctions were filed in the District Supreme Court yesterday by United States Attorney Leo A. Rover and his assistant, Harold W. Orcutt.

One was directed against John S. Harley and Martha Harley, tenants, and Elbert R. Zirkle and Martha P. Zirkle, owners of 2609 Wade Road SE. The complaint charged numerous violations of the national prohibition law, dating back to last August 18, alleged to have occurred in the premises.

The other was asked against Mary Palasco, tenant, and Maria N. Consorts, owner, of 312 F Street NE., where dry-law violations were alleged to have occurred since last December. Both petitions asked the court to restrain the defendants from manufacture, sale, and possession of intoxicants.

[From the Washington Post, Saturday, April 20, 1929]

WETS ON THE WARPATH

Senator BLEASE holds an advantageous position in his fight to make American ships dry, to dry up Washington embassies and legations, and to expose all dry-voting Members of Congress who indulge in the flowing bowl. He is a personal wet without apologies and an official dry without hypocrisy. No more dangerous combination could be conceived. He can go as far as the most fanatical dry can go, and then some.

At first glance the resolutions offered by Senator BLEASE might be mistaken for a sarcastic wet's notion of reducing the prohibition situation to an absurdity, but they may be found no laughing matter. There is no fury like that of an infuriated wet when he sees hypocrites drinking the divine ichor that is denied to him. "We are going to find out if they have wine on their tables why we can't have it on ours," says the Nemesis of hypocrisy. Is the desiccated devotee of cocktails to be deprived of his rights while other citizens, merely by traveling upon American ships, can drink all they please? Is the common herd to be kept dry while pampered officeholders swig down glorious drafts at embassies and legations?

"We are going to make these hypocrites dry," says Senator BLEASE. In this he is supported by genuine dries and indignant wets. These forces are on the warpath, and their activities will undoubtedly make it

very dangerous for public men who pose as dries to possess or partake of liquor.

Although the dry law is not supposed to apply to foreign embassies and legations, it is to be noted that more than one dry dinner has already been given by the envoys and that the custom is spreading. Foreign governments may see some logic in Senator BLEASE's resolution calling upon them to send dry representatives to the United States. What is more reasonable than a decision on the part of the Canadian Government, for example, to make its legation dry, in view of the fact that Canada is protesting against the sinking of a vessel by the American Coast Guard? The comity of nations will prevent the United States from going to excesses in chasing rum runners if foreign governments cooperate in enforcing prohibition by drying up their embassies and legations.

Now that liquor hypocrisy is to be visited by dire punishment in the form of indictments and disgrace there is a better outlook for enforcement of the prohibition law. Wets who have been deprived of their toddy are hardly to be censured for turning the tables upon professional dries who drink. Hereafter no hypocrite will be safe, afloat or ashore. Informers in the shape of disgruntled wets will dog their footsteps on junketing transports, at customhouses, and in the banquet halls of Washington.

HEARINGS BEFORE COMMITTEE ON RULES

Mr. MOSES submitted the following resolution (S. Res. 28), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Rules, or any subcommittee thereof, is authorized during the Seventy-first Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE COMMITTEE ON MILITARY AFFAIRS

Mr. REED submitted the following resolution (S. Res. 29), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Military Affairs, or any subcommittee thereof, is authorized during the Seventy-first Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE THE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. CAPPER submitted the following resolution (S. Res. 30), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on the District of Columbia, or any subcommittee thereof, hereby is authorized during the Seventy-first Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not to exceed 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE THE BANKING AND CURRENCY COMMITTEE

Mr. NORBECK submitted the following resolution (S. Res. 31), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Banking and Currency, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-first Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE THE COMMERCE COMMITTEE

Mr. JONES submitted the following resolution (S. Res. 32), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Commerce, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-first Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any

subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE THE COMMITTEE ON POST OFFICES AND POST ROADS

Mr. PHIPPS submitted the following resolution (S. Res. 33), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Post Offices and Post Roads or any subcommittee thereof be, and hereby is, authorized during the Seventy-first Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee or any subcommittee thereof may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE COMMITTEE ON NAVAL AFFAIRS

Mr. HALE submitted the following resolution (S. Res. 34), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Naval Affairs, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-first Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not to exceed 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE INTERSTATE COMMERCE COMMITTEE

Mr. WATSON submitted the following resolution (S. Res. 35), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Interstate Commerce, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-first Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

RADIO EQUIPMENT FOR THE SENATE

Mr. DILL submitted the following resolution (S. Res. 36), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Sergeant at Arms of the Senate is hereby directed, at as early a date as practicable, to equip the desk of each individual Senator with the proper electrical connections to which a microphone for radiobroadcasting may be attached, and also to install a microphone control switchboard to enable connection of each microphone with the broadcasting station as may be desired during the Senate proceedings, and the necessary expense for such installation of electrical connections and equipment is hereby authorized to be paid out of the contingent fund of the Senate.

The Committee on Rules of the Senate is hereby authorized to make arrangements for the broadcasting of such proceedings of the Senate as the committee may determine through such radiobroadcasting stations as it may be possible to arrange for broadcasting without expense to the Senate or the Government.

NATIONAL-ORIGINS CLAUSE OF IMMIGRATION ACT

Mr. NYE. I send to the desk a simple resolution and ask that it may be read.

The resolution (S. Res. 37) was read, as follows:

Resolved, That the Committee on Immigration be discharged from the further consideration of the bill (S. 151) to repeal the national-origin provisions of the immigration act of 1924.

Mr. NYE. I ask that the resolution be considered at this time.

Mr. REED. I object.

The VICE PRESIDENT. Objection is heard, and the resolution will lie over.

Mr. NYE. The resolution goes over under the rule on a single objection?

The VICE PRESIDENT. It goes over under the rule.

LICENSES TO RADIO CORPORATION OF AMERICA

Mr. DILL submitted the following resolution (S. Res. 38), which was referred to the Committee on Interstate Commerce:

Whereas, the Radio Corporation of America has made an agreement for the sale of its wireless communication facilities to the International Telephone & Telegraph Co. contingent upon a repeal by Congress of section 17 of the radio act of 1927, which now makes such a sale illegal; and

Whereas said Radio Corporation of America is operating such wireless communication facilities solely and exclusively under licenses heretofore granted to it by the Federal Radio Commission under said radio act of 1927; and

Whereas the said Radio Corporation of America has pending before said Federal Radio Commission certain applications for additional construction permits, radio licenses, and renewals of radio licenses, which would be included in the aforesaid illegal agreement of sale if they were to be granted by said commission; and

Whereas it is the duty of the said commission before issuing such additional permits and licenses to determine the "public interest, convenience, and necessity" of such grants; and

Whereas the terms of said agreement between the Radio Corporation of America and the International Telephone and Telegraph Co., as well as the terms of all agreements of said Radio Corporation of America with other wire and wireless companies may affect the "public interest, convenience, and necessity" of the aforesaid applications: Therefore be it

Resolved, That it is the sense of the Senate of the United States, that said Federal Radio Commission should not make any further grants of licenses or renewals of licenses to said Radio Corporation of America, or any of its subsidiaries or affiliated companies, until it shall have held a public hearing on said applications and required said Radio Corporation of America to lay before said commission all such agreements, contracts, and understandings as now would, or may hereafter, affect the use or the operation of the radio frequencies covered by such application.

ADDRESS BY SENATOR PHIPPS ON BOULDER DAM

Mr. REED. Mr. President, last Friday evening the Senator from Colorado [Mr. PHIPPS] delivered a speech over the radio on the subject of Boulder Dam. Because of its interest and timeliness I ask that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD.

Senator PHIPPS spoke as follows:

My friends, I want to talk to you this evening about the problem of the Colorado River. It is not a local matter, in which one or two States alone are interested. The control and development of the waters of that stream are of importance to the entire West, and some of the questions involved are of deep interest to the whole country. That is the reason why Boulder Dam has become almost a household word. That is the reason why Boulder Dam has appeared almost daily in our newspapers during the past 10 years and is likely to have as much prominence in the years to come.

The Colorado River is a picturesque stream. It is not large, as compared to eastern rivers. At some seasons of the year very little water trickles from the mouth of the Colorado into the Gulf of Lower California. But it is a powerful stream although a flash stream. In addition, it is situated in a section of our country which values water more than gold or precious stones. Those who have always lived in the East may not realize the scarcity of water for irrigation and even sometimes for domestic uses, which is one of the constant problems facing our western citizens.

Briefly, the problem of the Colorado River is to harness its power for industrial development, to put its irrigation possibilities to the most beneficial use, and to provide control against floods for a vast area of fertile land. At the same time we must do justice to each of those States properly claiming a share of the waters of the stream. We can not lose sight of the fact that this is an international river. The Republic of Mexico asserts and exercises the right, if it be a right, to use these waters from the time they leave the boundaries of the United States until they reach the Gulf.

For most of its course the Colorado River flows through mountainous country. It is almost 2,000 miles in length. Its source is really in the State of Colorado, but the Green River, which rises in Wyoming, joins it in Utah, while other tributary streams come from New Mexico. In western Colorado and in most of Utah the Colorado flows through canyon walls. It forms part of the boundary between Arizona, Nevada, and California before emerging into Mexico. Thus, seven States are in the river basin. The stream secures its waters from the melting snows and rainfall of the Rockies and other mountain ranges, and after flowing for hundreds of miles through the deep and narrow canyon already mentioned finds its way through desert to the sea. On account of its topography it is a violent stream and most difficult to control during all seasons of the year. On the other hand, by reason of these rock-wall canyons and the concentration of fall there are many splendid sites for power and reservoir purposes. Through proper control and development the West hopes to avoid floods, to secure hydroelectric power development, and to obtain waters sorely needed for domestic use and for irrigation. Thus, a curse will be turned into a blessing. As in other cases, our gravest danger will become our finest opportunity.

The dam site with the greatest possibilities is to be found at Black or Boulder Canyon where the river flows between the States of Arizona and Nevada. Engineers seem to be agreed on that point. The construction of a high dam there would equate the flow of the stream and avert floods which have menaced the Imperial Valley and other lands in southern California for many, many years. In addition, hydroelectric power plants could be built and a ready market for the electricity so generated could be found in southern California. The rapidly growing city of Los Angeles, with more than a million inhabitants, is distant only 350 miles, while other large cities and towns are within comparatively short distances. Desert lands in western Arizona and southern California can be changed by irrigation from the proposed reservoir into highly productive and fertile soil. What has happened in the Imperial Valley, which now blossoms as the rose because of irrigation, would be repeated throughout that entire section of our country.

The proposed dam at Black or Boulder Canyon, authorized by Congress in the act signed by President Coolidge last December, would be 550 feet above the present water level, and its total height from bedrock would probably be 675 feet. It would be higher than the Washington Monument. It would be the highest and greatest dam in history—an engineering feat comparable to the Panama Canal. The perpendicular rock walls on either side, which are formed of granite or basalt, are more than 1,600 feet in height. A reservoir so created will store, according to estimate, about 26,000,000 acre-feet of water. As the annual flow of the river is somewhat over 15,000,000 acre-feet, it will require about one and one-half years to fill this reservoir. When the dam is built and the power plants constructed, either upon the Arizona or Nevada site, 550,000 firm horsepower will be developed and a possible maximum of 1,000,000 horsepower.

Let us compare these figures with other projects. The total capacity of all storage reservoirs authorized by Congress under the reclamation act is less than 14,000,000 acre-feet, or about one-half of the quantity of water to be impounded at this one dam. The highest dam now in existence is less than 400 feet, so that this one will be nearly twice as high and store nearly twice the quantity of water stored by any other ever built.

Now as to the cost. The original estimate for all purposes was \$125,000,000, but the latest figure, secured as a result of last year's investigation by a board of engineers, appointed by the President, is \$165,000,000, including interest. This embraces the threefold purposes of the project. It contemplates the construction of the dam, the power plants, and the so-called all-American canal. The latter, which has always been considered a portion of this great undertaking, is intended to irrigate the Imperial Valley, without resort to the present canal, which flows through Mexico before it reaches lands irrigated in southern California. The sum needed for all purposes practically equals the total cost of all reclamation projects constructed by the United States up to the present time.

The opportunity is as great as the problem and greater than the initial expense. Engineers, who have studied these questions for many years, believe that the sale of power and proper charges for the use of water will repay most of the cost to the Government within a period of 50 years. I say "most of the cost" because, although the original plan was to have the project entirely self-supporting, it is now deemed practical and advisable to make an allowance on account of flood control, a proper Federal function. It is more than likely, however, that the United States will be repaid dollar for dollar, with 4 per cent interest, and that Arizona and Nevada, on whose lands the water will be stored, will also secure considerable revenue from the project.

Opponents of the project have argued that we are already producing a sufficient supply of agricultural products, overlooking the fact that it will take at least 7 to 10 years before any water will be available for irrigation from the proposed dam, and an additional 10 years would be required to bring 250,000 acres under cultivation. Further than this, the produce from the extension of the Imperial Valley will consist largely of vegetables and fruits, such as lettuce and cantaloupes, which will come on the market at seasons when they will not compete with those grown in any other section of our country. The successful raising of dates, mangoes, and other tropical fruits in this district is confidently predicted.

What is the interest of the other States in Boulder Dam? For purposes of discussion the seven States in the Colorado River Basin have been divided into two groups—the upper and lower basins. In the latter group are California, Nevada, and Arizona, while the former group consists of Colorado, Utah, Wyoming, and New Mexico. All of these States are concerned about the river's development, because some day there will not be enough water to go around; that, at least, is the danger, and it exists on practically every western stream. Because of the scarcity of water and the vital need for it, many western States have adopted by law the so-called doctrine of priority of use. According to that rule, an individual who first puts water to beneficial use, building the necessary works for the purpose, is entitled to it forever against the claims of the rest of the world. This is contrary to the so-called riparian doctrine which we inherited from England and which holds that the owners of lands along a stream may use its waters whenever

they want them. Our western doctrine is one of necessity, required, as I have said, because there is not always a sufficient supply for everyone. This situation has led to many disputes and lawsuits between communities and between States. Lawyers who took up these interstate water cases when they were young men have grown gray in the service, and still the disputes continue. In later years we have become more sensible and a plan, originally sponsored by State Water Commissioner Carpenter, of Colorado, has come into general use. It provides for voluntary compacts or agreements among the States interested in the waters of a western stream. Representatives negotiate as in the case of a treaty among nations. If they can agree, they sign a compact which is in turn submitted to the legislatures of the several States and finally considered by Congress, because the National Government always has an interest in interstate waters.

On the Colorado River the most ambitious compact of its kind has been made. It was signed by representatives of the seven States at Santa Fe on November 24, 1922, and is known as the Colorado River compact. The Boulder Canyon act is written around that agreement, which divides the waters of the Colorado River between the upper and lower basins. The law provides that there must be approval of that contract and substantial agreement among the States before the dam can be built. However, it contains provisions under which the compact will become effective six months after its enactment upon ratification by six States, including California, which State must agree not to use more than a stipulated quantity of the water allotted to the lower basin and which will leave an ample supply for all possible needs of Arizona. Arizona up to the present moment has not ratified the compact, but indications are that her assent will be given in the near future. In the meantime, the other six States have ratified under the terms of the Boulder Canyon Dam bill, which will make the agreement operative on June 21 next, whether or not Arizona assents. The work may then be undertaken as soon as the Secretary of the Interior has obtained assurance that the Federal Government will be reimbursed, with interest, for its advances, other than the amount of \$20,000,000 allotted for flood control.

The all-American canal, estimated to cost \$50,000,000, will be treated as a separate unit, and the loans for same will not be made until assurance of their repayment from the lands to be benefited has been obtained by the Secretary of the Interior.

The terms of the Santa Fe compact are simple and easily understood. Reservations and conditions affixed to State ratification, unnecessary in any event, would be most unfortunate and might defeat the entire program. Congress has offered proper inducements to Arizona, Nevada, and California to enter into a 3-State compact for division of the water allotted to the lower basin, thus clearing the way for 7-State agreement, on which satisfactory progress is now being made.

Time does not permit me to discuss the many businesslike features contained in the Swing-Johnson bill in its final form. Arguments on this subject have been before Congress for the past 10 years. Some have held that the proposed hydroelectric plants should be built by private capital, insisting that the United States should not go into the power business. Others have claimed that this was the proper function of the Federal Government. They have believed that the plants should be constructed and owned by the public, who would take the responsibility for their successful operation and maintenance.

The act leaves this matter to the discretion of the Secretary of the Interior, whose decision will depend upon the financial benefits to be derived by the United States. The plan contemplates that before any work is undertaken on the dam, power plants, or the all-American canal contracts must be secured by the Interior Department for the sale of power and water sufficient to repay most of the cost within a period of 50 years. Numerous details have been worked out, and these have all been intended to put the Boulder Canyon project on a businesslike, economical basis.

I have said that all the States should be interested in this great undertaking. A project for which the taxpayers of the country must advance the funds is naturally their concern. A method of controlling the flood waters of a great interstate and international stream should also be of consequence to the entire country. For the Mississippi we have adopted a plan much more costly than this one, from which no direct financial return is expected. The lives and property of our citizens must be protected from danger by flood, and in the case of Boulder Dam some 60,000 citizens of the Imperial Valley, who have already developed about 200,000 acres of land, with improvements worth millions of dollars, residents of the Palo Verde, Yuma, and other sections along the lower reaches of the Colorado River, who are tilling vast areas of productive soil, to say nothing of the thousands of acres of public lands, owned by the United States, will be saved from the very real danger of inundation.

Again, we are all interested in the development of the great West. We have learned that the thing which benefits and promotes prosperity in one section of our country helps every other section. We have learned that county lines, State lines, and sectional lines are only imaginary. By means of the railway, the automobile, the airplane, and the radio these United States have become one great united family. For that reason the present law authorizing the Boulder Canyon project

was passed by an overwhelming majority of both Houses of Congress and signed by a President who has been zealous for the needs of every State in this great Union. The result will be the construction of the largest dam in history as well as the proper development of every State in the Colorado River Basin. Flood waters which now endanger life and property will become the greatest possible blessing to the people of the West.

ARTICLE BY JONATHAN BOURNE

Mr. MOSES. Mr. President, on yesterday I submitted a memorandum prepared by former Senator Jonathan Bourne, of Oregon, in reference to farm relief legislation and asked that it be printed as a public document. I now submit the further request that it may be printed in the CONGRESSIONAL RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

EQUAL OPPORTUNITY FOR AGRICULTURE

OVERCOME ITS NATURAL HANDICAPS AND IT WILL SUCCESSFULLY COMPETE WITH OTHER ENTERPRISES

The history of our country has demonstrated that government through bureaus has certain inherent faults. These faults are magnified when the personnel of a bureau is chosen free from the requirements of the civil service law, and they are further aggravated when large sums of money are expended under the direction of the bureau. These characteristics of bureaucracy are not peculiar to the United States, neither are they exclusive to any political party. They are well-known frailties of human nature which must be acknowledged, and for which there is no antidote in legislation.

The Federal Farm Loan Board and the instrumentalities under its direction have not been immune from these afflictions. Rather, they are serving as typical examples of what happens when huge powers and enormous sums of money are placed within the control of politicians, neither subject to the civil service law nor accountable to the voters at the polls.

The total number of employees of the Federal land bank system has not been made public, but they are substantially in excess of 2,000. Although in the course of their work in passing upon and administering loans they are peculiarly subject to improper influences, not one has been appointed in accordance with civil-service regulations. An authority on the subject of appointment as the result of competitive examination declares that "the exception of the Federal Farm Loan Board from the rules of classified civil service is indefensible."

As a result of this freedom from competitive tests, the history of the board, according to its critics, is replete with instances of unqualified persons appraising land offered as security, with ensuing losses to the Government. It is charged that in the distribution of available loan money certain sections of the country have been favored in compliance with political influence.

The expenses of administration of the Federal farm loan system are stated to be increasing, while the amount of money available for loans is decreasing. In other words, although the business transacted by the board is declining, its cost of operation is mounting. That experience is typical of Federal bureaucracy at its best.

Due in part to ignorant appraisals of land offered as security for loans, several joint-stock land banks have failed. Technically the United States Government is not responsible for those failures, and the holders of stocks in such banks and the owners of their bonds have had to stand the losses incident thereto, precisely as if they had owned bonds and stock in some unsuccessful industrial or financial enterprise entirely disassociated from Federal activities.

But morally the United States is responsible. Farmers and people generally well know that the entire land-bank system is a creature of the National Government, and as such they have an idea that the United States Treasury stands behind every security issued by the parent organization or any of its subsidiaries. This impression is not confined to those remote from Washington, but United States Senators have expressed themselves as shocked when told that certain land banks were in the hands of receivers and that bondholders and stockholders had been formally notified to turn in their securities if they wished to share in the distribution of available assets.

Foreclosures of mortgages, due in most instances, to unintelligent appraisal of the security offered, have resulted in the Government's bidding in land at the foreclosure sales. As a consequence some banks are the owners of large tracts of land, which, if farmed, puts the Government into competition with our farmers, or, if allowed to lie idle, removes that acreage from our productive total. In either event the result is totally at variance with the intent of the farm loan law and works a hardship on the farmers and the people depending upon the products of the soil.

The alleged mismanagement and incompetence of those in charge of the Federal land-bank system has led some of the leading bankers of the country to refuse to advise their clients to purchase land-bank bonds. On the other hand, certain favored bankers have been granted a practical monopoly in the handling of these securities, and it is

through a syndicate arranged by them that practically all of the bonds are sold. Of course, they realize an agreeable commission in the handling of the bonds.

Sale of the land-bank bonds has been periodic, and most of them have been taken by customers of the syndicate with large means. About \$1,200,000,000 worth has been disposed of in that way, one of the directors of the Farm Loan Board testifying that it is possible for such purchasers to save 13½ per cent on their income taxes, the interest on the bonds being tax exempt. These comparatively exclusive holdings are not in accord with the intent of the framers of the law, who hoped for a wide distribution of the farm-loan bonds. The law requires that they shall be issued in denominations as low as \$40, thus making them available to people of very moderate means.

This distribution of land credits among a few individuals with huge incomes does not represent a healthy relation between capital and the farmer. Capital would be far more available for agricultural purposes, and a real bond of mutual interest would be created, if all owners of idle capital, in small as well as large amounts, were equally encouraged to put their money into agricultural enterprises.

There is plenty of money abroad ready to be invested in industrial and other projects, but the peculiar conditions under which the farmer operates have tended to keep capital in safer fields. A growing crop is subject to droughts, floods, freezes, hail, pests, plant diseases, and hurricanes from which most other businesses are immune. The effect on credit of these menaces inherent to the industry of farming must be neutralized by some special inducement not found in other lines, before the public will look upon agricultural mortgages as equally attractive with other credit offerings.

This fact was recognized when the Federal farm loan act was passed, and an added inducement was offered in the shape of tax exemption of the income from land-bank bonds. It is a form of paternalism, but has come to be accepted as a legitimate aid which the National Government can extend to a class of people laboring under recognized handicaps beyond their power to control. But, as has been shown, the tax-exempt bonds have been permitted to fall within the control of a bankers' syndicate, and the present arrangement does not bring about that meeting of minds between capital and agriculture that the proponents of the Federal farm loan act evidently had in mind.

So far from accomplishing the object sought, a student of the working of the farm-loan banks declares that, "With the exception of Indians, minors, and wards of the State, no group is so helpless as the 500,000 farmers who turned for assistance to the land banks which were to have been their deliverance."

But were the principle of tax exemption for money loaned for agricultural purposes taken out of politics and removed from control of a Federal bureau we would find a very different result. Legislation to accomplish such an object need not be dressed in a mass of legal phraseology. The Federal farm loan act, by contrast, requires some 40 closely printed pages to set forth its provisions. It was certainly not drawn for the purpose of bringing clearly to the mind of the farmers how they were to benefit from it.

In line with this suggestion there is submitted herewith the draft of a bill, which, simply and directly, seeks to accomplish what the circumlocution of the Federal farm loan act has failed to do in all the years it has been on the statute books.

Section 1 of the proposed measure grants freedom from income taxes of all incomes derived from loans made for agricultural purposes.

Section 2 defines what those purposes are; the phraseology agrees substantially with a similar provision in the Federal farm loan act.

Section 3 provides that, in order to secure tax exemption, a taxpayer must file with his income-tax return a statement of his agricultural mortgage holdings, on a form to be prescribed by the Secretary of the Treasury.

Section 4 restricts the tax exemption to such part of the income from agricultural mortgages as is represented by a rate of 6 per cent per annum on the net amount of the loan.

Section 5 offers a further inducement to capital to enter the agricultural field by permitting the writing off of established losses on farm mortgages over a period of five years instead of the entire amount in the single taxable year when the loss was established.

The fundamental purpose of the measure is to bring capital and agriculture into closer accord, each mutually benefiting from its provisions. A further object is to remove from the evils of Government bureaucracy an instrumentality for farm relief and to restore it to the field of legitimate business where it belongs.

In framing the bill there has been purposely omitted all reference to appraisal of security, the root of most of the faults of the farm loan system; the rate of interest on loans, except as mentioned in section 4; and the relation between the value of the security and the amount of the loan. While such matters, of necessity, are vital in setting up the operating machinery of a new bank, as was done in the Federal farm loan act, it is believed they will adjust themselves in the operation of the proposed law just as similar matters are automatically adjusted in other lines of business. It would seem to require no more

meddling on the part of the Federal Government in rates and values appertaining to farm loans than to loans involving any other form of security. The supply of capital and the demand of the farmers for it can be relied upon to fix the terms of loan agreements.

This measure is not offered as a cure-all for agricultural ills. It is based on the proposition that, in attacking the problem of farm relief it is not necessary to set up ponderous legislation involving the Government in financial burdens and vexations. We should keep our feet on the ground and recognize the fact that if the extraordinary handicaps of the farming business can be overcome by Federal aid, it will then be able to take care of itself. When the effect of those encumbrances is removed, governmental assistance should go no further. Agriculture can then bid for the services of capital on an equality with other industries and will meet success as they have met success. It is toward such an equalization of opportunity that the proposed bill aims. A bill to aid agriculture in seeking an equality of opportunity with other lines of industry

Be it enacted, etc., That the income derived from mortgage loans made on security of agricultural land, improvements thereon, and/or equipment used or about to be used in agriculture shall, subject to the provisions of this act, be free from Federal income taxes.

SEC. 2. That to secure the tax exemption provided in this act loans shall be made for, and shall continuously be devoted to, one or more of the following purposes and no other:

(a) To provide for the purchase of land for agricultural uses.
(b) To provide for the purchase of equipment, fertilizers, seeds, and livestock necessary for the proper and reasonable operation of agricultural land; the term "equipment" to be as defined by the Secretary of the Treasury.

(c) To provide buildings and for the improvement of agricultural land; the term "improvement" to be as defined by the Secretary of the Treasury.

(d) To liquidate indebtedness incurred for agricultural purposes.

SEC. 3. That each holder of a mortgage under the terms of this act shall file with his income-tax return a sworn statement, in form to be prescribed by the Secretary of the Treasury, showing the amount of his outstanding loans under section 1 hereof and the income thereon during the period covered by his income-tax return.

SEC. 4. That the income from a mortgage loan bearing a rate of interest greater than 6 per cent per annum shall be entitled to the tax exemption provided herein only on the income represented by a rate of 6 per cent per annum on the amount of the loan after deduction of brokers' commissions.

SEC. 5. That losses established on mortgage loans made under the provisions of this act, determined in accordance with the income tax laws and the rules and practices of the Treasury Department, may, in the discretion of the taxpayer, be charged off in whole or in part in any taxable year within five years next following the establishment of such losses.

AUTHORITIES FOR STATEMENTS IN ARTICLE ON FARM RELIEF

- Par. 3. Gertrude M. Shelby in *New Republic* of February 27, 1929. Presented by Senator BLEASE. (CONGRESSIONAL RECORD, p. 4402.) Quotation is from *The Federal Service* by Mayers. (See p. 4402, CONGRESSIONAL RECORD.)
- Par. 4. Statement by California Farm Federation quoted in Shelby in *New Republic*. (CONGRESSIONAL RECORD, p. 4403.)
5. Shelby. (CONGRESSIONAL RECORD, p. 4403.)
6. Advertisement from *Wall Street Journal* (7 banks failed). Presented by Senator WALSH of Montana. (CONGRESSIONAL RECORD, February 12, 1929, p. 3415.)
7. Statement by Senator WALSH of Montana. (CONGRESSIONAL RECORD, p. 3415.)
8. Statement by Senator BLEASE, December 13, 1928. (CONGRESSIONAL RECORD, p. 527.)
9. Kuhn, Loeb & Co. do not advise purchase of land-bank bonds. (CONGRESSIONAL RECORD, February 27, 1929, p. 4401.)
- Syndicate for sale of land-bank bonds includes National City Co.; Harris, Forbes; Guaranty Trust; Lee, Higginson; Brown Bros.; Alex. Brown & Sons. (CONGRESSIONAL RECORD, p. 4400.)
- Mr. Griswold, of Alex. Brown & Sons saw financial advantages in handling land-bank bonds, although low commission might be allowed. (CONGRESSIONAL RECORD, p. 4400.)
10. Shelby, in *New Republic*, February 20, 1929. (CONGRESSIONAL RECORD, February 27, 1929, p. 4400.)
14. Shelby, in *New Republic*, February 27, 1929. (CONGRESSIONAL RECORD, February 27, 1929, p. 4403.)

MONUMENT TO UNKNOWN SOLDIER OF REVOLUTIONARY WAR

Mr. SWANSON. Mr. President, a few days ago, on April 19, a monument was unveiled to the unknown soldier of the Revolutionary War. I think this is the first occasion this has occurred in the United States. A very admirable, eloquent, and patriotic address was delivered by the Secretary of War, Hon.

James W. Good, upon that occasion. It is a very short address. I ask that it may be printed in the Record.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The address by Secretary Good delivered at Alexandria, Va., is as follows:

We who are here to-day are highly privileged. We are permitted to participate in a ceremony of deep significance to the entire Nation as we pay homage to this unknown soldier of the Revolution, and it is most fitting that this dedication should take place on an anniversary of the Battle of Lexington and Concord, where were fired the first shots and where was shed the first patriot's blood of the War for Independence.

The spot upon which we stand is holy ground, hallowed by the footsteps and the legacies of distinguished leaders of the Revolutionary period. This old Presbyterian meeting house, dedicated to the worship of God in 1774, is sacred with memories of devotion to duty, heroism, and sacrifice during the formative days of the Republic. Here Washington attended religious ceremonies conducted by the Masonic lodge of which he was worshipful master. Here that lodge paid solemn funeral honors to their patriot brother and master Mason, Here John Marshall, expounder of the Constitution, and Francis Scott Key, author of our national anthem, the Star-Spangled Banner, compatriots, companions, and contemporaries of George Washington, attended exercises on anniversary days of his birth. Under this pulpit lie the remains of the Rev. James Muir, Revolutionary day pastor and patriot, one of the two chaplains of the funeral lodge which buried our first President. Hoary with honorable age, buffeted through the long years by the storm and the elements, this meeting house stands as a perpetual beacon, recalling those stirring days of pain and sacrifice when in the crucible of war were forged the steel-like foundations of the mighty Republic of our time.

In yonder churchyard sleep the dead. There rest 30 contemporary fellow Masons of George Washington. There lie statesmen, soldiers, and citizens, of high and low estate, of hardy pioneer days.

There sleeps the unknown soldier of the Revolution:

"No worthier grave to hold the body of the brave."

Beautiful was the conception that the monument to the unknown soldier of the American Revolution should be presented by the National Society of the Children of the American Revolution! How fitting that after over a century and a half after the first shots of the Revolutionary War rang out on the Lexington Common the children of American Revolutionary forbears, cherishing the memory of those heroes who gained for us our freedom, should present this monument to the Nation. It is heartening to know that the fires of patriotism burn so brightly on the hearthstones of our land. The Nation has cause to rejoice when our youth, proud of their noble heritage, demonstrate their devotion to the country by their participation in the erection of this memorial. Assuredly the Republic moves majestically along the broad highway of national progress when the youth of our land, though their days be busy and their hours full, devote themselves to such patriotic endeavors. We can be assured of avoiding the pitfalls which lead to national decay when our sons and daughters with patriotic devotion turn their talents and energies to honoring the sacrifices and glorious deeds of the fathers of our country. Our posterity is safe when the citizenry of to-morrow glories in its heritage and gives the strongest assurance of its full acceptance of obligations of citizenship soon to be assumed. It speaks well for the perpetuity of the Republic.

In the vicinity of this shrine of American patriotism died this unknown. He had heeded the call of the war drums whose first beat sounded over the countryside in far-off Massachusetts. He had answered the appeal which has been termed "the reveille to humanity."

We know not this soldier hero's racial origin, his religious creed, his family relations, or the extent of his accomplishments. Was he of the rank or of the file? Was he a youth with a bright and promising world before him, of that class that Pericles had in mind when he said: "When young men die, it is to the country as if the year had died in the spring." Or had he reached maturity with parental duties and family ties? We do not know. An inscrutable past holds the answer.

It is possible that for long dreary years after the war drums had ceased their throbbing and the war flags had been furled, at some farm-side cottage or humble dwelling his home-coming was anxiously awaited by loved ones; that they hoped and prayed, until they too had passed into the mysterious beyond, that this son, husband, brother, or betrothed might return to those he loved and to those who held him dear. But even of that we can not tell.

Here lies a soldier hero of the Revolution. That alone do we know of him. His identity rests with his Maker.

We do know, however, that he, who for eternity sleeps under the monument which we dedicate to-day, fought, suffered, and died that the noblest product of the human mind might be consummated as a Federal Union; that he offered and gave his life for the establishment of this Nation. Answering the clarion call which rang out along the highway from Lexington to Concord, he enrolled for a conflict which

sought to make democracy the peer of autocracy. That church and State might be confined to their rightful spheres; that speech and press might be afforded the freedom which is essential to the advancement of civilization; that the broad seas might be opened to the commerce of all people—for these principles he bore arms. For government only by the consent of the governed; for taxation through representatives of the taxpayers; for equality of opportunity—for these he died.

The idealism of this unnamed soldier of the Revolution was symbolical of the devotion to cause which prompted those courageous souls who bared their breasts to the bayonets at Bunker Hill, suffered the awful hardships of Valley Forge, and finally stormed the ramparts at Yorktown in victorious assault. As Bancroft has said:

"They gave their lives in testimony to the rights of mankind, bequeathing to their country an assurance of success in the mighty struggle which they began. Their names are had in graceful remembrance, and the expanding millions of their countrymen renew and multiply their praise from generation to generation. They fulfilled their duty not from the accidental impulse of the moment; their action was the slowly ripened fruit of Providence and of time. The light that led them on was combined of rays from the whole history of the race * * * from the cloud of witnesses of all the ages to the reality and rightfulness of human freedom. All the centuries bowed themselves from the recesses of the past to cheer in their sacrifice the lowly men who proved themselves worthy of their forerunners, and whose children rise up and call them blessed."

It is a far call from the struggling and loosely knit Colonies of the War of Independence to the vast and united domains of the Republic of our era. Majestic is the panorama of our national development and progress over that span of years, glorious the story of the westward sweep of our civilization. But this progress and the unity essential to its attainment were made possible only by the sacrifice of this sleeper and his comrades in arms.

In honoring him, whose rest we momentarily disturb to-day, we honor, too, those who sleep in the 157,000 unnamed graves which, in long, white, soldierly files, mark the burial greens in every national cemetery maintained by the United States on native or foreign soil. And we pay tribute also to those, living and dead, veterans of war, Indian uprising, and expedition against seafaring pirates who placed their sublime offering on the altar of patriotism, to be accepted in full or in part, as decreed by Him who guides our Nation's destiny.

In the fullness of time we must all realize that everything of great value costs a great price. The road to civil and religious liberty is drenched with the blood of martyrs. Human history discloses that no people ever attained its liberty without the shedding of blood. The American Revolution, the War of the States, the liberation of Cuba, and the great World War bear witness to the price of liberty. "Paradise," said Mahomet, "lies beneath the shadow of swords."

"What matters death, if Freedom be not dead?
No flags are fair, if Freedom's flag be furled.
Who fights for Freedom goes with joyous tread
To meet the fires of hell against him hurled,
And has for captain Him whose thorn-wreathed head
Smiles from the cross upon a conquered world."

Monuments, holidays, and memorial days are the milestones that mark a nation's progress. That people has advanced highest in civilization that best observes the happening of the epochal events of its history and best preserves and keeps fresh the memory of its fallen heroes. We cherish the name of Washington and have made the day of his birth a national holiday. We celebrate each recurring 4th day of July as the day of the Nation's birth, "with speech and song, with bonfires and illuminations, and with solemn acts of devotion to Almighty God." The patriots of '76 are the Nation's heroes. They rest in peace. We will ever exalt their virtues.

Yet monuments and memorials alone can not express the appreciation and gratitude these soldiers have earned. To keep faith with them we must ever be true to the principles for which they bore arms.

This unknown and his comrades left to us stern responsibility for dull performance of our civic responsibilities. Government by consent of the governed implies more than mere acquiescence. The success of democracy can be assured only through an intelligent exercise of the franchise by a politically virile citizenry. A disinterested body politic weakens the governmental fabric, and threatens return to autocracy, be it the autocracy of the royal ruler, of the dictator, or of the political demagogue. To continue the work of this unknown, we must perform the full duty demanded of each of us. If we fail in this by spasmodic interest in governmental affairs, then we are unfaithful to those who have died to establish and preserve the world's first great example of a people's government.

The newly established Nation was only in the colonial stage of development in this unknown's day. The comparative independence of the individual of pioneer days has given way, with national expansion, to a more inclusive mutual dependence. Laws and customs which sufficed for the early Republic have undergone transformation and augmentation. Numerous amendments have been made to the Constitution in order to

meet the greater demands of a more advanced and more far-flung civilization. Unquestionably there will be further changes in our method and system of government.

"New occasions teach new duties;
Time makes ancient good uncouth."

But those great general principles upon which this Nation was founded, and for the establishment of which this unknown soldier died, are immutable. Observed by ourselves and our posterity, they will assure the maintenance of the progress which for a century and a half has amazed the world. Ignored, or but partially observed, then slowly but surely there will be undermined the very foundations of the national structure. We must advance or regress. There is no halting place along the highway of a nation's destiny. So long as we remain true to the idealism of this sleeper, we are assured of a continuance of national advancement.

By adherence to those great purposes and principles for which this unnamed hero bore arms, for which he suffered, and for which he died, we prove our appreciation of his sacrifice. In these honors to this unknown soldier of the Revolution we join the youth of the Society of the Children of the American Revolution in rededicating ourselves to the service of the Republic.

THE HAWLEY-SMOOT TARIFF ACT OF 1929

Mr. THOMAS of Oklahoma. Mr. President, on March 31, 1929, I released for publication a statement relative to the matter of tariff adjustment. This statement was published quite generally by the papers in Oklahoma, and I ask that a copy of such statement be printed in the CONGRESSIONAL RECORD.

Mr. SMOOT. What is the request?

Mr. THOMAS of Oklahoma. I ask to have printed in the RECORD a statement relative to the proposed or pending tariff bill.

Mr. SMOOT. A statement by whom?

Mr. THOMAS of Oklahoma. A statement by myself, which was published generally in my State. I desire to have it printed in the RECORD.

The VICE PRESIDENT. Is there objection?

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

President Hoover has called a special session of the Congress to meet April 15 to consider two questions—farm relief and tariff adjustment. The Members of the new Congress have already undertaken the task assigned. The Ways and Means Committee of the House of Representatives has held lengthy hearings on the tariff question. Some 1,100 witnesses have been heard. The Agricultural Committees of the House and Senate are soon to begin hearings in an effort to develop some plan for the relief of agriculture. The tariff hearings have disclosed that practically every interest in America has requested protection in the form of original or increased tariff duties.

In addition to the demands that more protection be afforded agricultural products, chemicals, metals, sugar, wool, and cotton, agents representing the producers of cement, glass, pottery, brick, toys, straw hats, toothbrushes, buttons, hides, watches, clinical thermometers, musical instruments, pineapples, horseradish, and goldfish have been heard. Their requests for tariff protection have been filed, and now the Republican members of the Ways and Means Committee in executive sessions are considering the testimony taken and the requests submitted.

A wide variety of views exists as to just what should be done. Agents of institutions producing practically every American commodity have appeared and asked and argued for relief; yet the administration is represented as favoring only a moderate adjustment of a few of the existing tariff schedules. The Manufacturers Record, a publication claiming to be the industrial "exponent of America," makes the following statement:

"One of the outstanding questions of the day vitally concerning every business interest in the country—agriculture, manufacturing, and mineral—is the tariff. The present tariff is illogical in many respects; it needs more than a slight revision; it needs practically complete revision."

The Brookmire Economic Service has submitted to its clients a statement on the Economic Significance of the Tariff in which we find the following paragraph:

"It is likely that such revision as may be undertaken at this time will be upward in most schedules, although we expect that any readjustment made will be only moderate. Ultimately, however, we expect that this problem will have further attention and that revision on the downward side will result largely because of the influence of the increasing interest in foreign investments and the influence of those who are desirous of having us take a larger part in world trade."

Most of the witnesses who have testified as to the condition of their industries and to the urgent need of added protection seem to be interested only in having the tariff wall raised sufficiently high so as to prevent foreign made and produced goods from coming to America. To many of these witnesses the tariff question seems to be a local and personal matter. To others, however, tariff adjustment is neither a

personal matter nor a local issue and not even wholly limited by national considerations.

In addition to the interests now enjoying protection and those who want to enjoy more benefits of the system there are the consumers always to be considered. Likewise, the element of revenue coming to the Government and the effect of any proposed schedule and the tariff act as a whole upon the trade relations now existing between our country and the other countries with whom we exchange commodities must always be kept in mind. Even the history of tariff legislation and the forces controlling same since the formation of our Government must not be overlooked.

The first tariff act was passed in 1789, and had for its main purpose the raising of revenue, yet its sponsors claimed that the policy set forth in the act would stimulate the production and encourage the use of machinery; that it would encourage immigration, would stimulate invention, would open avenues for the demonstration of talent, skill, and genius, and would provide employment for classes not otherwise employed, including women and children, thus increasing the general demand for the surplus products of the soil. It is interesting to note that some of these claims are still made as arguments for increased duties to-day.

A study of the several tariff acts heretofore passed discloses that tariff schedules, like the tides, rise and fall with a degree of regularity. The first tariff tide striking the United States in 1789 rose with mounting schedules through the embargoes and War of 1812, the act of 1816, the act of 1824, and reached the high tide with the act of 1928, known as the "Tariff of Abominations." This last act brought about a crisis. The tariff had become the paramount issue of the time. It had brought about a division of the people into parties—one group representing business enterprises and the conservatives, the other representing the more humble people, the experimenters, and the progressives. The issue not only divided the people into parties but likewise divided the country into sections. The North and East, having promoted industry, favored tariffs; the South and West, being agricultural, favored reduced duties and tended toward free trade.

The State of South Carolina, with John C. Calhoun as its spokesman, assumed leadership for lower schedules. The charge was made that "high-tariff schedules gave bounties to classes and individuals at the expense of other classes and individuals." It was claimed that the enforcement of such schedules was a violation of the Federal Constitution, and that the tariff acts were null and void and without force and effect in South Carolina. Leaders in the State sounded a warning to the effect that "if the people were coerced they would assert their independence and take their place as a sovereign power among the nations of the earth." At this time General Jackson was President, and when the attitude of South Carolina was laid before him he took occasion to join issue with his political enemy, John C. Calhoun, and issued his famous challenge, "Our Federal Union—it must and shall be preserved."

At this point the great compromiser, Henry Clay, came forth, submitted and had adopted a plan maintaining for the time the existing schedules, but promising a gradual reduction until the level of 1816 should be reached, and thereafter the tariff tide began to recede. From 1830 to 1860 the tariff was revised five times, each showing a downward tendency. In 1844 low tariffs won a sweeping victory. Again in 1846 the protective system received a crushing blow and in 1857 rates were made still lower. Mild-tariff advocates and free traders were in power and the industrialists were suffering. The tariff tide was out, but the time for a return to protection was due. The War between the States came on and the Government at Washington found it necessary to very greatly increase the tariff and, in addition, to impose heavy internal revenues with which to finance the expenses of the conflict.

The Morrill Act of 1861 tended to higher duties, but the act of 1864 placed the tariff rates sufficiently high to make possible the payments of the internal taxes. These war taxes were maintained until 1883, when the first general revision was undertaken. This act proposed reductions where there were no imports and increased rates on commodities being imported into the country, thus retaining in full the policy of tariff protection.

In 1890 the McKinley bill raised the tariff rates still higher, and in 1894 an attempt was made by the passage of the Wilson bill to place a curb upon the advancing tide of protection, but the provisions of the bill were so unsatisfactory that President Cleveland permitted it to become a law without his signature. Then followed the Dingley bill of 1897 providing higher and more uniform tariff schedules. In 1909 the high tide of protection came in with the enactment of the Payne-Aldrich bill, and then began to recede with the enactment of the Underwood-Simmons "competitive tariff act."

In the beginning the United States was populated by small farmers, trappers, and traders residing in isolated sections of the country, and this class of the population formed a vast majority of the early settlers; but in a little more than 100 years the condition of the country had entirely changed, so that now the country was completely settled, and while the lands had been divided into farms, yet the agricultural class had been superseded in both numbers and influences by great cities and the industrial sections. Hence the turning of the tide as represented by the provisions of the Underwood-Simmons bill was not permanent, and

in 1922 the country decided to return to the policy of protection as expressed in the provisions of the Fordney-McCumber Act. This act is now upon our statute books and will be the subject for consideration during the coming special session.

The President has brought the country face to face with the tariff problem again, and the question is, What kind of tariff legislation will be best for the varied interests of our country? Quite naturally those who would profit personally from high schedules favor a general revision of the tariff upward, and the consumers generally favor a revision of rates downward upon the products they are required to purchase.

But to reiterate, the tariff question is now more than a personal, local, State, or even a national issue. It has, in the last decade, become an international problem. The existing schedules to be preserved or modified and the new schedules to be made will not only affect individuals, institutions, and localities in our own country but, in addition, will affect directly and vitally individuals, institutions, and localities in many foreign lands, and it is this new phase of the tariff question that will confront and probably embarrass the framers of the to be "Hawley-Smoot Tariff Act of 1929."

In former days we could enact a tariff bill with our eyes focused singly upon our own citizens as residents upon our own soil. That time has now passed, and future tariff bills must be prepared, considered, and enacted into law with other peoples of the world looking on as interested spectators at least. No tariff bill can be enacted to-day without keeping constantly in mind the many interests which will be directly affected. These interests may not all be American and in America. Later on in this statement I will give an illustration of what I mean by the foregoing statements.

When the coming session of the Congress begins to actually write the new tariff bill it will be found that a tariff law is being made not alone for the people of the United States but for the hundreds of millions of people of the entire world. The United States is now generally regarded as the richest and most powerful and the most influential nation of the earth. Our material wealth approaches a total value of \$400,000,000,000. This vast store of riches is not all in the United States but is invested throughout the world. A rated authority stated recently that—

"American investments abroad have reached the fabulous total of \$15,500,000,000. They are increasing at the rate of from \$1,000,000,000 to \$1,500,000,000 a year. The amount of American capital loaned to foreign governments and private enterprises in 1928 broke all records, with a grand total of \$2,096,041,810.

"Doctor Winkler's analysis, which is entitled 'The Dollar Abroad,' shows that American investments are regionally distributed as follows:

Europe	\$4,798,000,000
Canada	4,120,000,000
South America	2,513,000,000
Central America (including Cuba, Mexico, and West Indies)	2,954,000,000
Australia, Japan, and China	841,000,000
Miscellaneous	375,000,000
Total	15,601,000,000

If we add to the world's debt to American investors the amounts owed our Government by foreign governments, we have the sum of approximately \$25,600,000,000 loaned to foreign peoples, institutions, and governments. As time goes on it will be seen that these foreign investments will have a powerful influence in shaping the tariff schedules in the to-be Hawley-Smoot Tariff Act.

During the past calendar year exports of merchandise from the United States were valued at \$5,129,132,000, and during the same year imports of merchandise into the United States were valued at \$4,089,980,000. The record further shows that our exports last year increased some \$263,757,000, while our imports decreased some \$94,812,000. It is an axiom that in order to secure and maintain American prosperity it will be necessary to not only keep our present foreign customers but, in addition, to improve the buying power of our existing trading friends, as well as to locate and develop new markets for our constantly increasing surplus of manufactured and agricultural products. The foregoing figures and this truism will likewise influence, if not dictate, some of the provisions of the law now in the embryonic stage.

In illustration of what is meant by the foregoing statements, a few instances might be given showing our interests in foreign markets. In Helsingfors, Finland, a city of some 300,000 population, motor cars are approximately as numerous as in some cities of the United States of similar population; and although Finland is north of Russia some 6,000 miles from New York, the motor cars one sees there are of the varieties and the familiar products of the automotive industry of America. To an American in Finland a motor car manufactured in Europe is as strange as the same car would be on the streets of our local cities. In the warehouse of a cotton mill in Moscow, Russia, I saw 10,000 bales of Texas and Oklahoma cotton that had been purchased at Houston, Tex., and paid for at Bremen, Germany. The goods, wares, and products of America go everywhere. On the shelves of every store or trading post of the civilized world will be found merchandise "made in America." Even the eggs laid in the United States have

become a traveled commodity. They appear on the markets of Buenos Aires, Valparaiso, Habana, and London. Since 1910 the number of eggs exported from the United States has increased more than fivefold, until now the yearly shipments are worth millions of dollars. In the last few years our eggs have been extending the range of their travels. Up to 1922 they ventured no farther than to our immediate neighbors—Canada, Mexico, Central America, and the West Indies, and to Britain. But in that year a shipment was made to Argentina, and since then they have found their way to all South American countries.

Instances could be cited without number, but in order to show what is happening and what will probably happen again and again to embarrass the sponsors of the protective schedules, let me relate an incident that happened only recently. For years past rich Americans desiring to acquire yachts or pleasure boats placed their orders with some foreign shipyard, for the very good reason that they could get the kind of a boat wanted for about 50 per cent of what a similar boat would cost if built in our American shipyards. American shipbuilders seeing this good business going abroad came to Washington and asked Congress to give them protection.

The Sixty-eighth Congress, in an effort to afford relief, placed in the 1924 revenue act a provision taxing all yachts, pleasure boats, power boats, sailing boats, and motor boats constructed abroad and containing certain specifications a sum annually, as follows: Boats of a length over 32 feet and not over 50 feet, \$1 each foot; length over 50 feet and not over 100 feet, \$2 for each foot; and length over 100 feet, \$4 for each foot. It was thought that this annual tax would deter the placing of orders for boats abroad, but the difference in price was such that the imposition of the annual tax was not sufficient to stop the orders from going to the cheaper yards, so in the Sixty-ninth Congress these same local shipbuilders returned to Congress and stated the facts and confessed that the existing tax was too small and asked that such rates be doubled. The Congress, desiring to be of service and to make uniform the policy of protection, acceded to the demand, and in the revenue act of 1926 increased the rates 100 per cent, so that boats 32 to 50 feet in length would be taxed \$2 per foot, boats 50 to 100 feet in length would pay \$4 per foot, and boats over 100 feet in length would pay \$8 per foot as an annual tax.

The shipbuilders and their friends in Congress were of the opinion that these rates would cause all future pleasure boats to be built in America, but they were again mistaken. When the first session of the Seventieth Congress convened and the tax-reduction bill was being considered, the same shipbuilders appeared again and, in order to be certain to get the rates high enough to accomplish their purpose—the securing of all orders for the building of pleasure boats for rich Americans—asked that the rates already doubled be again increased five times, or 500 per cent. Again the Ways and Means Committee and the House of Representatives acceded to their demands, and H. R. 1, the bill proposing to reduce taxes, contained the following provision:

"On and after July 1, 1928, the rates shall be as follows: Yachts, pleasure boats, power boats, motor boats, with fixed engines, and sailing boats, of over 50 feet, \$10 for each foot; length over 50 feet and not over 100 feet, \$20 for each foot; length over 100 feet, \$40 for each foot; except that the increase in rates shall not apply to a yacht or other boat built or for the building of which a contract was entered into before December 1, 1927."

The rich Americans desiring foreign-built yachts, probably not advised of the proposal, made no protest and the bill passed the House of Representatives and came to the Senate for consideration, first by the Committee on Finance. In the meantime, information relative to the proposed increase of taxes on foreign-built boats reached some of the shipbuilders holding profitable American contracts and located at Hamburg, Germany. These foreign shipbuilders, being good business men and not wanting to lose their line of profitable American business, and knowing the purpose and positive effects of the proposed increase in tax on their boats, began to devise ways and means to prevent the suggested provision from being finally enacted into law. To be effective they knew their remedy had to be quick and positive. They saw on their streets and highways some 5,000 American-made motor cars, each car required to be registered and licensed in order to be operated within the limits of Hamburg. Without advertisement or show these Hamburg shipbuilders evidently went to their local legislative authorities and laid their troubles before the appropriate committees, for immediately there was introduced in their local parliament a bill withdrawing the right of American motor cars to be registered and licensed in that municipality. As soon as this move was made the agents in Hamburg of American motor interests advised their company managers in America of the proposal and immediately thereafter agents of the motor interests rushed to Washington to investigate the proposal and to protest the threatened action. The Department of State promptly advised the motor interests of the cause of the proposed retaliatory measure, and the fight was immediately thereafter transferred to the Finance Committee of the Senate. The contest was only a sham battle. The motor manufacturing interests were so much more powerful than the shipbuilding crowd that, without delay, the Finance Committee disagreed to the

House provision proposing to increase the tax 500 per cent; and, in addition, the committee did not stop there, but proceeded to write in the bill a repeal of all taxes against foreign-built boats, as follows:

"Section 702 of the revenue act of 1926 (imposing a tax on the use of certain foreign-built boats) is repealed, to take effect July 1, 1928."

This boat incident is significant, and other greedy interests with a measure of protection now may find themselves in the same position as the American shipbuilders in the event they ask for and insist upon having a prohibitive tariff schedule in order that they may develop a monopolistic business in America.

Notwithstanding the fact that our country seems to have adopted a policy of protection, and the further fact that practically every interest is now demanding increased tariff schedules, yet a survey of world conditions and the part we must play in the world drama lead to the conclusion that we have again reached the high tide of protection and that henceforth the current will recede and lower instead of higher schedules will be adopted.

While our home people and their interests always come first, yet the new tariff bill will not be enacted without due consideration of the interests of our friends across the international boundary lines and across the seas. Conditions over which neither men nor nations have control have operated to make the world to-day relatively smaller than the territory embraced in the thirteen original Colonies at the time of the formation of our Government. Instantaneous communication and rapid means of transportation have dwarfed the world. The developed commercial relations and the personal contact of great numbers of our citizens with practically every nation will operate to deter and prevent harmful provisions from being incorporated or remaining in our laws.

Our foreign loans and investments will plead eloquently for reduced rather than increased tariff duties. On the loans made by our Government we expect the interest annually and the principal eventually. The same is true in the case of private loans and investments. Unless our debtor friends are permitted to trade with us they will be unable to meet their obligations. Likewise, unless our tariff walls are low enough to permit entrance of the wares of our neighbors, they will be unable to take home with them our surplus goods. If we expect our foreign customers to be willing and able to continue to trade with us, we must not lose sight of that old familiar rule: "Do unto others as you would have them do unto you."

In the past other nations have profited through wars and the conquering of cities, lands, and peoples. On the other hand, the United States has grown rich, great, and strong through internal improvement and the development of commerce and industry. Our interests have now grown so large and are so varied and so scattered that a war, or even a disturbance anywhere, interferes with our peaceful pursuits; hence our peace depends upon the peace of the other peoples of the world. It just as naturally follows that our prosperity will depend more and more upon the continued and increased prosperity of our sister nations, and the sooner this is realized and acted upon the better it will be for all classes of our people.

While there is a very positive demand from many of our citizens for a general revision of the tariff upward, yet when the bill has been reported and its provisions published and analyzed the major influences will be found operating for lower rather than for higher schedules. Beginning with the to-be Hawley-Smoot bill, the tariff tide will again start to go out, and each succeeding act will provide still lower schedules until tariffs throughout the world will have been so adjusted as to permit goods of one kind or another to be produced in that country or locally where they can be manufactured the most economically.

The tariff as an American national policy has served its purpose, and when the tide, now at its peak, reluctantly but gradually and positively goes out it will never return. As an indication of what the leaders of the majority party are thinking of here in Washington an editorial in the New York World of March 21 is illuminating:

"Old-school Republican protectionists," said the World editor, "will rub their eyes as they read the report of Senator WALTER E. EDGE's speech on Tuesday night to the National Republican Club. With the Ways and Means Committee working on additions to the tariff wall, Mr. Edge proclaimed that 'more and more it is becoming emphasized that the United States can not maintain a selfish or isolated international rôle.' He declared that with our vast surplus products some of our most acute problems are concerned with foreign markets. He said that the solution is not 'paternalism,' but the development of foreign trade. He pointed out that if we sell abroad we must buy abroad to maintain a balance. 'We must do business with the world.' And he closed by emphasizing the danger of reprisals from other nations if the United States makes it difficult for them to export their goods to us."

The tariff bill now in the making, whatever its schedules, should above all else contain a practical provision for the adjustment of tariff controversies and rates between our country and the other countries with whom we trade. We have been embarrassed in the past for the want of such practical machinery. The flexible provisions of existing law are neither adequate nor adapted to this purpose. A world tariff-

adjustment conference has been suggested, but such a meeting is not desirable and its work would not be satisfactory. Such differences as may develop can be adjusted if machinery for that purpose is created. As matters now stand, the Department of State, where all complaints are lodged, is powerless. The Department of Commerce, in direct charge of our foreign trade, has no power other than to seek out and advertise new markets. The President, upon a report from the Tariff Commission, has the power to raise or lower existing schedules, not to exceed 50 per cent; hence, some machinery additional to that which we already have should be provided to serve our interests in this matter.

The Tariff Commission or a new commission created from existing agencies, such as the State Department, the Department of Commerce, and perhaps representatives of the Congress, advising and acting through the President, should be empowered to adjust tariff and trade controversies whenever and wherever same may arise. Such a movement would do much to check the growing distrust of America and would assist in reintroducing us to our neighbors as friends willing to cooperate in the development of our respective countries and peoples to the fullest extent of which we are capable.

CAPITALISM AND THE PRESS

Mr. WALSH of Montana. Mr. President, a few days ago I had the honor to submit for the RECORD certain data relating to the story of the acquisition by the International Paper & Power Co. of a newspaper in New England. The transaction has been the subject of some caustic comment in the press of New England. I offer for the RECORD an editorial upon the subject from The Churchman, a religious paper of wide circulation.

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

CAPITALISM AND THE PRESS

The Churchman has repeatedly invited attention to the growing grasp of capitalism on the press of America, pointing out that its recent prosperity has made it attractive to investors and accordingly coming more and more into the possession of money bags. More sinister than this, however, is the revelation that the Power Trust in New England, acting through a subsidiary, the International Paper Co., has acquired a half interest in the Boston Herald-Traveler Co., for purposes difficult to attach to the public interest. The International Paper Co., as such, went behind \$4,700,000 last year and can hardly be qualified to buy a newspaper property on its own account. Ever since the International was formed, back in the nineties, it has been a bad actor financially, devastating forests and subjugating water without making any real return to its stockholders. It has just made a cut in its price of paper for the coming year that on the face of it would seem to promise the doubling of its deficit. Why should it be buying newspapers, and why should it indulge in price cutting? The newspapers are amply able to pay at least \$10 more per ton than the figure fixed. Can it be that the corporation, now a part of the Power Trust, is handing out a ten-million-dollar bribe to the American press?

The Herald and Traveler are old Boston institutions. Founded by Bailey and French an age ago, the Herald came into the hands of three able young men on the staff of Pulsifer, Haskell and Andrews. These made it the first popular paper in New England. It enriched them all. The Traveler, the organ of Roland Worthington, was a foot-warmer for its owner, but after varied adventures was gathered into the Herald's bosom under the tender auspices of Charles S. Mellen when that worthy was engaged in the lucrative task of looting the New York, New Haven & Hartford Railroad. When his fingers were knocked from the door-knob, interests allied with the United Shoe Machinery Corporation picked up the load and put Robert Lincoln O'Brien, who made a name for himself on the Boston Transcript, in charge. Confidence in Mr. O'Brien brought great prosperity to the joint establishment. About a year ago he was rewarded with a trip to India. On his return he was given the key to the street, in parlance of newspaper shops. The discharge was a mystery. The later event above recorded may explain it.

There are other newspapers in Boston, not trust-owned, but all of them stick pretty close to the lines laid down in the Herald's editorial announcing the shift in ownership: "The owners of the Herald and the Traveler have had faith in the fundamental fairness of public judgment. They are leaders of great enterprises on whose soundness depends much of the future of New England. They have never advocated any policy which, in their judgment, ran counter to the welfare of the people with whose fortunes their own interests are irrevocably committed." As to the purchase: "It has been felt that a close contact between a great producer and a great consumer of white paper would work out to the advantage of both companies, the readers of each newspaper, and the community."

Was there ever shallower pleading? Was ever a cloven hoof more carelessly concealed? Were the International Paper Co. that and nothing else, little could be said save that it was making a mistake. But, controlled as it is by interests that have been grabbing up the power plants in Maine, Massachusetts, and Vermont, whose hands

are black with bribery in trying to seat a man in the United States Senate, the whole thing takes on an aspect that threatens to undermine "the foundations of popular liberty." Beside trying to turn streams into dollars, they seek to make the public bow to their will. The daily, militant press has always been a national safeguard. It has been amazingly free from venality, but has become helpless in its latter-day prosperity and is now the prey of the capitalist.

We and our brothers of the religious press have still the moral blessing of poverty and we hope the courage that goes with it. The time is now with us when we must gird up our loins anew and take up the public causes that have ceased to be the care of the daily press. The country has been made rich beyond endurance, and the load on those who have not profited in fair measure must grow under the vast capitalistic expansion through the sale of earning power. We had hoped the end was in sight, but with industrialism enmeshing the country in the gambling webs of Wall Street, to an amount in daily borrowings greater than that of the Nation's exports for a year, it is time to lift up a united protest against greed and to protect the printed page from its aggrandizements.

NATIONAL INSTITUTE OF HEALTH

Mr. RANSDELL. Mr. President, I request to have printed in the RECORD a very interesting article on a plan to create a national institute of health, by Dr. Irving Fisher, professor of economics of Yale University, which appeared in the Chicago Journal of Commerce.

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

PLAN NATIONAL HEALTH INSTITUTE—NEW MEASURE WOULD ACHIEVE PRESIDENT'S DESIRE FOR FULLER ORGANIZATION OF PUBLIC WELFARE SERVICE

By Irving Fisher, Professor of Economics, Yale University

The future will see the greatest strides taken by the nation which is the most inventive. The primary condition of invention is vitality, a clear brain, and a normal body.

The industries suffer immense losses through illness of managers and men.

In all, the losses from disease and premature deaths mount up to \$15,000,000,000 a year, far exceeding losses from floods and all other national disasters combined.

A national clearing house of health for this country and for all the world would aid in solving the problem of the "flu."

The heads of all the leading research bodies and medical organizations testify that the proposed national institute of health will not duplicate their work, but will rather help to focus it better.

Virtually every great scientific organization in the country has ranged itself behind the bill of Senator JOSEPH E. RANSDELL, of Louisiana, to establish a national institute of health.

It is a hopeful sign. Possibly President Hoover had in mind the Ransdell bill, passed by the Senate on March 1, when he said, three days later, in his inaugural address:

"Public health service should be as fully organized and as universally incorporated into our governmental system as is our public education system to-day. The returns are a thousandfold in economic benefits and infinitely more in reduction of suffering and promotion of human happiness."

The return of "a thousandfold" is no exaggeration. Anyone who has made a study of this subject knows that truer words were never spoken. Health measures that preserve the health and vigorous lives of great creative geniuses like Ford, Edison, Owen Young, Rockefeller, Steinmetz, Morgan, Milliken, and thousands of others are worth billions. Like measures for the prevention of illness in the armies of industry and trade, down to the humblest private in the ranks, are worth many additional billions yearly.

KEEN RIVALRY AHEAD

Mr. Hoover remarks that we are entering an era of keener competition with the reconstructed nations of Europe. Future industrial competition will be increasingly a contest of inventions. The world rivalry to develop the best systems of wireless telegraphy, or the best airships, is but one example. The future will see the greatest strides taken by the nation which is the most inventive. The primary condition of invention is vitality, a clear brain, and a normal body. It is no accident that Edison is a health culturist, or that Krupp, Westinghouse, and other pioneers in industry have been men of vigor of mind and body. In this Nation, blended of many foreign cultures, some of them quite backward, science has achieved triumphs in the prolonging of human life.

The National Government has done much by way of conserving American vitality. It has disseminated health information. It has provided for quarantine, and the protection of the people against the importation of disease by immigrants. It should do much more.

Much more can be done, if the proposed national institute of health is established. The bill provides for leadership of all American health organizations in activities to prevent wastes of national vitality. It is a

proper measure to meet the problems set forth in the report on national vitality which I had the honor to prepare for the Roosevelt conservation commission in 1903.

HEALTH IS WEALTH

Senator RANDELL requests that we all urge the leaders of finance and industry to write to their Senators and Representatives in behalf of this measure. For if it concerns the health and happiness of the people, it is also, emphatically, a matter of money economy. The industries suffer immense losses through the illness of managers and men. Dr. Louis I. Dublin, statistician of the Metropolitan Life Insurance Co., estimates the loss at a billion dollars yearly because of inefficiency in work, absence from daily duties, hospital and medical treatment. The Red Cross increases Doctor Dublin's estimate to a billion and a half.

Then there is the loss in wages. It is believed to amount to at least two billions annually. Add to these losses what have been estimated as at least \$6,000,000,000, representing the financial value of lives lost prematurely from preventable disease and a further loss of what has been estimated as at least as much from diseases not yet made preventable by scientific effort. In all, the losses from disease and premature deaths mount up to fifteen billions a year, far exceeding, as Senator RANDELL says, losses from flood and all other national disasters combined.

We have just passed through a great epidemic of influenza and allied respiratory diseases. Senator COPELAND, formerly health commissioner of New York City, comments on the fact that more persons died from influenza in 1918 "than died in all the wars of all history." He expresses astonishment that during the past winter we "found ourselves in possession of no more knowledge of the nature of the disease, or of its control or cure, than we had in 1918."

ORGANIZED MICROBE HUNTING

A national clearing house of health for this country, and for all the world, would aid in solving the problem of the "flu." Organized research has developed successful methods of attack to reduce malaria to a minimum—a disease to which some historical writers ascribe the decadence of Greece and the fall of the Roman Empire. Reed, Carroll, and Lazear helped rid the United States of the pestilence of yellow fever. Stiles and Ashford developed the methods of preventing and curing hookworm disease. Their work enabled the Rockefeller Foundation to eradicate or control this sickness in the United States and in other lands. Cases could be cured by the wholesale at a cost of less than a dollar each with the result of an increased earning power of more than that sum every day, a return of over 30,000 per cent a year. Goldberger discovered the cause of pellagra, not only saving hundreds of thousands of lives but giving impetus to research into the effects of diet on bodily health.

These are a few examples, since Jenner's conquest of smallpox, of the achievements of science in eliminating or controlling plagues and scourges which have harassed humanity and kept it poor, indeed. Now Senator RANDELL proposes to set up a national health institute similar to the health department of other civilized nations. This institute should give a great impetus to scientific research and add greatly to our health, wealth, and longevity.

INVOLVES NO DUPLICATION

The proposed national institute would avail itself of all existing organizations to promote public health. It would establish no new Government department, but simply broaden the scope of the bureau of the United States Public Health Service. It would establish a system of fellowships, authorizing the Government to accept donations, offered unconditionally by private individuals, for this and other purposes. It would organize experts in every branch of science for the purpose of discovering "all the natural laws governing human life," and "especially to learn those variations of such laws which are detrimental to human health."

No institution at present existing does this. The heads of all the leading research bodies and medical organizations testify that the proposed national institute of health will not duplicate their work, but will rather help to focus it better. The National Research Council, the Chemical Foundation, the Rockefeller Foundation, the Metropolitan Life Insurance Co., and the American Medical Association are among these supporting bodies.

Congress has appropriated during the past five years, to fight the disease of animals and plants, some \$54,000,000. Within that time it has appropriated less than \$4,000,000 for investigating the preventable diseases of man. It is safe to say that appropriations invested in a national institute of health would yield returns far beyond those realized from any other productive enterprise, public or private.

EDWIN MARKHAM

Mr. HEFLIN. Mr. President, I desire to have printed in the RECORD a letter from the president of the International Longfellow Society regarding Edwin Markham's birthday, which is to-day, and also in this connection his poem, *The Man with the Hoe*.

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

THE INTERNATIONAL LONGFELLOW SOCIETY,

Washington, D. C., April 23, 1929.

MY DEAR SENATOR: It is more than an interesting coincidence that this 23d of April is not only the birthday of Shakespeare, by most authorities acknowledged the world's greatest poet, but also the birthday of Edwin Markham, by many acclaimed as the world's greatest living poet.

My friend, Markham, now a resident of New York, was born 77 years ago to-day in the far Northwest, "Where rolls the Oregon and hears no sound save its own dashings." For 30 years his *The Man With the Hoe*, has challenged the admiration of mankind. It has been translated into 30 languages and called "The battle cry of the next thousand years."

What more appropriate than to-day having this great literary product of America read into the CONGRESSIONAL RECORD, together with Shakespeare's famous soliloquy from *Hamlet*?

Most sincerely,

ARTHUR CHARLES JACKSON,
President the International Longfellow Society.

THE MAN WITH THE HOE

By Edwin Markham

Bowed by the weight of centuries he leans
Upon his hoe and gazes on the ground,
The emptiness of ages in his face,
And on his back the burden of the world.
Who made him dead to rapture and despair,
A thing that grieves not and that never hopes,
Stolid and stunned, a brother to the ox?
Who loosened and let down this brutal jaw?
Whose was the hand that slanted back this brow?
Whose breath blew out the light within this brain?

Is this the thing the Lord God made and gave
To have dominion over sea and land;
To trace the stars and search the heavens for power;
To feel the passion of eternity?
Is this the dream He dreamed who shaped the suns
And marked their ways upon the ancient deep?
Down all the caverns of hell to their last gulf
There is no shape more terrible than this—
More tongued with censure of the world's blind greed—
More filled with signs and portents for the soul—
More packed with danger to the universe.

What gulfs between him and the seraphim!
Slave of the wheel of labor, what to him
Are Plato and the swing of Pleiades?
What the long reaches of the peaks of song,
The rift of dawn, the reddening of the rose?
Thru this dread shape the suffering ages look;
Time's tragedy is in that aching stoop;
Thru this dread shape humanity betrayed,
Plundered, profaned, and disinherited,
Cries protest to the Judges of the World,
A protest that is also prophecy.

O masters, lords, and rulers in all lands,
Is this the handiwork you give to God,
This monstrous thing distorted and soul-quenched?
How will you ever straighten up this shape;
Touch it again with immortality;
Give back the upward looking and the light;
Rebuild in it the music and the dream;
Make right the immemorial infamies,
Perfidious wrongs, immedicable woes?

O masters, lords, and rulers in all lands,
How will the future reckon with this man?
How answer his brute question in that hour
When whirlwinds of rebellion shake all shores?
How will it be with kingdoms and with kings—
With those who shaped him to the thing he is—
When this dumb terror shall rise to judge the world,
After the silence of the centuries?

PRECEDENCE OF FARM RELIEF BILL

THE VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Secretary read the resolution (S. Res. 14) submitted by Mr. NYE on the 18th instant, as follows:

Whereas one-third of the population of the United States, representing agriculture, the Nation's greatest and the basic industry, have waited over a decade for the relief which this Congress has been called into special session to enact; and

Whereas the embattled farmers have more capital invested in the farming industry than all business interests combined have invested in

their industries, yet receive only one-ninth of the income of the country; and

Whereas other matters of varying importance may come before this body called into such special session: Therefore be it

Resolved, That no bills of any description shall be considered by this body unless by unanimous consent, until the matter of farm relief has been disposed of finally and that this body shall not turn aside from the primary purpose for which it has been called in special session or allow its energies to be diverted into other channels until pledges repeatedly made to agriculture have been redeemed.

Mr. NYE. I ask that the resolution may go over without prejudice.

The VICE PRESIDENT. The resolution will go over without prejudice.

Mr. REED. Will the Senator from North Dakota yield for a question?

Mr. NYE. Certainly.

Mr. REED. Which resolution does he expect to insist on, or does he expect to insist on both?

Mr. NYE. I expect to insist upon both this resolution and the one I submitted to-day, but I shall insist upon the farm bill resolution only in the event it grows apparent that there is unnecessary delay in its consideration.

INTERFERENCE WITH SENATOR HEFLIN'S RIGHT OF FREE SPEECH

The VICE PRESIDENT. The Chair lays before the Senate another resolution coming over from a previous day, which will be read.

The CHIEF CLERK. A resolution (S. Res. 27) denouncing the treatment of Senator J. THOMAS HEFLIN on the occasion of his recent speech at Brockton, Mass.

The VICE PRESIDENT. The question is on the adoption of the resolution.

Mr. BORAH. Mr. President, I have had time but I have not had an opportunity to read the resolution. I should like to have the resolution reread.

Mr. HEFLIN. I also should like to have it reread, Mr. President.

The VICE PRESIDENT. The Secretary will read the resolution.

Mr. BORAH. I do not care to have the whereases of the resolution read.

Mr. HEFLIN. I should like to have the whereases read.

The VICE PRESIDENT. The clerk will read the preamble and resolution.

The Chief Clerk read the resolution submitted yesterday by Mr. HEFLIN, as follows:

Whereas the right of free speech and peaceful assembly is a right that belongs to every American citizen and must be respected and protected in every State in the Union; and

Whereas interference with that right anywhere is an offense against the citizens of the country everywhere; and

Whereas the importance and necessity of being constantly on guard against any attack upon or violation of that sacred constitutional right of every American citizen makes it necessary for those in authority to vigorously oppose and hasten to publicly condemn assaults upon this sacred right; and

Whereas every group or class of our citizens has the right to assemble and have public speaking without having to consult and obtain the consent of any other group or class; and

Whereas when any group of citizens undertakes in any way to disturb or interfere with the right of free speech and peaceful assembly of other American citizens it is guilty of a heinous offense against the citizens, and guilty of a serious assault upon the Constitution of the United States; and

Whereas it is through the free and unhampered exercise of the constitutional right of free speech and peaceful assembly that American ideals and institutions must and will be preserved; and

Whereas the right of American citizens in every locality in the country to invite any private citizen or public official to deliver an address for them must be preserved inviolate; and

Whereas the right of the private citizen or United States Senator to accept such invitation and to go and speak anywhere in the United States undisturbed by anybody should be strictly observed and protected at all times; and

Whereas it is alleged by Senator HEFLIN, of Alabama, a Member of this body, and supported by press reports, that on Monday evening, March 18, 1929, he delivered an address to citizens of Brockton, Mass., on the Dangers that Threaten the American Government; and

Whereas it is alleged by Senator HEFLIN and supported by press reports that on the occasion of his speech on said date at Brockton, Mass., he was annoyed, interfered with, and threatened by a group of people who had gathered on the outside of the hall where he was to speak; and

Whereas it is alleged by Senator HEFLIN and supported by press reports that in addition to making abusive remarks about and to him

an attempt was made to do bodily injury to him by one of those in the group of disturbers above mentioned, who threw a deadly missile at him as he was leaving the hall where he had spoken, and that said missile aimed at him struck a policeman of Brockton in the head, who was there and on duty, trying to keep order and protect Senator HEFLIN and the people of Brockton in the exercise of their right of free speech and peaceful assembly; and

Whereas the Senate of the United States feels that it should at all times be pronounced and positive in its pointed and rigid opposition to attempts from any source to suppress or in any way interfere with the right of free speech and peaceful assembly; and

Whereas the Senate realizes that it is dangerous to our free institutions to permit interference with and assaults upon the citizens' sacred constitutional right of free speech and peaceful assembly: Therefore be it

Resolved, That the Senate hereby express its condemnation and repudiation of the reprehensible and criminal conduct of those who sought to assault and do violence to Senator HEFLIN and to interfere with the right of free speech and peaceful assembly on the occasion of his speech at Brockton, Mass., on the night of March 18, 1929.

The VICE PRESIDENT. The question is on the adoption of the resolution.

Mr. GILLET. Mr. President, coming from the State where this incident happened, I wish to state that I regret exceedingly that it should have occurred, and I have no doubt my regret is shared by all the citizens of the State. We in Massachusetts have a pretty law-abiding people; we believe in the freedom of speech and are opposed to mob violence, and it is seldom that such occurrences as this take place there. No matter what our opinion of a stranger may be, we want him to be treated with courtesy and given a fair hearing.

I would suggest, not by way of justification but, perhaps, as palliation, that the subject which the Senator discussed was one that for centuries has deeply excited the passions of people and has driven them to violence and cruelty more probably than any other subject. Judging from the remarks that the Senator has made in this body, I suspect what he said was not particularly temperate; of course, that is no excuse for any outbreak of violence or any threat or any attempt to punish him for his words.

I think the city of Brockton, where this incident happened, did all that could have been asked to prevent such an outbreak. I know nothing about it except from the newspaper excerpt from the Boston Herald which was inserted yesterday in the Record. That article stated that the city of Brockton had called out its full police force, apprehending that there might be some disorder; that the authorities endeavored to the best of their ability to protect the Senator. I have no doubt that they very much regret that the protection was not complete, and are all glad that the Senator suffered no bodily harm.

I do not disagree with the spirit of the resolution that we condemn such an outrage; that we condemn any violation of order, any mob violence, any intimidation of free speech anywhere; and as I see it, the only question involved is, Is it worth while for the Senate of the United States to take action? We certainly can not take action on every such occurrence. There have been a great many even more conspicuous than this. I remember that a distinguished citizen of Massachusetts who went as a volunteer to argue what he thought was a case of great justice and importance in a neighboring State which involved questions on which local opinion was greatly excited, was driven from the State by violence and threats of death; but the Senate, as I recall, took no action on that occasion. The only reason I suppose why it should take action in this instance would be that it involves a Member of this body.

Perhaps that is sufficient justification. At any rate, I have no objection, because, as I say, I think this resolution represents the feeling of the law-abiding citizens of my State. I think they all regret the occurrence. I am sure even the individual who threw the missile with such a bad aim that he hit the policeman instead of the Senator is full of regrets [laughter], and all the people of Massachusetts regret the incident.

I should like, however, to ask the Senator a question. The only bearing of it is on the question as to whether the matter is a proper subject of a Senate resolution. I should like to ask the Senator from Alabama whether or not he was paid for this address.

Mr. HEFLIN. I was.

Mr. GILLET. Mr. President, it seems to me that makes a slight difference, although not enough, perhaps, to deserve the consideration of the Senate. If Senators, in pursuance of their public duties—I suppose we generally consider ourselves advisers of the public—are advocating some great public cause, and go out in the country, in their own States or other States, as volunteers, urging that cause and trying to advance it, it seems to me then they are a little more deserving of the solicitude and

protection of the Senate than if they are using their prestige as Senators for remuneration.

After all, however, that does not make any great difference. Personally, it is a matter of indifference to me whether the resolution is adopted or not. It is only a question as to whether the matter is one that the Senate ought to take up in this way. I wish to state, however, that I indorse as heartily as the Senator himself the condemnation which the resolution asserts of mob violence and interference with the freedom of speech. I am sure the people of my State condemn it; and if the Senate wishes to adopt the resolution without a hearing and legal evidence I have no objection.

Mr. KING. Mr. President, it is not my purpose to discuss the resolution proper but to direct attention very briefly to the whereases constituting a part of the resolution submitted by the Senator from Alabama. Not infrequently resolutions are offered in which appear preambles containing recitations of facts or purported facts or legal propositions or controversial statements, following which are the resolutions proper. It frequently occurs that Senators are willing to support a resolution if divorced from the preamble. Some Senators may be willing to condemn the occurrences referred to in the resolution, and the attempted assault upon the Senator from Alabama, but may not be willing to approve and indorse by their vote all the recitations in the various whereases found in the resolution under consideration.

The whereases seem to assert it as legal proposition that the National Government gave to the people freedom of speech and of the press and the right peaceably to assemble. They declare in effect that it is a Federal constitutional right to enjoy free speech and to be permitted to peaceably assemble; and further that to permit interference with and assaults upon the citizens' "sacred constitutional right of free speech and peaceful assembly is a danger to free institutions," which the Senate realizes. As stated, there is running through the numerous whereases the thought that the principles embodied in the national bill of rights are derived from the Federal Constitution and that it is an obligation and a constitutional duty resting upon the National Government to protect freedom of speech and of the press and peaceable assembly.

Mr. President, as I read the Constitution, that view is not sound. The Federal Government is one of enumerated powers; its authority and functions are limited. It did not create the States, nor is it the fountain from which the people derive their rights and their liberties. The people are sovereign; they organized sovereign States, and these sovereign States and the people therein set up the National Government. The States conferred upon the Federal Government authority to do a limited number of things. For instance, Congress was given the power to regulate interstate commerce, to provide for the naturalization of aliens, to borrow money, and to declare war. The authority of the Federal Government is limited; it is only such as is conferred in the Constitution.

The tenth amendment declares that the powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States, respectively, or to the people. The Constitution contains a few provisions which are prohibitions against the States exercising authority over a number of matters. For instance, States are prohibited from entering into any treaty, alliance, or confederation, or from coining money or passing any bill of attainder or ex post facto law.

During the discussion following the Constitutional Convention there was widespread fear that the National Government might attempt to exercise powers which had not been granted it. Accordingly there was violent agitation in favor of amending the Constitution, the amendments to constitute what is known as the bill of rights. It was not the purpose to confer additional powers upon Congress, but rather to prohibit the National Government from any attempt to exercise authority which had not been conferred upon it. The first amendment to the Constitution declares that—

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

The second amendment prohibited the Federal Government from infringing upon the "right of the people to keep and bear arms." It did not confer any right, it was only inhibited from infringing the right which the people possessed under the constitutions of their respective States. The powers vested in sovereign States by their respective constitutions were unaltered and unimpaired by the Federal Government, except as they granted authority to the Government of the United States. The

eighth amendment which forbids excessive bail and excessive fines was addressed to the courts of the United States but it had no application to the States.

It was held at an early date that there was no constitutional provision for the protection of citizens of the respective States in their religious liberties. "This was left to the State constitutions and State laws; and it may be added that there is no inhibition imposed by the Constitution of the United States in this respect on the States."

Often we hear the expression that the Constitution guarantees religious liberty and guarantees freedom of speech and of the press. As I have stated, the resolution before us apparently proceeds upon that theory. Congress has no authority to pass laws to protect freedom of speech or of the press. Evidently the founders of this Republic had greater fear of the Federal Government than they did of their own sovereign States and of themselves. They kept the power within their own hands to provide for religious freedom and freedom of speech and the press, and the right to keep and bear arms.

The lessons of history had taught them that those rights which we denominate "personal rights" are endangered more from centralized governments than from local governments.

Events have justified the faith which the founders of the Republic reposed in themselves and in their own State governments. I think it is a fact that in every State constitution there is found a bill of rights, and clear and definite provisions under which the people are protected in their right to worship God according to the dictates of their own conscience; the right to enjoy free speech; the right peaceably to assemble and to petition for redress of grievances. The Commonwealth of Massachusetts has constitutional provisions fully protecting these inalienable personal rights.

Mr. President, the Federal Constitution does not limit the powers of State governments with respect to their own citizens, in so far as the matters referred to in the bill of rights are concerned. These amendments operate upon the National Government alone, and the right to free speech and to assemble peaceably was not created by any provision in the Constitution. There was a guaranty only against congressional interference. For the protection and enjoyment of religious liberty, freedom of speech, freedom of the press, and other important personal rights, the people must look to the States, not to the Federal Government.

If the resolution offered by the Senator from Alabama expressed the regret of the Senate at the attempted assault upon the Senator, and condemned the reprehensible, if not criminal, conduct of the person who threw the missile, it would relieve the resolution of the objections, which seem to me to be valid, arising out of the recitations and statements in the preamble which ascribe to the Federal Government power and authority which it does not possess and which the American people never will be willing to confer upon it.

Mr. BORAH. Mr. President, with the general statements in the "whereases" I find no fault. In so far as they undertake to define the right of free speech and to uphold the right of free speech there can be no objection to them. In fact, I presume they state the views of every Member of the Senate. I dislike, however, to vote a denunciation in the nature of a criminal charge against a man without some evidence or some facts to justify it.

The Senate of the United States is still a rather important body; and for us to pass a resolution denouncing men as criminals without any opportunity to be heard, without the presentation of any facts in such a way that a quasi-judicial body would consider them, seems to me a little out of the ordinary.

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

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

Mr. BORAH. I do.

Mr. EDGE. Does not the Senator likewise feel from the legal standpoint that the resolution as it is offered is an inferential reflection upon the Commonwealth of Massachusetts for not having made some effort to apprehend and punish the offenders?

Mr. BORAH. Possibly so; but I have in mind particularly the proposition that we are denouncing people as criminals without any facts whatever before us except newspaper reports. It does not hurt individuals so much as it does the Senate to engage in that kind of practice.

Of course, with the principles we are all, as I say, in agreement. There are two rules which ought to remain inviolate forever among a people who are blessed with the privileges and burdened with the obligations of a democracy. The first is that no man should be denied the right to entertain and to practice the religion of his choice. The second is that speech should be free, discussion untrammelled. All questions of whatever nature

or kind, whether political or otherwise, which come before the people from time to time for consideration and disposition, ought to be open to the freest and fullest discussion. Nobody denies that proposition. But for the Senate, under the guise of asserting a general principle, to pass a resolution of condemnation asserting that certain citizens under certain circumstances were criminals is wholly aside from maintaining the general principle. There is another rule equally vital to the American people, and that is that people ought not to be branded as criminals until they have had an opportunity to be heard.

Mr. HEFLIN. Mr. President, I am more surprised at the position taken by the Senator from Idaho [Mr. BORAH] than at the position taken by either of the other two Senators. I am utterly astounded at the stand taken to-day by a Senator who professes to stand for American ideals and institutions, who usually is such a fair fighter, and who has apparently heretofore stood in the main for American rights and liberties.

I presume that it does not make much difference to the Senator from Idaho that a man in Massachusetts—and no one is named—undertook to murder me when I spoke at Brockton.

Mr. BORAH. Mr. President—

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

Mr. HEFLIN. I do.

Mr. BORAH. If the Senator will pardon me, he knows perfectly well that the Senator from Idaho would not in any way connive at the indorsement of such a proposition; but the people in Massachusetts who are charged with having assaulted the Senator are entitled to a hearing, if a resolution of condemnation is to be passed, before they shall be denounced as criminals. I speak for the dignity of the Senate.

Mr. HEFLIN. We do not know who they are, and nobody is named. How ridiculous is the attitude of the Senator—fighting over imaginary persons so far as he is concerned! Nobody is named in the resolution, Mr. President.

I ask to have read by the clerk in my time the article from the Boston Herald describing in the words of a gentleman who was on the ground just what occurred. I want the Senator from Idaho to hear it.

The VICE PRESIDENT. Without objection, the article will be read.

The Chief Clerk read as follows from page 257 of the CONGRESSIONAL RECORD of yesterday's proceedings:

[From the Boston Herald]

HEFLIN ESCAPES THROWN BOTTLE—AIMED AT ALABAMAN AFTER BROCKTON SPEECH AS CROWD MILLS ABOUT CAR

By Charles Drury

BROCKTON, March 18.—A bottle which would have crushed his skull narrowly missed Senator J. THOMAS HEFLIN, Klan speaker, as he left the scene to-night, and a police sergeant guard was knocked unconscious by the missile. Stones and rocks were thrown by the crowd which waited in the darkness outside the hall, but no one except the policeman was hurt.

BIG POLICE DETAIL

There was a big detail of police under the personal direction of City Marshal Herbert Boyden stationed about Vasa Hall in the Campello section of the city in anticipation of trouble. Every available inspector and day-off man in plain clothes was mingling with the crowd outside the hall, variously estimated at from 100 to 1,000. The Senator talked for 2 hours and 20 minutes, telling chiefly of his own efforts in Washington to keep the United States out of the difficulties now embroiling Mexico.

The camera men were stationed in that vicinity and there were several booms as they set off flashes to take pictures of the waiting crowd. Senator HEFLIN, accustomed to flashlight booms and aware of what was going on outside, calmed his audience with assurances that if there was any bloodshed it would be fully repaid in kind.

The crowd outside became impatient, and policemen mingled with them, watching and waiting for what had been noised around as about to happen. There was a reception in the hall after the lecture; the Senator reached down from the platform to shake hands with those who filed past, and, in the meanwhile, the police cleared the side yards as far as the street in anticipation of an attack.

The crowd was massed in Main Street when the blue automobile in which the Senator arrived started from the side door of the hall.

There was an outcry from those nearer the hall, and it was quickly taken up by those in the street.

The police pressed the crowd back. Uniformed officers on either side of the driveway issued curt commands, but the crowd pressed in. As the automobile was about to make the turn into the street two brilliant flashes from the guns of the newspaper camera men blinded the driver and he swerved. Then there was a rattle of stones on the side of the car, and Sergt. Stephen Bryan, who was alongside the car, went down in the roadway, blood streaming from a gash on the side of his

head from a heavy quart bottle which he had interrupted in its flight toward the window near which Senator HEFLIN was sitting. As the crowd closed in around the injured policeman the car sped on and was lost to sight.

The officer was taken to a near-by drug store, where he received first aid, and was later taken to police headquarters for further treatment.

Mr. HEFLIN. Mr. President, there is no dispute about the things set forth in that article. Nobody denies that that is what occurred. I assert as a Senator that that is what occurred.

Mr. President, I am surprised that there should be a single man found in this body who would oppose this resolution. The senior Senator from Massachusetts [Mr. GILLET], with whom I served in the House of Representatives, made a statement that did not show that he was very bitterly opposed to the passage of the resolution. The incident having occurred in his own State, I presume he felt that he should say something. But he asked me if I was paid an honorarium or fee, and I answered in the affirmative. He rather suggested that it did not make so much difference if a man were attacked when he was delivering a lecture for people who were interested enough to pay his expenses and to pay him an honorarium to hear him discuss "the dangers that threaten their country."

Perhaps the Senator is aware of the fact that Senator FESS, on the other side, frequently delivers lectures for which he is paid, as do also Senator BORAH, from Idaho; Senator ASHURST, on the Democratic side; and Senator WALSH; Senator PAT HARRISON; Senator BARKLEY; and other Senators.

Mr. GILLET. Mr. President—

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

Mr. HEFLIN. I yield.

Mr. GILLET. Perhaps the Senator misapprehended me. I did not at all criticize his accepting pay. I merely said that it occurred to me that it might make a difference with regard to the propriety of the Senate expressing its opinion of or protecting a Senator whether he was acting as a Senator and on public duty or was acting simply for remuneration as a paid lecturer. That is my own impression.

Mr. HEFLIN. Mr. President, I was acting as a patriot, and I was discussing questions this Nation is coming more and more to be interested in, and if Senators have not already learned, they will learn after this speech to-day, that the people are interested in this question. I have received letters from all over this Nation about this deplorable incident, denouncing it, and calling upon me to do something to prevent these interferences with free speech and peaceful assembly, and I am here trying to get the Senate to take action against this outrageous performance at Brockton, Mass.

I am not able to go about the country and give my time without some remuneration. If I were, I would not charge a cent. But I am a poor man, Mr. President. I gave up the law practice 24 years ago when I first went to Congress, and I have devoted my whole time to studying public questions and trying to represent my people, and now, when the people of this Nation, interested in public questions, invite me to come and speak about things upon which I have decided convictions, and people undertake to interfere with me and threaten me and insult me and to assault me when I am exercising my right of free speech and the people their right of peaceful assembly, it is time something was done about it, and I am asking the Senate to express itself upon the subject.

I thought, but I may be mistaken, that the Senate, the courageous and historic legislative Chamber of this Nation, would be quick to pounce down upon such reprehensible conduct, and denounce it in bitter terms. I never thought there would be a Senator here who would rise and oppose the passage of this resolution.

I have not reflected upon the law-abiding citizens of Massachusetts. It is a great State. The officers of Brockton who were at the hall did their part, as the paper says. I am not reflecting on them. The resolution refers to a group that was violating the law, to a group that interfered with my right of free speech, the right of peaceful assembly of the people of Brockton, Mass.; of a group that assaulted the car I was in, and one in particular who threw a deadly missile which struck the policeman who was walking alongside the car in which I was riding, telling the crowd to stand back as they pressed upon it, as we drove out in the public street leading back to the Hotel Belmont. As he pressed them back, turning his head, saying, "Stand back," they struck him on the side of his head with a bottle, and he fell as if he had been shot, as I was told by those who saw it. I did not know he was struck until the next morning. The papers published an account of it, and a group of citizens called and asked me if I knew that the policeman had

been assaulted, and told me what he had been doing, walking alongside my car trying to protect me from assault and murder.

The Senator from Idaho quibbles over technicalities, and splits hairs about whether this body should take action by expressing its condemnation of such an outrageous performance. He wants to give somebody a chance to be heard. How would he find the criminal who threw that deadly missile? Would the Senator solemnly stand in this body and ask that this matter affecting me, a Member of this body, be postponed, and no action taken, until he or somebody else could find the criminal who sought to kill me?

Mr. President, the influence at work to defeat this measure is known to some of us. I have not mentioned any group or class by name. I have tried to avoid it. But what are we coming to if the Senate no longer has courage enough left to pass on a question of this kind, when a Senator is invited by citizens to come and speak on the subject on which I spoke, "The Dangers That Threaten the American Government"? If they can not invite a man to come and speak on that subject without getting the consent of this group, have we any liberty left? Where is your right of free speech, where is your right peacefully to assemble guaranteed by the Constitution of the United States?

Nobody objects to what I said at Brockton, Mass.; no paper has criticized what I said. That group did not hear my speech. That group was there when I arrived and before I spoke, and hissed and hurled insulting epithets at me. I smiled and walked on through the crowd to the hall, and when I came out I was greeted with all sorts of epithets, and policemen were trying to keep the crowd back. They employed various insults to hurl at me. It was not pleasant, of course, but it did not frighten me.

I have a right to say what I think I should say. I have been sent to this body by a sovereign State, and I have a right to advocate what I believe is essential to the welfare of this Government, and if one group or another does not like it, they have no right to try to murder me because I insist upon my right of free speech. They have no right to insult the good women of Massachusetts who were there, and the good men who were there—Protestants and Jews—all of whom stood up indorsing my speech. Two-thirds of the audience was composed of Protestants and Jews and Masons, Junior Order of American Mechanics, Woodmen of the World, and about one-third were klansmen and their wives.

Do you propose to say that klansmen shall not be protected in the right of free speech and peaceful assembly? You did not feel that way last fall when 1,700,000 of them were on the firing line in the presidential campaign. You did not feel that way then. Are you going to say now that a klan is not entitled to protection in its right of free speech and peaceful assembly? Are you going to say that that is one particular group that can not invite speakers to come and address them and the public generally?

Let me read you some of the literature handed around at the public gathering where the Klan sponsors the meeting—

Mr. GILLETT. Mr. President—

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

Mr. HEFLIN. I yield.

Mr. GILLETT. I think I remember seeing in the press that in Alabama last fall Congressman BANKHEAD was assailed by missiles when he was making a political speech. Should not the Senator amend his resolution so as to condemn that also?

Mr. HEFLIN. No, sir. If Mr. BANKHEAD wants to bring it to the attention of the House, let him do so, but I have brought this matter to the attention of the Senate and I have no apology to make for bringing it here. I think the Senate ought to act upon it, and I believe that four-fifths of the people of this Nation will think so when they read my resolution in the CONGRESSIONAL RECORD in the next two or three days. Let me read you some of the Klan literature, so that you can see how "un-American" it is. This little leaflet speaks for itself:

If you are a native-born, white, gentle, Protestant, American man or woman, 18 years of age or over, of sound mind, good moral character, and honorable vocation; and

If you believe in the tenets of the Christian religion, white supremacy, the sanctity of the home, the protection of the chastity of womanhood, limitation of foreign immigration, deportation of criminal aliens, upholding the Constitution of the United States, respect for the flag, free speech, free press, free public schools, separation of church and state, law enforcement, good citizenship, liberty, justice, good government, and the maintenance of the integrity of political parties—

Then you are in full agreement with Klankraft.

Mr. President, my father was the head of the Ku-Klux Klan in my State in reconstruction days. The Klan there was the only arm of law and order in our midst. It protected from insult and outrage the widows and daughters of our dear dead

Confederate soldiers. It saved the civilization of the South. My father has gone to his reward. I have always loved the name and the memory of the Ku-Klux Klan, and when American citizens of that order as well as other fraternal orders have invited me to come and speak to them, I have gone. I have told klansmen of the mistakes they have made. I have said, "You want to cut out all of this rough doing. The principles of your order are good. Weed out the lawless element. You have a great work to do, a great service to render America. I have met hundreds of your men and your women. They are fine, upstanding Americans. Get rid of all these things that are harmful and hurtful and take your place in the great family of fraternities and work out your own destiny to the good of your country and your God. You have a great work to do, an important part to play in this great land of ours."

I have accepted invitations from Masonic orders, Junior Order of American Mechanics, and others. I am a thirty-second degree Mason and a Shriner. I have accepted invitations from other fraternal orders. I have spoken to Bible societies on this subject, I have spoken to women's clubs on this subject, I have spoken to civic leagues on this subject, and I have a right to address any of them who invite me, and I assert as an American citizen and Senator that I have a right to speak my convictions, a right to point out dangers that threaten our free institutions. I am not as rich as some Senators in this body. I try to earn what I get, and I certainly earned it at Brockton. [Laughter.]

The Senator from Massachusetts said the fellow who threw the bottle and hit the policeman was no doubt disappointed. He perhaps was. The brave policeman who was struck down by that deadly missile was a brave officer doing his duty. He was trying to shield my car and walked along and waved the people back, with his head turned. Like a thief in the night, a cowardly would-be assassin, aiming at me, struck him down. If the policeman had not been there, the paper said, the missile would have smashed through the window and struck me.

Mr. President, it is strange indeed that a Member of this body would have to stand here and urge the passage of a resolution of this kind—exceedingly strange. I want, for the benefit of the Senator from Idaho and the RECORD and the country, to relate what occurred on that occasion.

There were 30 or 40 Roman Catholic boys grouped in the yard at the hall where I spoke, with 4 or 5 leaders, young men, Knights of Columbus, I was informed. They had those boys trained like college boys, giving a college yell and in unison, "Booie! Booie! Shoot him. He is a dog." They repeated that many times. Is not that nice conduct, training Catholic boys in advance to go to a public hall for the purpose of insulting a United States Senator, all because a Protestant United States Senator was there to speak on a subject that Roman Catholics did not want discussed.

Mr. President, when I came out of the hall, just before the assault was made upon me, the car stood opposite the rear door where we went in to the stage, and there was a veranda across the way and above the car. A Roman Catholic woman stood there and screamed at the top of her voice to me, "Long live the Pope. We do not need but one religion in the United States, the Roman Catholic religion, and that is all we are going to have, you dirty southerner." That was her screaming cry a dozen times or more. I smiled at her and got in the car and we drove out and then the assault came. The last I heard was the screaming of that woman's voice.

The paper tells us that the policemen had been warned that this attack was going to be made on me. The crowds were given curt commands to get back, press reports said. My life was at stake. The Senator from Idaho [Mr. BORAH], for whom I have had great respect and affectionate regard, gets up here to-day and expresses opposition to the passage of a resolution condemning those who sought to murder me at Brockton, Mass. O Mr. President, I am so astounded and disappointed in the Senator from Idaho.

I am not opposed to religious freedom. I believe in it with all my heart. I said that day at Brockton, "I want the Catholic to worship as he chooses. I would not disturb him in that right. I will protect him in it. I want everybody to have the religion of their choice." But, I said, "I do not want them interfering with mine. I want the Catholics to have the right of free speech and peaceful assembly, and I do not want them interfering with my right of free speech and your right of peaceful assembly." I said, "You have witnessed what occurred out there as I came into this hall. Here in the land of Roger Williams and within 30 miles of Plymouth Rock, where the Pilgrim Fathers landed, the pioneers of liberty in this western world, a mob assembles at a hall and defies the law and the Constitution and violates every principle of decency, right, and justice, and undertakes not only to disturb and frighten the people who were assembling but makes an assault upon a Sena-

tor, and, as a result of that terrible thing, a policeman is knocked unconscious with a deadly missile."

Mr. President, what will be the course to pursue if the plan of the Senator from Idaho is adopted? Would it be that my friends should arm themselves and see to it that they are not denied their constitutional rights of free speech and peaceful assembly? My friends with me at Brockton made no effort to do violence to anybody. They were there to protect me. I think they would have done violence to somebody if they had tried to get into that car or if they had done violence to me, and I should have indorsed their action and joined in it to the best of my ability as a right of self-defense.

But, Mr. President, what are we to do hereafter if the Senate will not pass a simple resolution condemning a group of intolerant, lawless Catholics who attempt to assassinate a United States Senator because they do not want him to speak on questions that disclose the un-American political activities of Roman Catholics in the United States?

The Senator from Idaho—God save the mark!—asks that they be given a chance to be heard. The resolution would be pending here at doomsday. Do you suppose this criminal is coming out of his hiding place to tell that he is the fellow that threw the bottle and come down here and ask to be heard in protest against the passage of this Senate resolution?

Would the Senator from Idaho accord that treatment to the Roman Catholic criminal who sought to murder me and then deny his brother Senator the simple justice of having his brethren in the body condemn an assault upon him and an effort to take his life? Does the Senator from Idaho think more of the lawless Roman group that assembled in violation of the laws of Massachusetts, the laws of the Nation, and the Constitution of the United States than he does of the well-being and safety of a United States Senator exercising his constitutional right of free speech? The Senator does not know who the criminal is in Massachusetts about whom he manifests such keen concern and for whom he demands the right to be heard. He has designated nobody, nobody is named, but the Senator has somewhere in his mind an idea that somebody out yonder somewhere ought to be heard at some time somewhere before this resolution is acted on. That is the logic of the Senator's strange position.

Mr. President, what Senator objects to this?

Mr. FLETCHER. Mr. President—

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

Mr. HEFLIN. I yield.

Mr. FLETCHER. I ask the Senator to consider whether or not he would strike out the words "and criminal"? That would seem to meet the objection of the Senator from Idaho and would not seem to weaken the resolution. The resolution would then condemn the reprehensible conduct. Is not that sufficient?

Mr. HEFLIN. It was criminal. The effort to kill a Senator is certainly criminal. I appreciate the Senator's suggestion. Let me read the last part of the resolution—

Whereas the Senate of the United States feels that it should at all times be pronounced and positive in its pointed and rigid opposition to attempts from any source to suppress or in any way interfere with the right of free speech and peaceful assembly—

Where is the Senator who objects to that?—

And whereas the Senate realizes that it is dangerous to our free institutions to permit interference with and assaults upon the citizens' sacred constitutional right of free speech and free assembly: Therefore be it

Resolved, That the Senate express its condemnation and repudiation of the reprehensible and criminal conduct of those who sought to assault and do violence to Senator HEFLIN—

What Senator objects to that language?—

and to interfere with the right of free speech and peaceful assembly on the occasion of his speech at Brockton, Mass., on the night of March 18, 1929.

The Senator from Utah [Mr. KING] said that the whereases do not fit in here properly and he would leave it to the State of Massachusetts. I submit that the Senator's position is exceedingly weak. What would you do if a State did not want anybody to speak in it contrary to the view of a certain group? Would the United States say it has the right to thus destroy the American right of free speech? Now, not for a minute. The right of free speech is vouchsafed by the Constitution of the United States, and a United States Senator speaking in a State to the sovereign citizens of the State was interfered with and assaulted by a Catholic group that did not want him to speak.

Some Senators may not know the inside story of this fight of Roman Catholics against me. Some of you have been busy

with other things and have not gotten into all the phases of it and are not as well acquainted with the situation in the detail as I am. I have had letters written to me from time to time by Roman Catholics threatening if I made speeches they did not like to kill me. What would you do under those circumstances? Would you confess yourself a coward? Would you confess that they had a right to destroy free speech and peaceful assembly in the United States? Would you fold your arms and take your ease and sit down and refrain from going because you were afraid? Will the brave men of this body set up such a doctrine? I do not believe it. I do not believe there are half a dozen men in this body who will vote against the resolution.

President Hoover made a speech in New York City yesterday on the importance of obeying the law. He urged the people to support the law. Here is a group of people who notoriously violated the law, and in connection with that violation were interfering with free speech and peaceful assembly, and assaulted a Senator and sought to kill him. The Senator from Idaho and the Senator from Utah now raise objection to the resolution.

Mr. KING. Mr. President, will the Senator submit to an interruption?

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

Mr. HEFLIN. I yield.

Mr. KING. Mr. President, I did not discuss the resolution proper and raised no objection to it. The Senator should differentiate in what I said between the resolution and the whereases. I called attention to the observations which I made to what I conceive to be erroneous statements in the whereases. I should be very glad to be advised by the Senator under what provision of the Constitution of the United States freedom of speech and the right freely to assemble is guaranteed? The Constitution prohibits Congress from passing any law abridging the freedom of speech or the right of the people peaceably to assemble. Congress may not go into a State and interfere with its domestic affairs. Some States have, as the Senator knows, passed laws that infringed upon the right of free speech and perhaps upon the right of religious liberty. Such laws are not subject to challenge as violations of the Federal Constitution and may be held valid if there is nothing in the State constitution that would be in derogation of such legislation. I think the Senator inadvertently has fallen into the error of construing the inhibition upon the right of Congress to legislate against the right of freedom of religion and free speech and has interpreted that inhibition as a grant of the right of free speech and a grant of religious liberty and a grant of the right freely to assemble, which the Federal Government has the power to protect.

From what the Senator has reported, I think a cowardly assault was committed upon him, and I would be inclined to vote for a resolution, eliminating the whereases, reading something like this, which I have hastily written:

Resolved, That the Senate has heard with regret of the assault made upon Senator HEFLIN at Brockton, Mass., on the 18th day of March, 1929, and hereby expresses its condemnation of the same.

While condemning the assault, I am not willing to vote for a declaration that the National Government has the right to go into a State and then guarantee free speech and religious liberty and the right of assembly. Those are rights which the States themselves must define and protect. If Congress were attempting to legislate against the right of free speech, against the right of peaceful assembly, the Senator from Alabama could properly say that such course was unconstitutional.

May I add a personal statement that may give some indication of my view on this matter. A few years ago, when I condemned the Industrial Workers of the World and insisted that some of the activities of the organization were criminal in character, judged by constitutional Federal statutes, some of its members were indicted and convicted. A bomb was sent to me through the mails and I narrowly escaped death, but I did not feel that the Senate of the United States should be called upon to condemn the attack upon me. However, I am willing to condemn the assault committed upon the Senator from Alabama.

Mr. HEFLIN. Mr. President, I do not think any other Senator will agree with the Senator from Utah that it is not a part of the business of Congress to guarantee free speech and the right of peaceful assembly. This is the first time that I have ever heard of a man in public life questioning the right of Congress and, indeed, the duty of Congress to protect to the uttermost the right of free speech of an American citizen. I do not believe that other Senators will share the view of the Senator from Utah.

Mr. President, I want to tell Senators another thing that I told the people in my speech at Brockton, to give them an idea of what I said. I said that Doctor Ryan, a Roman Catholic priest of the Catholic University of America here at Washington, recently in a debate in New York City with Mr. Marshall, who wrote a strong article about Governor Smith during his race for President, stated that Catholics here accepted the doctrine of the union of church and state. I said, "He and I differ on that. I am bitterly opposed to that doctrine. I do not believe in the union of church and state. My Government does not believe in it, and in speaking in this fashion I am speaking the language of my Nation and I am standing for the fundamental doctrine of the American Government."

That was the line of my speech. Does the Senator from Idaho [Mr. BORAH] think that somebody should assault me because I dared to proclaim that American doctrine in Massachusetts?

Would the Senator from Idaho [Mr. BORAH] excuse any group anywhere for interfering with free speech and peaceful assembly and for assaulting an American citizen for making a speech in behalf of American principles that that group did not want made? O Mr. President, the queer and astounding position of the Senator from Idaho has wiped out the impression that I had of him formerly. I said "Doctor Ryan has recently given out a statement attacking prohibition enforcement and the eighteenth amendment. I do not agree with him about that. I am willing for him to state his side, and I have a right to state mine." I have always tried to be fair and just, Mr. President, in matters of this kind. Here is what Doctor Ryan's statement said and it was carried by newspapers all over the country. It reads:

That the citizens are obliged to obey civil laws, even those that they do not like, is true in general, but not necessarily true in every case.

Of course, these tyrannical provisions—Volstead law—never had a shadow of validity in morals—

The nature of constitutional prohibition clearly deprives it of all claims to respect by liberty-loving citizens and believers in the democratic principle.

He goes on to say:

Whether a particular act of the state is contrary to the moral law is a question which obviously must be decided by some other authority or tribunal than the state itself, since the state has no competence in the field of morals.

He is expressing his views from the Roman Catholic standpoint against the American position on this question.

In deciding—

He says—

whether the obnoxious law ought to be obeyed * * * the Catholic citizen may consult his priest or his bishop or the Pope.

I ask the Senator from Idaho to consider that defiant and un-American statement while he is rushing to the rescue of a Roman Catholic mob that assaulted me at Brockton, Mass., and sought to do me bodily harm.

O Mr. President, here is the raw Roman doctrine flaunted in the face of the American flag and the Constitution, and I, a United States Senator, was combating it as best I could in Massachusetts and telling those people that it is the duty of every group—Protestant, Jew, and Catholic—to obey the law. I said: "As the President said, 'If you do not like the law, repeal it, if you can; if you do not like the eighteenth amendment, take it out of the Constitution, if you can; but while the law and the amendment are there, it is your duty to support them.'"

That is in part the speech I made at Brockton, and when I came out of the hall I was hissed by the group and assaulted by one of the group who sought to assassinate me.

That is not all Doctor Ryan said:

If a moral decision of the church which is adverse to a government or a law is accepted by a sufficiently large section of the citizens, the state will find itself in difficulty.

What does he mean by that? He means that if the Roman Catholic group as a group shall repudiate this law and stand out against it the United States Government will have trouble. Is it subject to any other construction or interpretation? He said just prior to that that the Roman Catholic in America could go to his priest or bishop or the Pope to find out whether he should obey the Constitution of the United States. My God, what an astounding statement made by an appointee of the Pope right here at the capital of the United States Government! And yet three Senators get up and offer opposition to

a simple resolution that sets out the American doctrine of free speech and peaceful assembly and puts the Senate on record as being strong and stern in its stand against those who would destroy free speech and peaceful assembly.

Thomas Jefferson laid great emphasis on the necessity of preserving inviolate free speech and peaceful assembly. Lincoln was fine and strong in his defense of free speech and peaceful assembly. I have just read to you what Priest Ryan—Professor Ryan—said about the eighteenth amendment, the Jones law, and the Volstead Act, and how he advised Roman Catholics to violate those laws of the United States. Now, I want to read in contrast with that a statement of Washington, the Father of his Country, a master Mason, who himself was persecuted by the Roman group. Washington in his Farewell Address said:

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the inflections and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This Government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government. But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty—

Listen—

of every individual to obey the established government.

Now listen to the immortal Lincoln, the martyred President. Lincoln in speaking upon the perpetuation of our political institutions said:

Let every American, every lover of liberty, every well wisher to his posterity swear by the blood of the Revolution never to violate the laws of the country, and never to tolerate their violation by others. As the patriots of '76 did to the support of the Declaration of Independence, so to the support of the Constitution and the laws let every American pledge his life, his property, and his sacred honor—let every man remember that to violate the law is to trample on the blood of his father, and to tear the charter of his own and his children's liberty. Let reverence for the laws be breathed by every American mother to the lisping babe that prattles on her lap; let it be taught in schools, in seminaries, and in colleges; let it be written in primers, spelling books, and in almanacs; let it be preached from the pulpit, proclaimed in legislative halls—

That is what I am seeking to do here—

and enforced in the courts of justice; and, in short, let it become the political religion of the Nation.

And here this morning, Mr. President, we have a solemn situation where one who has been regarded as an outstanding American has had a change of heart and come to the rescue of the group which I seek to condemn for the violation of our Federal laws and the Constitution of the United States.

Mr. President, I am going to speak again, perhaps to-day, on this subject, and then I am going to say some more about what I know about the efforts of Roman Catholics to beat this resolution. The Senators who opposed this resolution and prevented action upon it are responsible for the debate that has ensued. They will be responsible for what I am going to say later on to-day. I was willing to have a vote on the resolution without debate.

Mr. President, again I wish to refer to what I said in my speech at Brockton. I said:

"The boys who have been directed to assemble out there in the yard are engaged in bad business. Those back of that sort of thing are raising up outlaws and murderers in that group. They are teaching them that it is all right to disturb Protestant people and assault a Protestant Senator if the priest says so. Some of the books tell us that they do not think there is any harm in killing a heretic and they call the Protestants heretics. It is a bad thing that they are doing. They do not like me; they do not like the truths that I am telling; but this is America. I have a right to say what I feel it my duty to say as an American Senator; and they have a right to say what they want to say, and I do not interfere with them. But," I said, "listen: This conduct here in Brockton is exactly what

occurred in Italy when Mussolini commenced the work of destruction of free government over there. Garibaldi, the brave and brilliant Mason who delivered Italy out of the jaws of Roman tyranny, of ignorance, and superstition, planted her feet upon a rock and gave liberty to her people which they enjoyed for 60 years.

"When Mussolini came in, the agent of that Roman group in disguise, they first commenced to send boys, Roman Catholic boys, to public speakings to disturb the people there, and then they followed Masons to their lodges, and they got to stopping outside, and as Masons went into their lodges—native Italians—these boys hissed them and hurled insulting epithets at them; and in a little while the groups grew, and there were grown men among them—Catholic Fascists—and then these Fascists commenced to kill the Masons. They broke up Masonic lodges; they murdered Masons by the hundreds, and you have never read an account of it in the press of the United States. My God! What is to be the fate of America if such things are to be kept from the people."

"Where did you get the facts?"

"I got them from a Presbyterian preacher, an Italian, born in Italy. He lives in New York. He has been over to Italy, and he told me that these murders were never printed over here, and the outrages committed upon Masonry were kept secret."

Mr. President, that is how this commenced—first, by grouping boys to hiss at and insult the Masons, then reinforced by Fascist Catholics, and then the murders began. Up at Brockton the first group that made their assault with words was the young Catholic boys, ranging from 8 to 10 to 15 years of age; the second was the group of larger ones, with a Roman Catholic man throwing a deadly missile that liked to have killed a policeman of that place; and, strange to say, the recital of these outrageous and terrible things does not seem to move in the least now the Senator from Idaho.

Mr. President, as I said before, I did not expect to discuss this matter at all. I wanted the Senate to vote on the resolution. I thought, and still think, that it would have a wholesome effect throughout the country. If that group, or somebody else, should want to disturb anybody else anywhere, somebody would say, "Do you know of the action the Senate took about the interference with free speech and peaceful assembly up at Brockton, Mass.?" The Senate bitterly condemned that miserable performance."

The Senate passes resolutions touching various subjects. We pass a resolution condemning speculation in Wall Street. That place is up there in a sovereign State—1 State out of 48. We pass resolutions touching matters both foreign and domestic, so there is nothing in that argument about this proposed action being improper; and yet when a question is pending that would be of the highest privilege to me, to speak about an attempt upon my life, three Protestant Senators—so-called, at least—get up, strange to say, I repeat, and offer their opposition to it.

Why, when President Hoover was down in Florida, and two Catholic Italians saw him, and one of them said he "did not like the looks of that guy," and said, "Let's blow him up." The idea of killing a President did not mean very much to them. It was not a very serious matter—perhaps I should have sent for them and given them a hearing before I discussed and condemned them as would-be assassins. I condemned them, and I said in a speech on this floor before President Hoover was inaugurated that if they assassinate another President in the United States that would not be the end of it, and I repeat it to-day. Thank God, I am American! I do not apologize for anything I have said or done. Like General Dawes, I take back nothing.

I have a right to speak my views and to stand for my Government and I have a right to stand for the religion of my mother—the Protestant religion. I do not want anybody to deprive me of that.

The Protestant and Jew have just as much right to have their religion as the Catholics to have theirs. I want all persons to have the religion of their choice. I would not interfere with them, I repeat; but, Senators, you know that the Roman program is, as soon as they are strong enough, to do away with the Protestant and Jewish religions in the United States. You know that. For the benefit of some of you and those they have to-day packed in the gallery yonder on the right—they have them up there—I want to read you something from a great American. The priests were busy yesterday against my resolution. I want to read you some of the things that Doctor McDaniel, of Richmond, Va., said. He was president of the Southern Baptist Convention in 1926. He is now deceased. Listen to what he said:

"Rome never changes" is the proud boast of Roman Catholics. Wherever she has had the power she has suppressed dissenting opinion. Intolerance and persecution are marks of her identity through the centuries. To-day she is doing the same as in the years when freedom was in her chains. * * *

In Italy—

Listen to this, Senators—

there appears to be an alignment between Fascism and Romanism.

Oh, what a prophet he was! Just what he indicated then has come to pass. Mussolini has betrayed the Italian Government, and the Pope has been made a temporal king, and this same Doctor Ryan holds his appointment as professor of the Catholic University under the King of Rome, the Pope; and Priest Ryan, the professor, is the man who advises his Roman Catholic brethren not to observe the prohibition law unless the Roman priests and bishops and Pope to tell them to do it! Here is a clean-cut clash between the Roman government and the American Government.

Again, Doctor McDaniel says:

In the United States, where Catholicism is not in the ascendancy, Roman Catholics have their secret societies, their houses of worship, and their religious press, and all under the protection of law. I would contend for such protection if it were not already theirs. In Italy, the seat of the papacy, where the Roman Catholic Church is recognized by the Dictator Mussolini as "the state's church," Masonic lodges are forbidden, dissenting congregations are broken up, denominational papers are censored, and freedom of the press is denied. The Pope could remedy these wrongs in a day if he would, but he is silent. Roman Catholics of the United States doubtless could be influential and instrumental in securing for non-Catholics in Italy the rights that Catholics enjoy in the United States, but they are silent. One is constrained to inquire: If the Pope and Roman Catholics had the power in the United States that they have in Italy, would they be as intolerant here as they are there? Judged by every historical precedent, they would.

The United States is the country most coveted by the papacy.

When the time came to organize the Colonies into a nation, it was Anglo-Saxons who did it.

Mr. President, I told you a moment ago what their plan was—to do away with the Protestant religion as soon as they had power enough in the United States. I am now going to read again from Doctor Ryan, the same author I read from a little while ago, who advises Roman Catholics, if told by the priests and bishops and the Pope not to observe the eighteenth amendment and the Volstead Act, not to do it. I am going to read from him again, at page 32 of his book called "State and Church":

But, constitutions can be changed, and non-Catholic sects may decline to such a point that the political proscription of them may become feasible and expedient.

What do you think of that bold and arrogant pronouncement right here in America, in the morning of the twentieth century, in the greatest Protestant Nation in all the world? A Catholic professor in the university of the Nation telling Roman Catholics that when the time is expedient they will proscribe Protestants and prevent them from having the religion of their choice!

Listen! After saying they would set up the Catholic state, he says:

What protection would they then have against the Catholic state?

Senators, if that statement had been read in this body 25 years ago nearly every Senator would have been on his feet protesting with righteous indignation.

Listen to what he says about the Catholics in America:

The latter—

meaning Catholics—

could logically tolerate only such religious activities as were confined to the members of the dissenting group. It could not permit them to carry on the general propaganda.

My God! Do you understand that, Senators? They mean that the Protestant people of America would not be permitted to go out and solicit others to join their church. They mean they could not take in new members. They mean that they would be confined to those already members, and when they died, the Protestant Church would be dead. O shades of Martin Luther and the other heroic spirits who championed religious freedom in the past! Let the courageous spirit of other days come back and abide in the Senate Chamber once more. Come into the hearts of American Senators who are being appealed to by Roman priests to stand by the Roman government against the American Government. Senators, the people out in your States know just what is going on here. They know that the opposi-

tion to my resolution condemning certain Roman Catholics in Massachusetts who insulted and assaulted a Protestant American Senator was inspired by certain Roman Catholics.

Mr. BINGHAM. A point of order.

The PRESIDING OFFICER (Mr. Fess in the chair). The Senator will state the point of order.

Mr. BINGHAM. Rule XIX, section 2, provides:

No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

The PRESIDING OFFICER. The Senator from Alabama will proceed in order.

Mr. HEFLIN. Now, Mr. President, I have smoked out the Senator from Connecticut. He is already in bad with the patriotic citizens of his own State. I have received hundreds of letters from his State criticizing the stand he took here once before when Roman activities were being discussed here by me—and then he undertook to suppress free speech in this body. His stand then may have had something to do with inspiring the attack on me at Brockton, Mass.; I do not know. But you are not going to suppress free speech here as long as I am a Member of this body.

I told you a minute ago that the fight on my resolution is a Roman Catholic fight. And this effort to control Protestant agencies and statesmen is not confined to the United States. As luck would have it, some good angel caused the little pamphlet which I hold in my hand to be mailed to me, and it reached me at my hotel last night from London. Listen to what it says as to what is happening in London through the handiwork of Roman Catholics.

I read:

There have been lately some enormous Protestant gatherings at the Crystal Palace, the Albert Hall, and elsewhere, in defense of the Bible. Not a word about them in the daily newspapers!

The same is true as regards Protestant literature. Mr. Michael J. F. McCarthy's writings, in the most telling manner, convict our Government * * * of the basest treachery and cowardice toward the Protestants of Ireland, and of habitually cringing to the Papal See. Mr. McCarthy's facts and arguments are absolutely unanswerable, and for that reason they are carefully ignored by the secular press. Even Protestant Unionist statesmen are afraid to speak out.

Does that picture remind you of the situation we have here? It is part and parcel of a world-wide program of the Roman government to overthrow Protestant England and Protestant America. Would there have been any objection to my resolution if the Roman Catholics had not opposed it? Who was it that kept these corridors busy yesterday for a time after my resolution was introduced and then held up by the Senator from Washington [Mr. JONES]? Who was it that frequented the Senate Office Building in the afternoon? Roman priests. I ran into three or four of them. They were in a hurry and very busy.

O Mr. President, this Nation has got to meet the issue. Dangerous things are going on all around us. Mussolini Fascists are organizing right here in the United States. Obregon is dead, foully murdered, and I believe, and others believe, that the same group murdered Carranza, the Mexican aviator who started to fly back from New York, and they did not give him an escort. He went out by himself on Sunday night right after his meal, and up there in the air somewhere he became befuddled and incapacitated, under the influence of whatever they gave him, and he fell down and was killed. He was killed on the 12th of July, and Obregon was murdered on the 17th, part of the same Roman program getting ready for the war that is now raging in Mexico. There you are! Carranza was going back to organize a great aviation corps to help Obregon and Calles to maintain constitutional government. They said, "If you kill this fellow Carranza, and do it cleverly, people will say he was killed in a storm." Killed in a storm? Why that boy was as much at home in a storm as Lindbergh. He was called the "Lindbergh of Mexico," a fine, upstanding, brave Mexican, fighting by the side of Calles and Obregon. He was going back to organize an air fleet in Mexico to be ready to put down any uprising, and they said, "The time to kill him is now" and Carranza went down to death.

Then they turned to Obregon, brave warrior, comrade of Calles, able, fearless Mexican who helped to deliver his Government out of chaos and night and tyranny, and to put its feet upon the rock of constitutional government; Obregon must die, and a priest suggested to his murderer that whoever killed him would have a seat in glory, and a nun whispered to him that whoever murdered Obregon would do God's service, and this

poor, miserable assassin shot Obregon to death as he was about to take up the reins of government.

Here in the United States a threat was made to assassinate Mr. Hoover; I know that two threats were made against his life before the inauguration. Then, following that, when I go out upon invitation to speak to the people whose Government this is and tell them of the dangers that threaten our Government an effort is made by a mob that assembles to assault me and to murder me, carrying out a threat they have made time and time again, but the Senator from Idaho [Mr. BORAH] is opposed to the passage of my resolution.

Yes; a United States Senator rises to oppose a resolution that expresses condemnation of those who interfered with free speech and peaceful assembly and who attempted to assault with the intent to murder a United States Senator.

Senators, why is it that we can not discuss this Roman Catholic subject freely here? Why is it that some Senators are afraid to discuss it? It is discussed freely in legislative bodies in foreign countries. In Parliament they talk about various groups, and it is all understood; but here when you say a thing about the political activities of the Roman Catholics you are hissed, and some weak-kneed Protestant in this Chamber is always ready to take that side. The people back home ought to know and they must know what the true situation here is.

I would be absolutely fair to the Catholics. I want them to have their religion. But I do not want them to control this Government. I know what that would mean. It would mean setting up the Catholic state, and the Catholic state would declare the Catholic religion to be the religion of the state, the American religion, and all other religion would be put down by the cruel hand of the Roman hierarchy.

Wherever Rome rules she sets up the Catholic religion to the exclusion of all other religions. Argentina has it in her constitution that nobody but a Roman Catholic can be President of that Republic. The old constitution of Mexico provided that no religion would be tolerated but the Roman Catholic religion. Doctor Ryan, who resides here at the Capital, has recently advised the Catholics of the Nation that if the priest, the bishop, and the Pope tell them not to support the eighteenth amendment, the Jones law, and the Volstead Act they do not have to do it.

What have you to say about that? Am I to be interfered with and disturbed and attacked by lawless Roman Catholics because I am warning the American people of Roman Catholic dangers? Am I to be intimidated and coerced and—if I refuse to be intimidated—murdered by that group which is using the same tactics here that Mussolini uses in Italy, I ask the Senator from Idaho? For daring to go with head erect proclaiming the doctrine of the American fathers, and standing for constitutional government as I point out the dangers that threaten free government in America I am interfered with and attacked by a bunch of Roman thugs inspired by Roman Catholic priests of Brockton.

I want to say to the Senate that I have had reports from young Catholic men who heard my speech at Brockton who said I had opened their eyes. One Catholic reporter was asked by an older reporter, "What criticism have you to make of his speech?" He said, "None, except I am sorry that so many things he said are true about the group I belong to. He has opened my eyes." That was his comment.

Is it not the duty of any man who claims to be a statesman to go out and speak and try to get the truth to the people without being met by a mob in the dark which says the Roman Catholics object to having you speak about matters that they do not want discussed?

Senators, I am going to tell you one more thing before I sit down. I was told at Brockton that the Catholic priests of Brockton knew about the plan of the Catholic mob to assemble at the hall where I was to speak. They knew that I was to be attacked personally, and they indorsed the plan to interfere with the American right of free speech and peaceful assembly and the attempt to assassinate me. The attack was made. The resolution only names a group and says, "Those who attempted to assault Senator HEFLIN and who interfered with free speech and peaceful assembly." Those are the ones we condemn. Should they not be condemned?

Mr. President, I have no more to say at present. I want a roll call on my resolution. We will at least make some history and show the people of the country just where we stand when Romanism and Americanism clash in the Senate. It will help the people when they come to pass on Senators at the polls next year. If we permit this Roman group to suppress the

truth in the newspapers and then permit them to suppress the truth here and interfere with freedom of action in the Senate, and permit them to destroy free speech and peaceful assembly out yonder, how long will it be before some Mussolini, like a thief in the night, will get a strangle hold on the throat of this Government and destroy both civil and religious liberty?

FARM RELIEF

Mr. McNARY. Mr. President, have we concluded morning business?

The PRESIDING OFFICER (Mr. Fess in the chair). The hour of 2 o'clock having arrived, the morning hour is concluded. The question now is on the resolution before the Senate.

Mr. HEFLIN. Mr. President, I wish the Senator would let it go through. I am willing to vote when the Senate is ready.

Mr. McNARY. I entertained the high hope this morning that I might be able to address the Senate on Senate bill No. 1 and to get the matter properly before the Senate. I do not intend to speak at great length.

Mr. HEFLIN. Let us vote right now on the resolution. I am ready to vote on it.

Mr. McNARY. When the time comes, if that time has not arrived, I shall ask unanimous consent that Senate bill 1 may be made the immediate unfinished business of the Senate.

The PRESIDING OFFICER. The Senator may submit that request now.

Mr. HEFLIN. And then let the bill be laid aside temporarily.

Mr. McNARY. I ask unanimous consent that the Senate proceed to the immediate consideration of the bill (S. 1) to establish a Federal farm board to aid in the orderly marketing, and in the control and distribution, of the surplus of agricultural commodities in interstate and foreign commerce.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the bill is before the Senate as in Committee of the Whole.

Mr. HEFLIN. Mr. President, will not the Senator lay the bill aside temporarily and let us vote on my resolution? It will take but a minute. I am ready to vote if the Senate will let the resolution come to a vote.

Mr. McNARY. I do not know how many other Senators desire to debate the matter.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. HEFLIN. I wish the Senator would let us vote. The matter refers to me personally.

Mr. McNARY. I do not want to prevent the Senator from a proper vindication, if one he seeks, but I think the business of Senate bill No. 1 is more important. I should like to make a few remarks on the general subject matter. Later on the Senator will have an opportunity to present and pursue his resolution further.

Mr. WATSON. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Allen	Fletcher	King	Shortridge
Ashurst	Frazier	La Follette	Simmons
Barkley	George	McKellar	Smith
Bingham	Gillett	McMaster	Smoot
Black	Glass	McNary	Steck
Blaine	Goff	Metcalf	Steiwer
Blease	Goldsbrough	Moses	Swanson
Borah	Gould	Norbeck	Thomas, Idaho
Bratton	Greene	Norris	Thomas, Okla.
Brookhart	Hale	Nye	Townsend
Broussard	Harris	Oddie	Trammell
Burton	Harrison	Overman	Tydings
Capper	Hartfield	Patterson	Tyson
Caraway	Hawes	Phelps	Vandenberg
Connally	Hayden	Pine	Wagner
Copeland	Hebert	Pittman	Walcott
Couzens	Heflin	Ransdell	Walsh, Mass.
Cutting	Howell	Reed	Walsh, Mont.
Dale	Johnson	Robinson, Ark.	Warren
Deenen	Jones	Robinson, Ind.	Waterman
Dill	Kean	Sackett	Watson
Edge	Kendrick	Schall	Wheeler
Fess	Keyes	Sheppard	

Mr. SCHALL. I wish to announce that my colleague the senior Senator from Minnesota [Mr. SHIPSTEAD] is detained at home by reason of serious illness.

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 1) to establish a Federal farm board to aid in the orderly marketing, and in the control and disposition of the surplus, of agricultural commodities in interstate and foreign commerce, which is as follows:

S. 1

A bill to establish a Federal farm board to aid in the orderly marketing, and in the control and disposition of the surplus, of agricultural commodities in interstate and foreign commerce

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled—

DECLARATION OF POLICY

SECTION 1. It is hereby declared (a) that direct obstructions to and burdens upon interstate and foreign commerce in agricultural commodities result from price fluctuations in the marketing of such commodities, due to surpluses from climatic or other causes beyond the effective control of producers, or to speculation, or to inefficient and wasteful methods of distribution; (b) that in order properly to protect, foster, and stabilize such commerce, it is imperative to remove such obstructions and burdens; and (c) that it is the policy of the United States—

(1) To minimize such price fluctuations by controlling any seasonal or year's total surplus, produced in the United States and either local or national in extent, that is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for such commodity, and by encouraging producers to organize effective associations or corporations under their own control for greater unity of effort in marketing; and

(2) To accomplish such objects through executing the provisions of this act in such manner as to bring about a substantial and permanent improvement in agriculture and promote the best interests of the country as a whole.

FEDERAL FARM BOARD

SEC. 2. A Federal farm board is hereby created, to consist of the Secretary of Agriculture, who shall be a member ex officio, and 12 members, 1 from each of the 12 Federal land-bank districts, who shall be appointed by the President, by and with the advice and consent of the Senate. The terms of office of the appointed members of the board first taking office after the date of the approval of this act shall expire, as designated by the President at the time of nomination, 4 at the end of the second year, 4 at the end of the fourth year, and 4 at the end of the sixth year, after the date of the approval of this act. A successor to an appointed member of the board shall have a term of office expiring six years from the date of the expiration of the term for which his predecessor was appointed, except that any person appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. One of the appointed members shall be designated by the President as chairman of the board and shall be the principal executive officer of the board. The President may designate any other appointed member of the board to act as chairman in case of the absence or disability of the chairman. The board may function notwithstanding vacancies, and a majority of the members in office shall constitute a quorum. Each appointee shall be a citizen of the United States who shall have demonstrated his capacity and fitness by a record of success in agricultural activities of such nature as to give him special qualifications for his duties as a member of the board. No appointee shall actively engage in any other business, vocation, or employment than that of serving as a member of the board; nor shall any appointee during his term of office engage in the business of buying and selling, or otherwise be financially interested in, any agricultural commodity or product thereof, provided this shall not apply to the operation of his own farm or farms. Each appointee shall receive a salary of \$12,000 a year except the chairman, whose salary shall be fixed by the President. Each appointee shall receive necessary travel and subsistence expenses, or per diem allowance in lieu thereof, within the limitations prescribed by law, while away from his official station on official business.

GENERAL POWERS

SEC. 3. The board—

(a) Shall maintain its principal office in the District of Columbia, and such other offices in the United States as in its judgment, are necessary.

(b) Shall have an official seal which shall be judicially noticed.

(c) Shall make an annual report to Congress upon the administration of this act and any matter relating to the better effectuation of the policy declared in section 1, including recommendations for legislation.

(d) May make such regulations as are necessary to execute the functions vested in it by this act.

(e) May (1) appoint and fix the salaries of a secretary and such experts, and, in accordance with the classification act of 1923 and subject to the provisions of the civil service laws, such other officers and employees, and (2) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding) as may be necessary for the execution of the functions vested in the board. Expenditures by the board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the board.

(f) Shall meet at the call of the chairman, the Secretary of Agriculture, or a majority of its members.

(g) Shall keep advised, from any available sources, of crop prices, prospects, supply, and demand, at home and abroad, with especial attention to the existence or the probability of the existence of a surplus or shortage of any agricultural commodity, and the board may advise producers through their organizations or otherwise in matters connected with the adjustment of production, distribution, and marketing of any such commodity or products thereof, in order that it may secure for such producers the maximum benefits under this act consistent with the policy declared in section 1. The board shall, through the Secretary of Agriculture, indicate to the appropriate bureau or division of the Department of Agriculture any special problem on which research is needed to aid in carrying out the provisions of this act.

(h) May cooperate with other governmental agencies and with private agencies in expanding domestic and foreign markets for agricultural commodities or products thereof, and in developing by-products of and new uses for agricultural commodities.

(i) Shall, in pursuance of the policy declared in section 1, encourage the organization and development of effective cooperative associations.

COMMODITY ADVISORY COUNCILS

SEC. 4. (a) Prior to the first certification of a stabilization corporation for any agricultural commodity, as hereinafter provided, the board shall organize an advisory council for the commodity. Each such council shall consist of seven members to be selected by the board from persons nominated, in such manner as the board shall by regulation provide, by cooperative associations for the commodity. No salary shall be paid council members, but the board shall pay each a per diem compensation not exceeding \$20 for attending council meetings and for time devoted to other business of the council authorized by the board, and necessary travel and subsistence expenses, or per diem allowance in lieu thereof, within the limitations prescribed by law for civilian employees in the executive branch of the Government. Each such council shall be designated by the name of the commodity it represents, as, for example, the "Cotton Advisory Council."

(b) Each advisory council shall meet as soon as practicable after its selection, at a time and place designated by the board, and select a chairman and secretary.

(c) Each advisory council shall meet thereafter at least twice a year upon call of the board, and may meet at other times upon call of a majority of the members of the advisory council.

(d) Each advisory council may by itself or through its officers, (1) confer directly with the board, call for information from it, or make oral or written representations to it, concerning matters within the jurisdiction of the board and relating to the agricultural commodity, and (2) cooperate with the board in advising the producers through their organizations or otherwise in the development of suitable programs of planting or breeding in order to secure the maximum benefits under this act consistent with the policy declared in section 1.

STABILIZATION CORPORATIONS

SEC. 5. (a) Stock or membership corporations organized under the laws of any State may make application to the board, in such manner as the board shall by regulation prescribe, for the certification of a stabilization corporation for any agricultural commodity, if all the voting stock or membership interests therein (except for qualifying shares or membership interests for officers and directors of the corporation) are held by cooperative associations for the commodity: *Provided*, That no more than one stabilization corporation shall be certified for any one commodity for the same period of time. The board may so certify the corporation if—

(1) The board finds (upon the basis of information acquired through the advisory council for the agricultural commodity or through the board's own investigation, or in any other manner) that it is advisable to establish a stabilization corporation for an agricultural commodity in order effectively to carry out the policy declared in section 1 either as to the organization of effective corporations under the control of producers for greater unity of effort in marketing the commodity or as to control of any surplus of the commodity; and

(2) The board finds that the corporation is entitled to make application for certification and that the organization, character of management, and business policies of the corporation are such as to render it suitable as a stabilization corporation; and

(3) The corporation agrees with the board that the corporation will from time to time adopt such by-laws and make such changes in its by-laws as, in the judgment of the board, are necessary to enable the corporation effectively to conform to the requirements of this act.

Such certification shall constitute the applicant a stabilization corporation authorized to act as a Federal instrumentality to aid the board in carrying out the policy declared in section 1 for such period, not in excess of five years, as the board shall specify in the certificate, unless upon application to the board the certificate is renewed prior to the expiration of the period. The certificate shall entitle the corporation during such period to the privileges conferred upon stabilization corporations by this act.

(b) Except for qualifying shares or membership interests for officers and directors of the corporation, a stabilization corporation shall not issue its voting stock or membership interests to, nor permit them to be held by, any person other than a cooperative association for the agricultural commodity. The voting stock and membership interests of a stabilization corporation shall not be transferable unless the transferee is so qualified to hold such stock or membership interests, and the certificates of such stock or membership interests shall so state.

(c) A stabilization corporation shall keep such accounts, records, and memoranda, and make such reports with respect to its transactions, business methods, and financial condition, as the board may from time to time prescribe; shall permit the board to audit its accounts annually and at such other times as the board deems advisable; and shall permit the board, upon its own initiative or upon written request of any stockholder or member, to investigate the financial condition and business methods of the corporation.

(d) A stabilization corporation for any agricultural commodity shall have authority to act as a marketing agent for its stockholders or members, and to purchase, handle, store, warehouse, process, sell, and market any quantity of the agricultural commodity or its products, whether or not such commodity or products are acquired from its stockholders or members. Purchases or sales of the agricultural commodity or its products by the stabilization corporation shall be made in the open market in such manner as to effectuate the policy declared in section 1 of this act.

(e) Not less than 75 per cent of all profits derived by a stabilization corporation each year from its operations as an agent in marketing an agricultural commodity or its products acquired from the stockholders or members of the corporation shall be paid into a merchandising reserve fund to be established by the corporation. No such payment shall be required whenever the fund is of such amount as, in the judgment of the board, constitutes a sufficient reserve for such operations of the corporation. The corporation may distribute out of the remainder of such profits for the year, first, a cash dividend on its outstanding stock not in excess of 8 per cent of the par value thereof, and, second, a patronage dividend to its stockholders or members. Such patronage dividend shall be paid to each stockholder or member upon the basis of the total volume of the commodity or its products for the year marketed for them through the corporation. The United States shall not be liable, directly or indirectly, with respect to the stock or membership interests issued by any stabilization corporation to any person, and all such certificates of stock or membership interests shall so state on their face.

(f) For the purpose of enabling a stabilization corporation to act as an agent in marketing an agricultural commodity or its products acquired from its stockholders or members, the board may subscribe to the stock of the corporation in such amounts as, in the judgment of the board, are adequate. Payment of such subscriptions shall be made from the revolving fund created by section 8, and upon payment shares of stock fully paid up shall be issued to the board in the amount of the payment. The board shall not vote such shares. Such shares may be retired at any time by the stabilization corporation upon payment of the par value thereof into the revolving fund, and such shares may be reissued to any cooperative association eligible to hold stock of the corporation and subscribing therefor. Dividends upon stock held by the board shall be paid into the revolving fund. The aggregate amount of such subscriptions for capital of stabilization corporations, outstanding and unpaid at any one time, shall not exceed \$25,000,000.

LOANS

SEC. 6. (a) Loans for the purposes hereinafter specified may be made by the board out of the revolving fund. No loan shall be made unless, in the judgment of the board, the loan is in pursuance of the policy declared in section 1 and the stabilization corporation or cooperative association applying for the loan has an organization and management, and business policies, of such character as to insure the furtherance of such policy and the reasonable safety of the loan. All loans by the board shall be made upon the terms hereinafter specified and such other terms not inconsistent therewith as, in the judgment of the board, are necessary.

(b) Whenever the board finds, upon the investigation of the marketing situation with respect to an agricultural commodity, that there is or may be a seasonal or year's total surplus in excess of the requirements for the orderly marketing of the commodity or beyond the domestic requirements for the commodity, then the board may make loans to the stabilization corporation for the commodity for the purpose of buying and storing the surplus of the commodity and meeting carrying and handling charges and other operating expenses in connection therewith. The loan shall be secured by a lien on the commodity purchased or stored. No such loan shall be made unless, in the judgment of the board, other available facilities for borrowing upon the security of the commodity have been used to the fullest practicable extent. The loans shall be made under such conditions as will prevent the corporation incurring undue risk of loss upon sale of the commodity, taking into account carrying and handling charges and other operating expenses and the policy to be effected by this act. Not less than 75 per cent of

all profits derived by a stabilization corporation each year from its surplus control operations shall be paid into a surplus control reserve fund to be established by the corporation. No such payment shall be required whenever the fund is of such amount as, in the judgment of the board, constitute a sufficient reserve for such operations of the corporation. The corporation may distribute out of the remainder of the profits a patronage dividend to its stockholders and members upon the basis of the total volume of the commodity or its products for the year marketed for them through the corporation. All losses of the corporation from its surplus control operations shall be paid from the surplus control reserve fund or, if such fund is inadequate, they shall be paid by the board as a loan from the revolving fund. Any amounts so loaned shall be repaid into the revolving fund by the corporations from future profits from its surplus control operations. Stockholders or members of the corporation shall not be subject to assessment for any losses incurred in the surplus control operations of the corporation. The aggregate amount of loans for the purposes of this subdivision, outstanding and unpaid at any one time, shall not exceed \$375,000,000.

(c) The board may make loans to any cooperative association and/or to any stabilization corporation for the purpose of developing continuity of cooperative services from the point of production to and including the point of terminal marketing service, if the proceeds of the loan are to be used for assisting the cooperative association or corporation in acquisition by purchase, construction, or otherwise of facilities and equipment for the preparing, handling, storing, processing, or sale or other disposition of agricultural commodities. Such loans made under the provisions of this subdivision may be secured by marketing contracts of members of cooperative associations and be required to be repaid, together with interest thereon, within a period of 20 years by means of a charge to be deducted from the proceeds of the sale or other disposition of each unit of the agricultural commodity delivered to the cooperative association, or may be secured in such other manner as, in the judgment of the board, is adequate. The board may make loans to cooperative associations for working capital and loans to such associations and to agricultural purchasing associations for the cooperative purchasing of supplies and equipment for use in the production of agricultural commodities by their members. Such loans shall be secured in such manner as, in the judgment of the board, is adequate. The aggregate amount of loans for the purposes of this subdivision, outstanding and unpaid at any one time, shall not exceed \$50,000,000.

(d) The board may make loans to any cooperative association for the purpose of enabling the association to advance to its members a greater share of the market price of the commodity delivered to the association than is practicable under other credit facilities. The loans shall be secured by a lien upon the agricultural commodity marketed through the association, and the total amount of such loans upon the agricultural commodity, together with advances made thereon by intermediate credit banks or other agencies, shall not exceed 85 per cent of the market value of the commodity. The aggregate amount of loans for this purpose, outstanding and unpaid at any one time, shall not exceed \$25,000,000.

(e) The board may make advances from the revolving fund to meet obligations under any insurance agreement, as hereinafter authorized, but such advances shall, as soon as practicable, be repaid from the proceeds of insurance premiums. The aggregate amount of advances for this purpose, outstanding and unpaid at any one time, shall not exceed \$25,000,000.

(f) Loans by the board under this section, including advances for insurance purposes, shall bear interest at the rate of 4 per cent per annum on the unpaid principal. Payments of principal upon any such loan shall be covered into the revolving fund, and payments of interest shall be covered into the Treasury of the United States as miscellaneous receipts.

INSURANCE

SEC. 7. The board is authorized, upon application of cooperative associations, to enter into agreements, subject to the conditions hereinafter specified, for the insurance of the cooperative associations against loss through price decline in the agricultural commodity handled by the associations and produced by the members thereof. Such agreements shall be entered into only if, in the judgment of the board, (1) coverage is not available from private agencies at reasonable rates, (2) the insurance will be in furtherance of the policy declared in section 1, and (3) the agricultural commodity is regularly traded in upon an exchange in sufficient volume to establish a recognized basic price for the market grades of the commodity and such exchange has accurate price records for the commodity covering a period of years of sufficient length to serve as a basis to calculate the risk and fix the premium for the insurance. The agreements shall require payment of premiums so fixed and shall include such other terms as, in the judgment of the board, are necessary.

REVOLVING FUND

SEC. 8. There is hereby authorized to be appropriated the sum of \$500,000,000, which shall be made available by the Congress as soon as practicable after the approval of this act and shall constitute a revolving fund to be administered by the board as provided in this act.

CLEARING HOUSE ASSOCIATIONS

SEC. 9. Upon the request of cooperative associations for any perishable agricultural commodity, the board may, whenever it deems it in pursuance of the policy declared in section 1, assist in forming one or more clearing house associations for the purpose of minimizing losses in the distribution of the commodity and providing for the equitable distribution of the commodity among the various markets. Cooperative associations handling the commodity, independent dealers, handlers, and/or distributors of the commodity shall be eligible for membership in the association. The board may provide for the registration, and for the termination of the registration, of any such association in accordance with such regulations as the board may prescribe. The association shall be operated under such rules and regulations as the board may approve as being in furtherance of the policy declared in section 1. The association shall utilize the market news service and other facilities of the Department of Agriculture as far as possible.

EXPORT DEBENTURES

SEC. 10. (a) Whenever the board finds it advisable, in order to carry out the policy declared in section 1 with respect to any agricultural commodity, to issue export debentures with respect to such commodity, the board shall give notice of such finding to the Secretary of the Treasury. Upon the receipt of such notice it shall be the duty of the Secretary of the Treasury, commencing and terminating at such time as the board shall prescribe, to issue export debentures to any farmer, cooperative association, stabilization corporation, or other person with respect to such quantity of the commodity or any manufactured food product thereof as such person may from time to time export from the United States to any foreign country. The export debenture shall be in an amount to be computed under the direction of the Secretary of the Treasury, in accordance with such regulations as he may prescribe, at the debenture rate for the commodity or product that is in effect at the time of exportation. Any such computation shall be final.

(b) In order to procure the issuance of an export debenture, the farmer, cooperative association, stabilization corporation, or other person shall, in accordance with such regulations as the Secretary of the Treasury may prescribe, make application for such debenture and submit satisfactory proofs either (1) that the commodity to be exported was produced in the United States and has not previously been exported therefrom, or (2) that the commodity used in making the manufactured food product to be exported was produced in the United States and the agricultural commodity and the manufactured food product have not previously been exported therefrom.

(c) An export debenture, when presented by the bearer thereof within one year from the date of issuance, shall be receivable at its face value by any collector of customs, or deputy collector of customs, or other person authorized by law or by regulation of the Secretary of the Treasury to perform the duties of collector of customs, in payment of duties collectible against articles imported by the bearer. Title to any export debenture shall be transferable by delivery.

(d) Debenture rates in effect at any time with respect to any agricultural commodity shall be one-half the rate of duty in effect at such time with respect to imports of such commodity, except that so long as no import duty is imposed on cotton the debenture rate thereon shall be 2 cents per pound. The debenture rate in effect at any time with respect to any manufactured food product of any agricultural commodity shall be an amount sufficient, as nearly as may be, to equal the debenture that would be issuable upon the exportation of the quantity of the agricultural commodity consumed in the manufacture of the exported manufactured food product, as prescribed and promulgated from time to time by the board.

(e) Regulations requiring that metal tags or other appropriate markings be placed on all bales of cotton produced in foreign countries and allowed transit through the United States for exportation may be prescribed by the Secretary of the Treasury. Every person who violates any such regulation of the board shall be liable to a civil penalty of \$100 for each such offense. Such penalty may be recovered in a civil suit brought by the board in the name of the United States.

(f) The Secretary of the Treasury shall prepare and issue all export debentures. Export debentures issued under authority of this act shall be obligations of the United States within the definition in section 147 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, as amended (U. S. C. title 18, sec. 261).

(g) Any person who shall make any false statement for the purpose of fraudulently procuring, or shall attempt in any manner fraudulently to procure, the issuance or acceptance of any export debenture, whether for the benefit of such person or of any other person, shall be fined not more than \$2,000 or imprisoned not more than one year, or both.

(h) As used in this section the term "cotton" means staple cotton and cotton of any tenderable grade under the United States cotton futures act.

ADMINISTRATIVE APPROPRIATION

SEC. 11. For the administrative expenses of the board under this act incurred prior to July 1, 1930, there is hereby authorized to be appro-

printed the sum of \$500,000 to be available to the board for such expenses (including salaries and expenses of the members, officers, and employees of the board, and per diem compensation and expenses of members of the commodity advisory councils).

EXAMINATION OF BOOKS AND ACCOUNTS OF BOARD

SEC. 12. Any action of the Treasury Department in issuing or receiving export debentures, and vouchers approved by the chairman of the board for expenditures from the revolving fund or insurance moneys, shall be final and conclusive upon all officers of the Government; except that all such transactions shall, subject to the above limitations, be examined by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination shall be for the sole purpose of making a report to the Congress and to the Secretary of the Treasury and the board of all such transactions in violation of law, together with such recommendations thereon as the Comptroller General deems advisable.

COOPERATION WITH EXECUTIVE DEPARTMENTS AND OTHER AGENCIES

SEC. 13. (a) The board shall, in cooperation with any governmental establishment in the executive branch of the Government, avail itself of the services and facilities thereof in order to avoid preventable expense or duplication of effort.

(b) The President may by Executive order direct any such governmental establishment to furnish the board such information and data as such governmental establishment may have pertaining to the functions of the board; except that the President shall not direct that the board be furnished with any information or data supplied by any person in confidence to any governmental establishment in pursuance of any provision of law or of any agreement with a governmental establishment.

(c) The board may cooperate with any State or Territory, or department, agency, or political subdivision thereof, or with any person.

MISCELLANEOUS PROVISIONS

SEC. 14. (a) If any provision of this act is declared unconstitutional, or the applicability thereof to any person, circumstance, commodity, or class of transactions with respect to any commodity is held invalid, the validity of the remainder of the act and the applicability of such provision to other persons, circumstances, commodities, and classes of transactions shall not be affected thereby.

(b) It shall be unlawful for any member, officer, or employee of the board to speculate, directly or indirectly, in any agricultural commodity or product thereof, or in contracts relating thereto, or in the stock or membership interests of any association or corporation engaged in handling, processing, or disposing of any such commodity or product. Any person violating this subdivision shall upon conviction thereof be fined not more than \$10,000, or imprisoned not more than 10 years, or both.

(c) It shall be unlawful (1) for any cooperative association, stabilization corporation, clearing-house association, or commodity advisory council, or (2) for any director, officer, employee, or member of any such association, corporation, or council, to which or to whom information has been imparted in confidence by the board, to disclose such information in violation of any regulation of the board. Any such association, corporation, or council, or director, officer, employee, or member thereof, violating any provision of this subdivision, shall be fined not more than \$10,000 or imprisoned not more than 10 years, or both.

(d) As used in this act, the term "cooperative association" means any association qualified under the act entitled "An act to authorize the association of producers of agricultural products," approved February 18, 1922. Whenever, in the judgment of the board, the producers of any agricultural commodity are not organized into cooperative associations so extensively as to render such cooperative associations representative of the commodity, then the privileges, assistance, and authority available under this act to cooperative associations shall also be available to other associations and corporations producer-owned and producer-controlled and organized for and actually engaged in the marketing of the agricultural commodity. No such association or corporation shall be held to be producer-owned and producer-controlled unless owned and controlled by cooperative associations as above defined and/or by individuals engaged as original producers of the agricultural commodity.

(e) This act may be cited as the "agricultural surplus control act."

The report of the Committee on Agriculture and Forestry (No. 3) this day submitted by Mr. McNARY is as follows:

[S. Rept. No. 3, 71st Cong., 1st sess.]

AGRICULTURAL SURPLUS CONTROL ACT

Mr. McNARY, from the Committee on Agriculture and Forestry, submitted the following report (to accompany S. 1):

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agri-

cultural commodities in interstate and foreign commerce, having considered the same, report favorably thereon with the recommendation that the bill do pass.

The members of the committee are in unanimous agreement upon all provisions of the bill excepting the provisions of section 10 relating to export debentures. The majority of the committee, Mr. NORRIS, of Nebraska; Mr. NORBECK, of South Dakota; Mr. FRAZIER, of North Dakota; Mr. HEFLIN, of Alabama; Mr. CARAWAY, of Arkansas; Mr. WHEELER, of Montana; Mr. THOMAS, of Oklahoma; and Mr. SHIPSTEAD, of Minnesota, voted to retain the debenture provisions. The minority of the committee, composed of the chairman, Mr. McNARY, of Oregon; Mr. CAPPER, of Kansas; Mr. GOULD, of Maine; Mr. THOMAS, of Idaho; Mr. RANDELL, of Louisiana; and Mr. KENDRICK, of Wyoming, voted to eliminate the export debenture provisions. Mr. SMITH, of South Carolina, was absent. In support of their position, the minority of the committee rely upon the letter of the President of the United States transmitted to the chairman of the committee under date of April 20, 1929. The letter of the President is set out in Appendix A to this report.

ECONOMIC EQUALITY FOR AGRICULTURE

The economic disadvantage of agriculture as compared with other industries has since 1920 been the subject of extensive study and discussion. Congress itself has through its committees conducted numerous hearings and presented several reports. As a result, the need for legislation to aid in restoring agriculture to its rightful position in the economic life of the Nation is so generally recognized that further discussion of it is unnecessary in this report.

The seriousness of this need was freely admitted in the recent presidential campaign, and the major parties and their candidates were pledged to do all in their power to place agriculture on a basis of economic equality with other industries. The question of farm relief, therefore, confronts both parties and its solution demands and, we believe, will receive nonpartisan consideration. With this in mind, the committee held extensive hearings prior to the opening of the present session of Congress and heard the testimony and studied the recommendations of accredited representatives of the general farm organizations and of cooperative associations, professional economists, and many other students of the problems confronting agriculture. The committee is indebted to these witnesses for their suggestions and generous help.

Low purchasing power of farm products—that is, the difference that has prevailed since 1920 between prices received by farmers in general for their products and prices of goods and service bought by them—is the principal manifestation of disparity between agriculture and industry. This is commonly expressed in the words, "Prices of farm products are out of line with prices of things the farmer must buy."

The comparatively low and unstable price of farm products, as compared with prices for products of other industries, is due to the many causes which go to make up the low bargaining power of the farmer. This lack of equal bargaining power has deprived the farmer of a "fair price"—a price which can prevail only under conditions of substantially equal bargaining power of buyer and seller. Any measure, therefore, designed to aid in placing agriculture in a position of equality with industry and commerce must strengthen the farmer's bargaining power. This is the underlying purpose of the bill reported which, with the exception of the optional debenture plan, is based largely on the plan advanced by the former Secretary of Agriculture, Mr. Jardine, and embodied in S. 4602 of the last session of Congress.

The principal elements of weakness in the farmer's bargaining power are as follows:

(1) Lack of organization: The trend of modern industry and commerce is distinctly toward large and powerful units so as to develop bargaining power and, as an aid thereto, to effect economies of operation, control, production, and regulate the flow of commodities into the channels of trade. This has given industry and commerce an excess of bargaining power over agriculture which consists of numerous small units. Every effort should be made through public policy to preserve the essential elements of the individual farmer's independence, but this must not be accomplished by impairing the individual farmer's economic liberty by surrendering him to the mercy of economic forces over which he has no control. Therefore, in adjusting production to market requirements, in controlling the flow of farm products to the market, and in numerous other activities, the individual farmer must be encouraged and aided to enhance his economic liberty by joining with his fellows in cooperative effort.

(2) Insufficiently developed leadership in conducting business on a large scale: It should not be inferred from this that the rural population is inherently lacking in the capacity for leadership. Nothing could be farther from the truth. Our history abundantly proves that the farm population has furnished its share, probably more than its share, of the Nation's leaders in science, education, industry, commerce, finance, and government. It remains true, however, that the comparatively small business units into which farming is divided do not in themselves afford the necessary scope for the development of that leadership which is essential to greater bargaining power for agriculture. Cooperative

effort, which this bill is designed to encourage, should afford opportunity for the development and the exercise of business leadership directly in the interest of agriculture.

(3) Difficulty of adjusting production in agriculture to changing price levels: Under conditions of wide fluctuations in the general price level agriculture in general is confronted with more serious difficulties than is industry. In a period of rising prices, as during and immediately following the World War, liquid capital—funds available for investment—flows into new and enlarged enterprises. Production is stimulated with the expectation of large returns. The lapse of time between expenditures for production and sale of the product adds to the returns in a time of rising prices. Funds that flow freely into the expansion of production soon become converted into livestock, equipment, and improvements of all kinds; i. e., into specialized capital goods which can be used only for the production of farm products. When prices of farm products fall, the farmer's investment can not be turned to other uses speedily, if at all, except at great loss. For this and other reasons it is more difficult in agriculture than in other industries to reduce production when prices fall. The farmer's large overhead costs—taxes, interest on the fixed obligations, etc.—must be paid even should he attempt to curtail production. Driven by a high overhead cost he finds it necessary to continue his operations despite low prices of his products. Industry, on the other hand, is as a rule more able to reduce its output to meet a decline in the price of its products. This comparative difficulty of agriculture in adjusting its operations to declining prices is an important element of weakness in the farmer's present position.

(4) Dependence on the foreign markets: Those branches of American agriculture—cotton, pork, wheat, etc.—which produce in excess of domestic requirements and which must, therefore, depend upon the vicissitudes of foreign markets, are at a disadvantage as compared with those parts of agriculture and those industries which do not produce in excess of domestic requirements and which, by reason of an effective tariff, are able to enjoy a dependable buying power of our home market. While it is true that no tariff schedule guarantees to any producer, whether farmer or manufacturer, a price equal to the world price plus the tariff, it is also true that the tariff affords little protection to an industry that is highly competitive and which regularly produces substantial quantities in excess of domestic requirements. This condition prevails with respect to some of the important farm products. The fact that the tariff serves to exclude foreign products from entering the domestic market, or at least prevents their importation in substantial quantities, affords little real protection unless the tariff also protects the price in that market.

(5) Fluctuations in price due to variations in yield: Climatic and other natural conditions cause wide fluctuations in total yield and, consequently, in the price of the product. These fluctuations in yield are largely beyond the farmer's control and often subject him to violent fluctuations in the price. The total value of a crop is as a rule more stable than the price per unit. Nevertheless, price fluctuations, as well as the hazard of partial or total crop failure on the individual farms, are an element of weakness in the farmer's position.

The above important factors contribute to the farmer's disadvantage from the standpoint of bargaining power. It follows that legislation to aid in placing agriculture on a more advantageous basis relative to industry should be designed to strengthen agriculture in these factors without impairing the essential independence of the farmer and his family.

The recent hearings of the committee, as well as its earlier hearings and deliberations, have made it increasingly evident that no single measure will suffice in dealing with all of those aspects of the agricultural problem that may be dealt with by national legislation. It is clear, however, that much could be done to strengthen the economic position of agriculture by the enactment of a measure designed to minimize price fluctuations in the marketing of agricultural commodities, especially those fluctuations which (1) are due to seasonal or year's total surpluses of farm products and surpluses in excess of domestic requirements, or (2) are due to the lack of effective associations under the producers' own control through which they may develop that unity of purpose and action which modern economic life demands.

In consequence it is the principal object of the measure reported by the committee, to aid in giving the farmer that bargaining power which is essential to his economic freedom and progress under modern conditions in which farming has ceased to be a local self-sufficing occupation and has become a business operated for commercial returns through sales of the product in local, national, and even international markets. The present measure proposes to accomplish this through minimizing price fluctuations by controlling surpluses and by encouraging the effective organization of producers. The first form of relief, the controlling of surpluses, is temporary in character, requiring recurrent application in conformity to variations in crop production and marketing conditions. The second form of relief, effective organization of producers, affords the probability of gradual and permanent gain toward achieving full economic equality for agriculture.

The machinery afforded by the bill for minimizing price fluctuations through controlling surpluses and encouraging effective organization

of producers is varied. For controlling of surpluses, the bill provides such preventive measures as advice to producers in matters connected with the adjustment of production and aid in the formation of clearing-house associations. As remedies for minimizing the effects of surpluses, the bill provides for cooperation in expanding domestic and foreign markets and developing by-products and new uses for agricultural commodities; loans to stabilization corporations for the buying and storing of seasonal or year's total surpluses in excess of the requirements of orderly marketing or beyond domestic requirements; insurance against price decline; and, finally, the issuance of export debentures at the option of the board.

For the effective organization of producers the bill provides for the encouragement of the organization and development of effective cooperative associations of producers and for the formation of stabilization corporations which will, in part, serve as central merchandising agencies for handling the commodity. The bill also stimulates effective organization of producers through loans to cooperative associations and stabilization corporations for the acquisition of facilities and equipment for preparing, handling, storing, processing, and sale of agricultural commodities in order to develop continuity of cooperative services from the point of production to and including the point of terminal marketing services. Again there are loans to cooperative associations for working capital and for the cooperative purchasing of supplies and equipment for use in production. Finally, in order to strengthen cooperative associations, loans are provided for the purpose of enabling the associations to advance to their members a greater share of the market price of the commodity delivered to the associations than is practicable under existing credit facilities. These organizations will establish a farm marketing system producer-owned and producer-controlled from point of production to the terminal markets, and one which, being affirmatively authorized, is exempt from the restrictions of the antitrust laws so long as it conforms to the requirements of the bill and promotes "the best interests of the country as a whole." A more detailed discussion of the above machinery is presented in the analysis of the bill, section by section, which follows:

ANALYSIS OF THE BILL

Section 1, declaration of policy: Among the primary causes that have weakened the farmer's bargaining power and prevented him from placing agriculture upon an equality with other industries have been recurrent abnormal fluctuations of prices in the marketing of agricultural commodities. The present bill proposes to strengthen the farmer's bargaining power and aid him in placing agriculture on equality with other industries by minimizing these price fluctuations in so far as they are due to surpluses, speculation, and inefficient and wasteful methods of distribution.

The committee finds that these price fluctuations do directly obstruct and burden interstate and foreign commerce in the marketing of agricultural commodities and that their removal will serve to protect, foster, and stabilize that commerce. The Congress, therefore, declares in section 1 that it is the policy of the Government to minimize such price fluctuations (1) by controlling a seasonal or year's total surplus that is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for such commodity; and (2) by encouraging producers to organize effective associations or corporations under their own control for greater unity of effort in marketing. Such objects are to be accomplished only in such manner as will bring about a substantial improvement in agriculture and promote the best interests of the country as a whole.

The effectuation of the policy of surplus control will enable the producer to secure the maximum return for the crop as a whole. The effectuation of the policy of organization for greater unity of effort in marketing will enable the producer to eliminate inefficient and wasteful methods of distribution and thereby secure for him a greater share of the consumer's dollar. The effectuation of both policies will tend to eliminate price fluctuations attributable to speculation.

In effectuating the declared policy the board is afforded prescribed powers and machinery. These, of course, must, in view of the provisions of section 1, be exercised and availed of only in such manner and extent as will serve substantially to remove obstructions to and burdens upon the current of interstate and foreign commerce in the marketing of agricultural commodities. The provisions of section 1 not only declare a policy, but in declaring it serve to delimit the extent of the broad powers vested in the board. The board's acts are ultra vires unless the facts show that the board may reasonably have adjudged its action in any given instance to be of substantial aid in furthering (through controlling surpluses or encouraging effective organization of producers) the policy of minimizing price fluctuations obstructing and burdening the current of interstate and foreign commerce in the marketing of agricultural commodities.

Sections 2 and 3, the Federal farm board and its general powers: Section 2 provides for a Federal farm board to consist of 12 appointed members, representing the various Federal land-bank districts, and the Secretary of Agriculture ex officio. It is especially desirable that the Secretary should be a member of this board in

order to give to that body the benefit of his authoritative position and broad experience and to insure effective cooperation between the board and the Department of Agriculture in order to prevent duplication of effort and unnecessary expenditures. The President is granted broad latitude in selecting members for the board, subject to the usual confirmation by the Senate. It is provided that each appointee "shall have demonstrated his capacity and fitness by a record of success in agricultural activities of such nature as to give him special qualifications for his duties as a member of the board." It is important that the members of the board should be not only in sympathy with the aims of this act but also men of fundamental training and experience and of demonstrated capacity and fitness, as on them rests the responsibility for successful administration of the act. The terms of office of the appointed members are six years and are staggered. The salary of each appointed member is fixed at \$12,000 per annum, except the chairman, whose salary is to be fixed by the President.

Under section 3 the board is required to keep advised from available sources of crop prices, prospects, supply, and demand, at home and abroad, and to give special attention to the existence or the probability of the existence of a surplus of any agricultural commodity, and to advise producers through their organizations or otherwise in the adjustment of production to demand. It is provided, however, that the basic research to secure the necessary information should be done by the regularly constituted research agencies in the Department of Agriculture, the purpose being to avoid multiplying governmental units and to prevent waste of funds incident to duplication of effort.

The board is granted broad powers to deal with the various problems confronting agriculture. It should constitute not only a strong administrative agency for carrying out the specific provisions of this measure but also afford guidance in matters of agricultural policy in general. This is evident from section 3 (c) which requires the board to make an annual report to Congress upon the administration of the act and on any matter relating to the better effectuation of the declared policy, including recommendations for legislation. The committee, recognizing the experimental nature of this measure, deems it necessary that the board should give particular attention to possibilities for improvement of this legislation in order to carry out more effectively the declared policy.

Section 4, commodity advisory councils: Commodity advisory councils with consulting powers are required to be organized for each agricultural commodity prior to stabilization corporation operations in the country. The seven members of each council are selected by the board from persons nominated by the cooperative associations for the commodity. The members of the councils are not governmental officers and receive no salary but are furnished with their per diem compensation when attending to the business of the council. The councils afford the producers of the various commodities continuous and effective representation before the board and the public. The councils illustrate the contemplation of the whole act that agricultural producers shall be organized along commodity lines as an effective approach to the problem of procuring for the producers necessary unity of effort in marketing.

Section 5, stabilization corporations: Section 5 provides for a stabilization corporation organized under State law for each commodity when in the opinion of the board such an agency is necessary. It is provided that each corporation should have two main functions: (1) To act as a merchandising agent for the cooperative associations owning stock in the corporation; and (2) to handle recurring surpluses of the commodity whether produced by members or by nonmembers.

With respect to the first function, it is intended that the corporation should become a central agency for efficient merchandising of farm products, secure bargaining power for the producers through the handling of large volume of the commodity, and insure returns according to the quality of the product.

Under the section function, that of surplus control, the corporation, backed by ample funds, would be able to buy surplus farm products produced by nonmembers as well as by the members of the cooperative associations, thus relieving these associations of carrying alone the burden of surplus control. It is evident, therefore, that much more is contemplated than merely "to loan money to the cooperative marketing associations." Experience has shown that cooperative associations which have attempted to handle surplus farm products in sufficient volume to stabilize the market have borne the responsibility of surplus control not only for the members but also for nonmembers who have received benefits in common with the members, while the latter alone have carried the responsibility and the cost.

This act makes sufficient funds available for purchasing and withholding from the market the surplus or as much of it as may be necessary, thus preventing the burden of surplus control from falling exclusively upon the cooperative associations. At times of exceptional surplus the corporation should afford an opportunity for producers in general to dispose of their product at a better price, the cooperative association receiving in the form of patronage dividend a small part of such profits as the corporation might make, after setting aside

a portion of the profits for a reserve fund. This distribution of profits is justifiable because it would compensate the cooperatives for assuming a substantial responsibility and because it would afford an inducement for nonmembers to join a cooperative association.

While this mechanism for minimizing price fluctuations is experimental, it is believed that, with careful performance on the part of the corporations, much good will result to agriculture. It is recognized that in some years there probably would be losses, but, on the other hand, profits would be made in other years. In general, the surplus-control function of the stabilization corporation would be exercised with least danger of loss, in years when surplus control is most needed—that is, in years when the price of a commodity, in the absence of a stabilization corporation, would be depressed to a ruinously low level under the weight of an exceptional surplus.

The stabilization corporation would be able to exercise a commanding restraint upon speculation in farm commodities and set a standard of competition and thereby further minimize price fluctuations. Since the corporation would be controlled by, and operated in the interest of, the producers it would eliminate much of the abuse of speculation.

The two principal functions of the corporation—merchandising for its members and handling recurring surpluses for members and nonmembers—appear to be sufficiently distinct to warrant a separation of reserve funds for these functions, the purpose being to avoid the possibility that a loss incurred in the control of any surplus, might impair the effective functioning of the corporation as a merchandising agent for its members. Under this separation of reserves it will be possible for such losses as may be incurred in the control of a surplus in any year to be paid out of profits earned in other years. Thus, while the possibility of loss in some years is recognized, it should be possible by careful operation to earn profits in other years and to build up a reserve by which it should be possible to diminish and perhaps to eliminate the corporation's dependence on the revolving fund for loans beyond the funds obtainable from regularly constituted credit agencies. In other words, it is believed that, with cautious and able management, it will be possible to accumulate sufficient reserves for each of the major functions to render the corporation fairly independent of the revolving fund.

Under subdivision (f) of this section there is made available for the stabilization corporation, in the exercise of its functions as a marketing agent for its stockholders or members, capital through the purchase of stock by the board in the corporation, in such amounts as the board may deem adequate. This, in fact, is a loan, the board receiving nonvoting shares of stock in the corporation as evidence of indebtedness by the corporation to the revolving fund. As the corporation accumulates surplus by setting aside the major portion of its earnings, these shares of stock may be retired by payment of the amount borrowed, thus gradually diminishing the Government's advances from the revolving fund. The aggregate amount of loans for this purpose, outstanding and unpaid at any one time, shall not exceed \$25,000,000.

The stabilization corporations are Federal instrumentalities, but they do not place the Government in business. They are analogous to such Federal instrumentalities as national banks, which engage in private business though under Government supervision. In case of a stabilization corporation the governmental supervision in most instances takes the form of conditions imposed upon the securing of a loan or advance.

Sections 6, 7, and 8, loans and advances from the revolving fund: Section 8 creates a revolving fund of an authorized amount of \$500,000,000 for the purposes of the act other than administrative expenses. Section 6 provides for loans and advances to be made from the fund. While the discretion of the board in making the loans and advances is broad, nevertheless the section provides certain restrictions in the way of purposes and security. More particularly, loans must be in pursuance of the policy declared in section 1, and the stabilization corporation or cooperative association applying for the loan must have an organization and management and business policies of such character, in the judgment of the board, as to insure the furtherance of the declared policy and the reasonable safety of the loan.

Subdivision (b) provides for loans to the stabilization corporation in the exercise of its second function, namely, surplus control. Aggregate loans for this purpose outstanding and unpaid at any one time shall not exceed \$375,000,000. Should a loss be incurred in any year it would be paid out of any surplus accumulated by the corporation in the exercise of this function. Should the loss be in excess of the combined value of the commodity purchased and of the accumulated surplus, the unpaid portion of the loss would be paid out of profits earned in subsequent years.

It is recognized that physical facilities for handling the commodity are essential to effective operation of the stabilization corporation and to proper functions of individual cooperative associations. Consequently, loans are made available for necessary facilities and equipment. Provision is also made for loans to cooperative associations for working capital and to such associations and to agricultural associations for the cooperative purchasing of supplies and equipment for use in the production of agricultural commodities by its members. The aggregate amount of loans outstanding and unpaid at any one time for these purposes shall not exceed \$50,000,000.

In order to enable any cooperative association to advance to its members a greater share of the market price of the commodity delivered to the association than is practicable under existing credit facilities, the board is authorized to make loans aggregating at any one time not more than \$25,000,000 for additional advances, provided that such advances, together with advances made on the commodity from other sources, shall not exceed 85 per cent of the market value of the commodity. This should be an aid to the extension of membership, since many farmers under the pressure of debt or other demands for ready cash are unable to join cooperative associations because of having to wait several months for final settlement for a substantial part of the value of the commodity.

An aggregate amount not exceeding \$25,000,000 is provided for experimental price insurance under section 7.

Section 9, clearing-house associations: This section provides for the organization of clearing-house associations upon the request of cooperative associations or other organizations controlled by the producers of any perishable commodity, in order to minimize losses in the distribution of the commodity and to provide economical distribution among the various markets. While the initiative for the organization of these associations shall come from the producers, it is provided that independent dealers, handlers, and distributors shall be eligible for membership. It is also specified that the board may provide for the registration and termination of registration of such associations in accordance with such regulations as the board may prescribe. Such associations would be free from the restraints of the antitrust laws, but the rules of the associations are subject to the approval of the board. The purpose of such supervision is to enable the board to exercise over these associations sufficient control to insure their operation in conformity with the policy declared in section 1. That policy requires, among other considerations, "the promotion of the best interests of the country as a whole."

Section 10, export debentures: Section 10 provides a mechanism of export debentures which the board may use at its discretion in meeting special situations which the board may find it impossible to meet adequately under the loan, stabilization corporation, or other provisions of the act. If, for example, there should be in any year an exceptional surplus of a commodity, and if the marketing conditions should be such that the surplus could not be handled adequately under the other provisions, the board would have the authority to invoke the export debenture plan.

Under the export debenture plan a bounty may be granted upon exports of raw agricultural commodities or their food products. The bounty is payable in a form of currency denominated export debentures. The amount of the bounty so payable upon the export of an agricultural commodity is one-half the amount of the import duty on such a commodity. In the case of exports of food products the bounty payable is proportionate to the amount of raw commodity consumed in the manufacture of the product. Debentures are legally tenderable at their face amount in payment of import duties. The cost to the Government is the amount disbursed as the export bounty through the issuance of export debentures. Except in so far as exporters of debenturable commodities are also importers, the negotiable debenture certificates necessarily would be sold sufficiently below par to induce importers to use them in preference to cash in the payment of import duties. For this reason the domestic market for the commodity would be influenced by somewhat less than the full amount of the debenture.

The effect upon production of any increase in the price of the commodity would depend on the policy which the board might choose to adopt in invoking this optional provision.

Sections 11 to 14, miscellaneous provisions: Section 11 authorizes an appropriation of \$500,000 to be made available by the Congress for administrative expenses of the board incurred prior to July 1, 1930.

Section 12 provides a method of safeguarding the funds expended under the board's direction and the action of the Treasury Department in issuing and receiving export debentures. All expenditures of the board from the revolving fund and insurance moneys and any action of the Treasury Department with respect to issuing or receiving export debentures are made subject to examination by the General Accounting Office. Such examination is not for the purpose of the disallowance of any such expenditures or of the issuance of export debentures but is solely for the purpose of reporting to the Congress and the board and Secretary of the Treasury the legality of the board's financial transactions and the legality of the action of the Secretary of the Treasury in issuing or receiving export debentures. Moneys disbursed for administrative expenses, however, are to be audited by the General Accounting Office in the manner now provided by law.

Section 13 directs the board to cooperate with the various governmental establishments in the executive branch of the Government for the purpose of avoiding preventable expense and duplication of effort. The President is authorized to direct any governmental establishment in the executive branch of the Government to furnish the board with such information and data in its possession that may be useful to the board in executing its functions, except that no confidential information or data shall be furnished the board which would violate such confidence.

Section 14 (a) contains a separability clause.

Subdivision (b) of section 14 prohibits members, officers, and employees of the board from speculating in any agricultural commodity or product, or in contracts relating thereto, or in the stock or membership interests of any association or corporation engaged in handling, processing, or disposing of any such commodity or product, and provides a criminal penalty for any such violation.

Subdivision (c) prohibits cooperative associations, stabilization corporations, clearing-house associations, and commodity advisory councils, and directors, officers, employees, and members of any such association, corporation, or council from disclosing information which has been imparted in confidence to them by the board, and provides a criminal penalty for any such violation.

Subdivision (d) defines a cooperative association to mean any association qualified under the Capper-Volstead Act. However, the committee realizes that in some commodities Capper-Volstead cooperative associations are not sufficiently organized in strength or numbers so as to truly represent the commodity. In such case the board may extend the privileges, assistance, and authority available under this act to Capper-Volstead cooperative associations to other associations and corporations which are owned and controlled by producers of an agricultural commodity and which are organized for and actually engaged in the marketing of the commodity. In order to prevent speculators and other persons connected with exchanges and boards of trade from being included within the terms of this subdivision it is provided that such associations or corporations, in order to be classed as "producer owned and producer controlled," must be owned and controlled by Capper-Volstead cooperative associations or by individuals actually engaged as original producers of the commodity.

Subdivision (e) provides that this act is to be cited as the "agricultural surplus control act."

GENERAL CONSIDERATIONS PERTAINING TO A LONG-TIME AGRICULTURAL POLICY

As noted in the beginning of this report, neither this bill nor any other single measure could do all that needs to be done to strengthen the economic position of agriculture and to place it on a permanently better basis.

There are a number of fundamental considerations underlying a sound and effective program for the aid of American agriculture in addition to the specific provisions of the present bill. While it is true that the troublesome surplus problems have loomed large in our national thought, it should be recognized that there is a long-time approach to the solution of the so-called agricultural problem, as well as a short-time approach. A measure for the handling of the surpluses, in its very nature, contemplates more or less immediate results. On the other hand, many substantial and frequently overlooked problems will require much time for their study and solution. Again we must recognize that many of the economic questions now confronting American farmers are of such a nature that they can be solved only by the individual producer or through the collective action of the farmers themselves which this bill is designed to encourage.

We have reference particularly to the following elements in a long-time agricultural policy. Some of these are within the jurisdiction of this committee to consider, while others must be considered originally by other committees of the Senate:

1. Minimizing fluctuations in the general price level: Every practicable step should be taken to preserve a reasonable stability in the general price level for all commodities. In the past violent price fluctuations have disrupted business relations and inflicted particularly heavy damage on agriculture, which is, as already noted, less able than industry to adjust itself to changing price levels. Improved banking and credit facilities and accumulated banking experience are giving us a technique for minimizing price fluctuations and for enhancing stability in business generally.

While the disparity in the exchange value of farm products since 1920 is of vital importance, it does not account for all the difficulties confronting agriculture. For instance, it will be recalled that much of the present farm indebtedness was contracted at a high level of prices and that debts so incurred have caused serious hardship and even bankruptcy.

Farmers have been obliged to pay interest and principal with proceeds from the sale of products at the lower level of prices that has prevailed in the past 10 years. This situation, however, is due in a large measure to war-time and post-war inflation and to subsequent deflation in the general price level, as well as to the fall of prices of farm products as compared with prices of things the farmer has to buy. The inflation and the deflation of the general price level is cited here to indicate their relation to distress in agriculture since 1920. It needs to be considered in connection with the broad, long-time agricultural policy.

2. Formulating sound land policy: There should be made an economic classification of land according to the uses to which it is best suited. This is fundamental to a sound land policy and to a long-time program for the stabilization of agriculture. Land which is better suited for the growing of timber than for farming should be put into timber as rapidly as possible.

3. Improving foreign markets for farm production: Even with improvements in the agricultural tariff, important parts of our agriculture

will continue to be, perhaps for many years, on an export basis and subject to severe foreign competition. It is necessary that the Government should endeavor to help find more advantageous markets abroad for the exportable farm surplus. This calls for improvement in trade relations and up-to-date information on foreign competition and demand as they affect our agriculture. Promotional work, the purpose of which is to expand the markets for farm products, should be continued and expanded by the United States Departments of Agriculture, Commerce, and State. These same departments should provide a market information service on foreign competition and demand which will keep American farmers thoroughly apprised of the influences which tend to increase or decrease the foreign outlets for their products, as well as the outlook for increasing or decreasing competition in foreign countries. This is a necessary part of a comprehensive program for a better adjustment of production to market requirements.

4. Promoting industrial utilization of farm products: To this end research should be encouraged to ascertain the possibilities of industrial utilization of farm products. Energetic effort to expand industrial utilization of farm products should, in the long run, do much to expand the farmer's domestic market and thereby to reduce his dependence on foreign markets.

5. Extending the market news service: The market news service should be improved and extended to make available to the farmer up-to-date information on market conditions.

6. Strengthening price analysis: Since no small part of the difficulties of farmers during the past several years have grown out of the creation of surpluses, every effort should be made, not only to handle burdensome surpluses but also to prevent the damaging effects of overproduction through a better adjustment of supply to market requirements. This is contemplated under the bill before us, and calls for the energetic support by Congress of price analysis and outlook work, which is fundamental in any effort to adjust acreages to the needs of the market. It calls for intensive salesmanship of outlook information through the extension forces, both Federal and State, through cooperative organizations of producers in order that individual farmers will acquire that social consciousness that will cause them to increase or decrease their production as required by market conditions and not selfishly look merely to their own personal interest. Many of the surplus-control measures introduced in Congress in the past several years, and all of the more important ones, depended directly or by implication upon price analysis. The successful administration of the act under consideration depends, perhaps more than is generally realized, upon adequate information to serve as a guide not only to private effort but also to the execution of the declared public policy. For instance, little dependable advice could be given by any Federal farm board as to advantageous programs of planting or breeding, except on the basis of careful analysis of prospective supply and demand affecting the various commodities.

7. Reducing costs in farming: Coupled with a program to adjust production to market requirements should go a plan of reducing production costs wherever possible through the adoption of more efficient methods of farming. The degree of efficiency varies widely in agriculture as in any industry. The technique of farming is continually changing. The adoption of the most approved principles and practices in farm organization and operation undoubtedly will result in further reducing the cost of producing many farm products.

8. Minimizing hazards in agriculture: Farming in its very nature is subjected to innumerable hazards. It should be possible to insure against these hazards as business men now insure against risks in other forms of business. At the present time, however, there is no adequate information with which to measure these hazards for the making of insurance rates. In order to meet this defect in our information, Congress has had under consideration a measure providing for careful study of the hazards in growing crops in the various sections of the country and the feasibility of writing insurance protection against such hazards. On the basis of such information it should be possible for the commercial insurance agencies successfully to write general crop insurance which would be of great benefit in reducing the hazards in agriculture. Such information, too, might indicate the feasibility of crop reinsurance by either commercial or Government agencies.

9. Extending farm-credit facilities: In sections of the country where the small banks are not adequately serving agriculture there is undoubtedly a place for the establishment of credit corporations, livestock loan companies, and other financial units through which agriculture may tap the reservoir of credit provided by the intermediate credit banks.

10. Improving transportation: The United States undoubtedly has the most efficient transportation system in the world, and yet, at the present time, freight rates in some sections of the country are bearing down with undue weight on agriculture. Examination of the freight-rate structure should be hastened with the purpose of relieving those sections which are now bearing an undue part of the freight burden.

11. Strengthening research: Underlying all effort at agricultural relief must be a sound basis of facts. Without adequate information it would be quite impossible to legislate intelligently or to operate wisely in the interest of a better agriculture. This need points to a sub-

stantial broadening and strengthening of the research work in which the United States Department of Agriculture and other Federal and State institutions are now engaged. Coupled with our knowledge of the facts must go an intensive program of education, the purpose of which is to place in the hands of producers, individually and collectively, those facts which will enable them to better solve their production and marketing difficulties.

APPENDIX A.—LETTER OF THE PRESIDENT AND ACCOMPANYING REPORTS

THE WHITE HOUSE,
Washington, April 20, 1929.

The Hon. CHARLES L. McNARY,
United States Senate.

MY DEAR MR. SENATOR: On April 12 I received a call from yourself and Senators CAPPER, HEFLIN, NORBECK, and RANSDELL, acting as a subcommittee of the Senate Committee on Agriculture, requesting my opinion on the "export debenture plan" for agricultural relief, since it is a complete departure from the principles already debated during the campaign. I informed the committee that I would request an analysis of the plan by the Departments of Agriculture, Treasury, and Commerce, and would transmit them to the committee together with my conclusions after investigation. The departments have given it earnest consideration and I have just received and studied these reports which I transmit to you herewith.

The principle of this plan as set out in the draft bill of your committee, which is before me, is to issue a Government debenture to merchants exporting agricultural products in amount of one-half of the tariff on such products, such debentures to be redeemed by presentation for payment of import duties. The assumption is that by creating a scarcity through stimulating exports that the domestic price will rise above world prices to the amount of the debenture—that is, if the debenture on wheat exports is 21 cents a bushel, the price of wheat will be 21 cents higher in the domestic market than in the world market.

I am aware of the arguments put forward in favor of the plan by some of our agricultural organizations, and the arguments of other farm organizations in opposition to it. The proposers advance it in the utmost good faith and earnest desire to assist in solution of a great problem, and I regret deeply that I can not agree that this provision would bring the results expected. On the contrary, I am convinced that it would bring disaster to the American farmer.

The weaknesses of the plan as set forth in the Senate bill may be summarized as follows:

1. The issue of debentures to export merchants and their redemption in payment of import duties amounts to a direct subsidy from the United States Treasury. If the plan proposed be generally applied, it would cost in excess of \$200,000,000 a year, as it would decrease the Treasury receipts by such an amount.
2. The first result of the plan, if put into operation, would be a gigantic gift from the Government and the public to the dealers and manufacturers and speculators in these commodities. For instance, in the principal export commodities the value of the present volume of stocks in possession of these trades would, if the plan worked, rise by from \$200,000,000 to \$400,000,000, according to different calculations, without a cent return to the farmer or consumer. Every speculator for a rise in our public markets would receive enormous profits. Conversely, if after this elevation of prices the plan were at any time for any reason withdrawn, the trades would suffer a like loss and a long line of bankruptcies must ensue. But in the meantime the trades, out of fear of withdrawal or of reduction in the subsidy, would not engage in normal purchase and distribution. Either exorbitant margins would be required or alternatively the farmer would be compelled to himself hold the Nation's stocks until there was a demand for actual consumption.
3. If the increased price did reflect to the farmer, the plan would stimulate overproduction and thereby increase world supply, which would in turn depreciate world prices and consequently decrease the price which the farmer would receive and thereby defeat the plan. Stimulation of production has been the outstanding experience abroad where export subsidy has been applied. Overproduction will defeat the plan, and then, upon its withdrawal, agriculture would be plunged into a catastrophe of deflation from overexpanded production. The farmer's difficulties to-day are in some part due to this process after the war.
4. The stimulation of production of certain commodities would disturb the whole basis of diversification in American agriculture, particularly in the cotton and wheat sections where great progress is now being made toward a more stable basis of agriculture.
5. Although it is proposed that the plan should only be installed at the discretion of the farm board, yet the tendency of all boards is to use the whole of their authority, and more certainly in this case in view of the pressure from those who would not understand its possibility of harm, and emphatically from the interested dealers in the commodity.
6. It is not proposed to pay the debentures or subsidies to the farmers but to the export merchants, and it seems certain that a large part of it would not be reflected back to the farmer. It offers oppor-

tunity for manipulation in the export market, none of which would be of advantage to the farmer. The conditions of competitive marketing at home and abroad and the increased risks would absorb a considerable part of its effect into the distribution and manufacturing trades. Moreover, the theoretical benefits would be further diminished by the fact that debentures would sell constantly at a discount, for the reason that persons paying duties upon imports would not take the trouble to accumulate the debentures and lose interest upon them unless obtainable at a discount.

7. The provision of such an export subsidy would necessitate a revision of the import tariffs. For instance, an export subsidy of 2 cents a pound on raw cotton would mean the foreign manufacturers would be receiving cotton at 2 cents a pound less than the American manufacturer and the foreigner could ship his manufactured goods back into the American market with this advantage. As the subsidy in many cases is larger than the freight to foreign ports and back, it raises large opportunities of fraud in return shipment activities.

8. Export bounties are recognized by many nations as one form of dumping. I am advised that a similar action by another nation would be construed as a violation of our own laws. Such laws are in force in the principal countries of our export markets and to protect their own agriculture would probably lead to action which would nullify the subsidy given by us.

9. A further serious question arises again (if the plan did have the effect intended) where the foreign producer of animals would be enabled to purchase feed for less than the American farmer producing the same animals. For instance, the swine growers in Ontario would be able to purchase American corn for less than the American farmers across the border and it would tend to transfer the production of pork products for export to Europe from the United States to Canada. It would have the same and probably even more disastrous effect in dairy products.

10. The plan would require a substantial increase in taxes as no such expenditure or depletion of revenues as this plan implies could be paid from marginal income of the Government, more particularly in view of the very large increased expenditures imposed by the naval program, flood control, and other branches of farm relief.

Altogether, from the above reasons it is my belief that the theoretical benefits would not be reflected to the American farmer; that it would create profiteering; that it contains elements which would bring American agriculture to disaster.

The introduction of such a plan would also inevitably confuse and minimize the much more far-reaching plan of farm relief, upon the fundamental principles of which there has been general agreement.

Yours faithfully,

HERBERT HOOVER.

Mr. McNARY. Mr. President, I appreciate the courtesy of the Senate in complying with my request that S. 1 be made the unfinished business; otherwise under the rule it would have had to go over until to-morrow. A week of the present session has gone by and I think Members are all anxious to begin the effort to devise some plan that may solve the so-called farm problem. I shall speak briefly this afternoon, more or less informally, in an attempt to describe as best I can the general outline of the bill which I reported this morning, the main provisions of which have received the unanimous approval of the Committee on Agriculture and Forestry, the only division of that committee being on the question of whether the so-called optional debenture plan should be included in the bill.

I realize that to dissect the bill and analyze it carefully in detail probably would not be appropriate at this time or fair to Members because of the fact that the bill was printed only yesterday and reported to-day. The chairman of the Committee on Agriculture and Forestry will have ample opportunity in the future in the process of general discussion to describe as best he can every detail contained in the bill without anticipating the manner in which it may be administered.

Mr. President, the Senate Committee on Agriculture and Forestry commenced its hearings on this subject on the 25th of March just passed, and concluded the hearings on April 6. During that time the committee examined 68 witnesses. Those witnesses were not picked from any group or class. They did, however, represent the heads of farm organizations, cooperative associations, students of economic problems, bankers, business men, and individual farmers. It was the effort of the committee to get as representative a number of experienced witnesses before it as possible. I think I may well say the committee was, indeed, generous with its time, as it denied no one the opportunity to be heard.

As I recall, speaking from memory, the hearings comprise 821 pages. In that volume there are some plans submitted which the committee thought worthy of being printed. A great many plans came to the committee which were immature, probably unsuited to the situation and the problem now before us, which are not in the printed hearings. Those plans are on file with

the committee, readily accessible to anyone who desires to see them.

Mr. President, I have no illusions with respect to the problem of farm relief. It is my judgment, from studying the problem over a number of years, that there is no one single remedy. Indeed there are a number of remedial measures which must be passed by the Congress before agriculture may take its place alongside of industry.

This bill is of an emergent character. It is designed to meet a present situation and might be called a short-time approach to the problem. The long-time approaches, Mr. President, probably can not be considered at this short session of Congress, but I am sure, as I well know the sympathy of the Committee on Agriculture and Forestry, that the members of the committee are anxious to take up the various other measures which will blend properly into the one now before us for the purpose of giving agriculture all the benefits that can be given it through legislation.

I appreciate, Mr. President, that the tariff bill, which will follow the farm relief measure, will bestow its benefits upon agriculture. I have consistently advocated also a long-time approach through crop insurance. A bill embodying that idea, which I submitted to the Senate last year, was passed by this body but did not pass the House. I hope this year to get a favorable report from the committee and to bring the bill again to the attention of the Senate. It is my judgment, Mr. President, that no one thing will stabilize agriculture or will bring to it stability and credit comparable to crop insurance. That phase of the subject I only mention in passing, conceding the fact that we must approach this subject knowing there are a number of problems involved.

The political parties, in their last national conventions, recognized the seriousness of the agricultural situation and acted accordingly in their platforms. We are here to-day because our President, Mr. Hoover, has called a special session of Congress to treat with this important subject. The committee has reported a bill here which is known as Senate bill No. 1. I want briefly to outline its structure, that we may have a bird's-eye view of the alleviating device which we are trying to create through legislative action. The details I shall refer to probably on another day, but I think the Members of this body will understand them after reading the report of the committee.

In all the agricultural relief bills that have been presented to Congress for consideration during the last few years there has been a unanimity of sentiment and language for the creation of a Federal farm board independent of and outside of the jurisdiction of the Agricultural Department. This bill, Mr. President, embodies that idea. It was contained in the bill that was twice vetoed by former President Coolidge. It is also in the pending House bill. It has been in many of the bills that dealt particularly and solely with the debenture plan.

So, as we come face to face with this legislative problem, the committee has reported a bill which rests more or less upon the functioning of a farm board. In the bill which I reported this morning the farm board is to consist of 12 members, selected, respectively, from the 12 Federal land bank districts, with the Secretary of Agriculture an ex officio member. That board is endowed with great power, resting upon the hypothesis that that power will be used to the advantage of agriculture. It is given great power in the matter of administration and in the exercise of its judgment. It is supposed to deal and is required to deal with the surplus problem, and to gather statistics to determine whether there is a surplus in existence or the possibility of any surplus being in existence. It will, through the process of education and information, attempt to bring home to the farmers of the country the ills of overproduction. One of its purposes will be to extend our foreign commerce and trade in agricultural products.

The reason why the membership of the board in the bill as reported is fixed at 12, rather than 5, as introduced in the bill which I presented at the last session of Congress, which was known as Senate bill No. 4602, and in the House bill, is because the various farm organizations felt that there would be afforded greater security, greater sympathy, greater cooperation by enlarging the number of members of the farm board. Those members are taken from the 12 land bank districts; they are appointed by the President, subject, of course, to the confirmation of the Senate. It is provided that they must be men of unusual fitness. It is rather a novel provision, but like the House bill the Senate measure provides that the chairman of the board shall be named by the President and that his salary shall also be fixed by the President. As to whether or not that is important, I shall not at this time express an opinion.

The board, Mr. President, will have at its disposal, if this measure shall become a law, the sum of \$500,000,000. The sum as originally proposed was \$300,000,000. The Secretary of Agriculture stated to the committee at the time of his appearance before them that \$300,000,000, in his opinion, would be ample until at least the next session of Congress, but this being a simple authorization it is up to the committee having jurisdiction to appropriate as much money as shall be needed to meet the situation that may at that time confront the farmers of the country.

Mr. President, I shall state frankly my opinion of the measure and its set-up, and that is that the heart and the substance of the whole plan is the stabilization corporation, which I shall describe at this time. The farm board is given authority to grant certificates to stabilization corporations, there being one corporation for each particular commodity, and no more. Such corporations must comply with certain regulations and rules and certain provisions of the bill. The stabilization corporations thus provided for will be farm owned and farm controlled, as that phrase is frequently used. Applications for the creation of such corporations will be made by farm organizations and cooperative associations, composed of men who are actively engaged in agriculture. Under the charter to be given to stabilization corporations they will be empowered to do two things: First, to merchandise the products belonging to the stabilization corporation, so as to give the farmers a greater bargaining power and so that they may effect certain economies now impossible on account of the disorganized state of the industry. It will permit the farmers, it is thought, through this large marketing agency, to get more of the consumers' dollars than they have been getting heretofore as individuals. On the other hand, the stabilization corporation will perform a larger and in my opinion a more important work. It is through the stabilization corporation that surpluses or shortages, whichever may exist, whether regional, seasonal, or annual, are to be controlled.

The stabilization corporation is empowered to go out into the market and buy from members or nonmembers, from any producer in the country, that portion of an agricultural commodity which constitutes a surplus and which is depressing the market. Such surplus is taken and probably stored, and its disposition is spread out through the season in an orderly fashion. It is thought this will stabilize the price of the farmers and prevent the violent price fluctuations which have been so harmful to them in the past. Instead of having a peak and a valley in prices, there will be a normal flow in the channels of trade, so that the farmers' price will probably be higher than it would be normally, but not in any sense fixed by the operations of the corporation.

I may say at this time frankly that this set-up, omitting the debenture feature, does not propose in the fashion contemplated by the vetoed bills to take care of any exportable surplus. I want that clearly understood. The bill tries to solve this problem through the processes of orderly marketing by keeping the flow of commerce steady and taking out of the channels of trade the surplus which is lowering the price level.

Mr. President, it may happen—and some Senator will ask this question if I do not anticipate it—that at some time in the operations of the board and the stabilization corporation a surplus will be so huge that it can not be cared for or dissipated through the processes of orderly marketing. Those who advocate this measure—and I might refer to Mr. Jardine, who was one of its original advocates, and President Coolidge, whose favor it met, as it now meets the favor, in my judgment, of President Hoover and his Secretary of Agriculture, Mr. Hyde—are of the opinion that over a cycle of years through the process of marketing in an orderly fashion the gains will absorb all the losses so that the revolving fund will remain unimpaired. I can imagine years probably when the stabilization corporation will acquire a tremendous quantity of wheat and hold it until the new crop is coming in, when there might be violent fluctuations in the price level and a loss might ensue which, of course, would impair or reduce the revolving fund. I can foresee, Mr. President, years when there may be a shortage to the point where the gains will quite offset the losses. I am speaking now of those crops of which there is an actual surplus, such as wheat; but as to many other agricultural commodities and affecting many other agrarian crops, I can see where the stabilization corporation will be of tremendous help and benefit.

There is another great advantage, Mr. President, in having an agency of the Government, farm owned and controlled and in full sympathy with the farmer, familiar, indeed, with his problems and conversant with the evils which have beset him heretofore, over which he had no control, to stand between the

cooperatives and loss and destruction of their associations. In nearly every effort which cooperative organizations have undertaken when losses have ensued they have fallen upon the members. That has caused discouragement and too often dissolution of the cooperative associations. Under this bill the members of the cooperatives are fully protected, because the bill specifies that no loss shall fall upon the cooperative associations or the members thereof, but if there be a loss it shall fall on the stabilization corporation. Mindful, however, of the fact that business principles must apply, the bill proceeds upon the theory that those who are responsible for the management of the stabilization corporations will not enter into any transaction which will bring about a certain loss; but when we are dealing with a commodity as basic as is agriculture, subject to violent fluctuations in production due to greatly increased acreage and to climatic conditions, losses must occur. Hence, my reason for stating that if they do occur they will be charged against the stabilization corporations, thereby supplying the cooperatives a protection which heretofore has never existed in the country so far as legislation is concerned and which, in my opinion, will do much to attract into the cooperative associations producers who are now on the outside.

Passing hurriedly on to another provision of the bill, we come to the cooperative association itself. There is a provision in the bill that \$25,000,000 may be used by the board to extend to the members of cooperative associations credit in excess of that which is now available. If a cooperative organization now applies to an intermediate-credit bank, the maximum it can receive is 75 per cent of the value of the product, the practice being about 60 per cent. This board, in its judgment and in the exercise, I will say, of sound judgment, believes that it can loan sums in excess thereof, is permitted to do so up to 85 per cent of the market value of the commodity.

In order that storage facilities may be had without the possibility of overcharge there is a provision in the bill that \$50,000,000 may be loaned by the board for the acquirement or construction of storage houses and houses for processing. This will meet a situation which, in my judgment, will be helpful to the cooperative associations. I feel certain that no organization composed of the men who doubtlessly will be members of the farm board would put up additional facilities unless there was a real demand, because any surplus thereof, of course, would be an economic waste.

I mention that from the fact that a great many organizations have written to the members of the committee saying that they object to that provision of the bill because they are afraid the Government will go into the business of building storehouses, elevators, and processing plants. The provision is in the bill as a matter of safety, a matter of prudence; and if we are going to anticipate that the board will act unwisely we had better abandon the legislation and adjourn.

There is another provision in the bill which provides for clearing-house associations. These associations can be set up by the cooperative organizations for the purpose of dealing in perishable commodities, so as to prevent gluts in one place and famines in another, thereby minimizing losses in distribution. It is believed that organizations of this character would do much to shorten the road between the producer and the consumer of these perishable products which are a problem in themselves.

Again, there is a provision in this bill for insurance against price decline. That provision was in the bill that was vetoed by the President. It was brought to us by some of those from the South who thought it was very applicable to cotton. In a word, it simply provides that the board has power, if it so desires, to enter into a contract giving to cooperatives a policy of insurance against price declines that might take place from the time a cooperative member delivers his commodity until he sells it later on in the season. It probably is feasible. Whether or not it has an actuarial basis, I do not know; but the board is given the power to set up such an organization if it so desires.

Practically all of the provisions of the bill in a modified way, except the stabilization corporation, were in the two bills that have been vetoed heretofore. This bill in no sense provides for a tax or a fee which might be assessed against producers in the event of a surplus. The committee felt—I am sure I speak for all of them—that a measure of that kind would meet with the disapproval of the President.

That brings me down to what might be called the issue that beset the committee in the latter days of its executive sessions.

Some of the committee, probably those from the Cotton and Wheat Belts, felt that such a set-up as I have briefly described would not meet a situation when there was a surplus in excess of domestic requirements. They all felt that the set-up would be beneficial to agriculture, and the committee all supported

the bill that was reported, excepting the debenture plan, which I shall discuss in a moment. The members from the sections of the country to which I have referred, acting in the best of faith and probably with the soundest of judgment, felt that if this set-up—which consisted largely of handling the problem through storage and orderly marketing—failed, there should be some device in the measure which would meet a situation that might be serious and would require some heroic device.

Mr. L. J. Taber, president of the National Grange, came before the committee and in a very able fashion clearly and graphically described to the committee the so-called debenture plan. This plan, Mr. President, was conceived, so far as I might say it exists in its present form, by Doctor Stewart, connected with the agricultural college of Illinois, some 10 years ago. It was first put into language and introduced into the Senate by the late Senator McKinley, of Illinois. Two or three House bills on the subject were introduced, one by Mr. JONES and another by Mr. KETCHAM. I think in this Congress or the last Congress the able Democratic leader in this body, Mr. ROBINSON, and his distinguished colleague, Mr. CARAWAY, introduced bills looking in the direction of the debenture plan.

When the matter came before the committee, after much consideration the committee was undecided as to what the attitude of the President would be. A subcommittee was appointed and visited the President, who stated that later he would probably give the committee the benefit of his opinion and, at least, would send to the committee certain information and data that he would gather from his departments on the subject.

On Sunday afternoon I received a letter from the President, and some accompanying data. In that letter the President, in my opinion, stoutly disapproved of the debenture plan. I called the committee together Monday morning, and the whole matter was laid before the committee, and a vote was taken as to whether or not the debenture plan should be reported to the Senate. Only those members of the committee participated who had heard the hearings and had discussed the matter in executive session. The committee, by a vote of 8 to 6, decided to include the debenture plan in the bill which I have reported to-day, and it is there.

Mr. President, I opposed the debenture plan for two reasons. A long while ago I said very frankly to Mr. Taber, head of the grange, probably in public discussion, that I opposed it, particularly because, in my opinion, it was nothing more than a subsidy.

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

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Nebraska?

Mr. McNARY. I am very glad to yield.

Mr. NORRIS. The Senator is giving a very accurate statement as to what took place in the committee; but in order to be of assistance in seeing that it is entirely accurate I should like to call the attention of the chairman of the committee to the fact that prior to last Monday, when the President sent his objections, but after the time the subcommittee had waited on the President, and when they followed his suggestions and brought up some experts of the department, the committee unanimously agreed that the debenture plan should be included in the bill.

Mr. McNARY. That is true, Mr. President.

Mr. NORRIS. I think the Senator, in completing an accurate statement, ought to state that.

Mr. McNARY. I thank the Senator from Nebraska. I must add to that, however, that there were four of those present, including the chairman, the Senator from Maine [Mr. GOULD], the Senator from Kansas [Mr. CAPPER], and the Senator from Idaho [Mr. THOMAS], who reserved the right to present their views in opposition.

Mr. NORRIS. Oh, yes; but, in fact, the action of the committee at that time, with 14 members present, was unanimous.

Mr. McNARY. Yes; that is correct.

When interrupted, Mr. President, I think I was stating that my objection to the debenture plan was first based upon the proposition—a sentiment which is a principle with me—that good legislation can not be effected through a subsidy. I opposed as best I could the ship subsidy bill when it was on the floor of the Senate. I do not think a subsidy applied to the farmers would be permanent legislation.

Indeed, I am afraid that in the long run it would incur so much opposition throughout the country that it would be repealed, and might prevent building a permanent structure through legislation. Secondly, Mr. President, I said, following the two vetoes by President Coolidge, that I intended to persist so far as I was able in undertaking to legislate in this field, and I wanted the next bill I supported to be one that would be

signed by the President. I think in the campaign—if I may introduce that suggestion for a moment, and only for that purpose—I said that I would support a bill which I thought embraced and embodied the views of Candidate Hoover. I feel that there is no doubt whatsoever that if a bill carrying a debenture plan should be submitted to the White House, it would instantly meet with the disapproval of President Hoover. I think it is a vain thing to send a bill there or give our time to the consideration of a bill which we know would meet with Executive disapproval. I only state that for whatever it is worth, to show the position the chairman occupies, and which I think is shared by six other members of the committee.

Mr. President, the debenture plan will do the job. It will make the tariff effective. It will, in my opinion, increase the price level of agricultural products. About that I have not the least doubt. It provides that a debenture shall be given to the exporter of farm commodities which is a certificate redeemable at the Treasury or at the customhouses in the amount of one-half the tariff; and it proceeds upon the theory that placing a bounty on that which goes abroad would naturally cause a disappearance of the surplus in the domestic market consequently raising the price level by an amount equal to one-half the tariff. If that were applied to the surplus wheat, undoubtedly, less any discount that might occur—which I think would be infinitesimal—it would bring to the producer of wheat 21 cents a bushel over and above the world price. Of that I have no doubt. So, when presenting this matter, all those considerations which are of merit and demerit must properly be set forth. If it is desirable to enhance the price level in that fashion, by arbitrary methods, and if it can be said it would not disturb the economic structure, and in the end would not be disastrous to the farmer, I have no quarrel with those who will support that provision. Indeed, it is a question of judgment. The debenture plan, in brief, is embraced in the bill I have reported, I think in excellent form.

I think that practically sets forth the structure that has been erected by the members of the committee and presented for the consideration of this body. In my opinion, if the bill without the debenture is passed, it will not do the whole job, but it will greatly benefit agriculture. It may fall down in some periods when confronted by a surplus which may be abnormal but I have no hesitancy in expressing my opinion that in the long run it will prove the most beneficial legislation that has ever been passed by the Congress of the United States.

Mr. CARAWAY. Mr. President, the Senator from Oregon [Mr. McNARY], the chairman of the Committee on Agriculture and Forestry, has been fair in presenting the bill that came from the Committee on Agriculture. With his statement I have no quarrel, but there are some things connected with the bill which I wish to discuss. As a prelude to that, I want to take up the President's letter to the Senator from Oregon, the chairman of the committee, opposing the so-called debenture plan.

No one's position is any stronger than the reasons he urges in support of that opinion. The fact that Mr. Hoover for the time being is the President of the United States should lend to his statement no more force than the information he brings to the question and the reason he offers to support his position.

The President gives 10 reasons, and they have all been accepted by that portion of the American public and the press which want to continue to fatten, and fatten off the sweat and blood of agriculture. They all approve it. I have read editorials commending it which show from the very text of the editorials that the writers had no information about the plan other than the President's assertion.

The President says, in his reason No. 1, that it would enhance the value of agricultural products held in the hands of the speculators and the processors at the time the debenture plan should go into effect. That is one reason why he is opposed to it.

Every article in America that is to be affected by the tariff bill which is now pending in the House, if there is a raise in the tariff, will enhance in value to the extent of the increase in the duty. The object and purpose of the tariff is to raise the prices of products. If it is an economic crime to pass a bill that will raise the prices of farm products in the hands of the processor, the farmer, or the speculator, I am curious to know how one could be guiltless who votes for a tariff bill that will raise the price of every manufactured article in America without reference in whose hands it may be.

If anybody can accept that as a good reason and go away satisfied, I have no argument that would enlighten him. But do not tell your view to anybody and expect to get credit for being both candid and intelligent. It is too obviously silly. I do not apply that to the President, because I rather doubt that he wrote this letter. It is like one of Mr. Coolidge's

vetoed of the farm bills. It reads so much like it that I think they simply struck off the date and the name and signed Mr. Hoover's name to this.

Under reason No. 2 he states:

The first result of the plan, if put into operation, would be a gigantic gift from the Government and the public to the dealers and manufacturers and speculators in these commodities.

What is the first effect of a tariff bill? It is a gigantic gift to the manufacturers and the merchants and the other people who deal in the things affected. This farm debenture plan, according to the experts from the Department of Agriculture who came before the committee, could possibly cost, though nobody believes it would cost, \$146,000,000 annually. Of course, that is below \$200,000,000. And there is not a line of evidence anywhere to support that assertion, that the cost would be \$200,000,000 annually. The experts who figured this out for the President were before the committee, and they said the possible outside cost was \$146,000,000. That assumed that every bushel of wheat, every pound of meat, every bale of cotton that went abroad from this time on would receive the benefits of the debenture plan, which was never proposed by anybody, because the plan is to become effective upon any product when the price is unfair.

One hundred and forty-six million dollars is an unthinkable gift to 25,000,000 of the American public, and yet the so-called tariff bill, which is just as much a subsidy as this would be, according to the experts, presented to the manufacturers of this country nearly \$4,000,000,000 annually. That is right, and this is wrong! The President called into extraordinary session a Congress to raise the prices of manufactured products still higher and give the manufacturers a still greater subsidy, but objects to a pitiful \$146,000,000 to 25,000,000 of the American public, the farmers.

Let us stop a moment. According to the information I was able to get from the Interstate Commerce Commission, there are less than 1,000,000 people who own stock or bonds in railroad companies in America. Yet we were asked to pass the Esch-Cummins bill to protect those holders of stock from a threatened loss by reason of the fact that the railroads were to be turned back to private control. It was said, "You must guarantee them their war-time profits for a certain length of time and write a bill that will enable the Interstate Commerce Commission to raise the rates of freight and passenger fares of the roads whenever it is necessary in order to assure them the ability always to pay a dividend" or we were going to bring inevitably a great panic which would shake the foundations of this Republic. We, to prevent this, presented the railroads with a direct bounty of over \$500,000,000, and we have not heard any of these who are so shocked at this bounty complaining of that. A million people got five hundred and some odd million dollars from the Government, and here are over 25,000,000 people who are to get \$146,000,000, but it is objected to.

That is not all. I hope the Senators who are going to vote upon this measure will read the President's letter. In reason No. 2 he says:

For instance, in the principal export commodities the value of the present volume of stocks in possession of these trades would, if the plan worked, rise by from \$200,000,000 to \$400,000,000.

That is, just the enacting of the debenture plan would raise the prices of farm products in the hands of speculators and processors \$400,000,000. I do not know by what process of reasoning he reached that conclusion, but if the processor has a bushel of wheat in his possession and this bill raises the price of that wheat, and the farmer over here has a bushel, how will they keep it from raising the price of the farmer's bushel along with the price of the other? If it will raise the price of the farm products so that by the debenture plan the prices of what may be in the hands of processors or speculators will be enhanced \$400,000,000, it certainly will raise the price of every product in the hands of the farmer a great deal larger sum, because it is not possible that the processors will have the majority of the stock in their hands at any one time.

I call attention to this for this reason. This very letter a little farther down says it will result in a cheaper price, it will make the farmer's products bring less to him, then how will it make them worth \$400,000,000 more to the man who happens to have bought them from the farmer. If anyone can accept that reasoning he does not need information to have faith.

I skip a little of this interesting letter, but further on the President says:

3. If the increased price did reflect to the farmer the plan would stimulate overproduction and thereby increase world supply, which

would in turn depreciate world prices and consequently decrease the price which the farmer would receive, and thereby defeat the plan.

Senators will remember having read that exact language in one of President Coolidge's vetoes of the equalization plan. If President Coolidge had copyrighted his veto messages, this letter would not have been written.

What is the object, let me ask, of farm legislation? Is it to raise the price the farmer is to receive for his product? If it is not that, for what was this extra session of Congress called? What meant the speeches and the promises made to the American farmer last November, that an extra session would be called and a scheme devised by which the farmer was to receive higher prices for his products?

Does it make any difference, so far as stimulating production is concerned, if the farmer gets a higher price, whether he gets it from the Government and its stabilization corporation, which may undertake to buy the product outright from the farmer at an enhanced price and thus enable the farmer to get a higher price than the world's level, or whether he gets it from the plan proposed in this bill? In other words, if the mere raising of the price of the product to the farmer will stimulate overproduction, then this bill, if it is to do what it is promised, if it fulfills the promise of the President of the United States made to the American farmer last fall, must result in a higher price level and stimulated production. It makes no difference how you bring about the enhanced price, if the farmer gets a higher price, you have stimulated overproduction if that will stimulate overproduction. So I hardly think that anyone should very seriously consider that argument.

I would like to ask this question. When did it become a crime for any man to use his brain and his hands and his possessions to increase the national wealth? When did it become crime for a farmer, by increased energy and information, to raise two bushels of wheat where he one time raised but one? If the bill is to be a bill to limit production, if it is to be used to decrease production, then why do we not go at it directly and effect that end? If that is the purpose of farm legislation, I am against it. The farmers of this country create nearly 80 per cent of the national wealth. While they constitute one-third of the people they get less than 10 per cent of the wealth created.

The farmer is no fool. He knows as well as you know that the Government does not create wealth, that wealth is created when somebody produces or causes to be produced something that the world demands. That is the way we produce wealth and to accomplish that result somebody's back must ache and somebody's brow sweat. The farmers create more than their share of the world's wealth and get less than their share of it. They create more than 80 per cent of it and get less than 10 per cent. They constitute probably one-third of our population and get less than 10 per cent of our produced wealth. The industrialists and the commercialists get the larger share, although they create less than 20 per cent of it.

The farmer knows that while the Government can not create wealth it can transfer wealth from one individual to another, that it can transfer wealth from one class to another and from one section to another. He knows that the tariff has that effect. Everybody knows it. It is said to be a good thing because it increases the number of mills in America and furnishes employment for men who work in factories. That is true. It is said it is a good thing to have a country industrialized, that we have factories everywhere hiring men, paying high wages, turning out products, and we have enacted tariff measure so they can have this exclusive American market to enable them to pay American wages and maintain American standards of living.

The same thing ought to apply to the farmers. They employ more people than any other group in America. They furnish nearly one-half of the value of the foreign commerce of America. They furnish more than one-eighth of all the tonnage hauled on the railroads of America. They have furnished more than their proportionate share of all the men who have worn the uniform of the country in its days of peril. More farmers than any other group have laid down their lives on every battle field where American honor and American liberty were at stake. They should have the same right to share in the wealth they create. I repeat this because I want to say again that I am not in favor of any legislation that tends to make it impossible for the farmer to exercise his right and his liberty to produce more than he is now producing. We ought to allow him to do that.

For what reason do we maintain the Department of Agriculture? Why do we make large appropriations every year to furnish information to the farmer to enable him to get rid of pests? Why not import them if overproduction is a crime? Why do we spend millions of dollars to show him it is better to

cultivate land this way than that, and thereby increase the harvest he shall reap?

But, reading further:

4. The stimulation of production of certain commodities would disturb the whole basis of diversification in American agriculture, particularly in the cotton and wheat sections, where great progress is now being made toward a more stable basis of agriculture.

I am curious to know where the President got that information. I am not so familiar with the wheat-growing section, but I do remember that the State which had the honor to give him birth had more bank failures last year than had occurred in the whole United States in possibly 20 years preceding the present agricultural depression. There must not be much prosperity there. Anybody who imagines a cotton farmer is prosperous has no information. I can not think of a more unconvincing statement than to say that the cotton farmer is now working out his problem and is returning to prosperity.

Again:

5. Although it is proposed that the plan should only be installed at the discretion of the farm board, yet the tendency of all boards is to use the whole of their authority and more certainly in this case in view of the pressure from those who would not understand its possibility of harm and emphatically from the interested dealers in the commodity.

I am referring to this because the chairman of the Committee on Agriculture and Forestry said no one would presume the board would not act wisely and patriotically. The President, who is given the power to name the board, impeaches the board in his letter, saying: Do not give the board this power, because if they had it they would not know how dangerous it was to use it and they have not character enough to resist the importunities of the selfish interests, and would put it into effect.

He indicts the board he is going to name. He says they can not be trusted. If we can not trust the board, why set it up; and yet he insists in his message and in every speech he has made that we must have a board with broad authority, undefined authority so broad that Congress can not comprehend it and can not define it, and yet he says if we give this board authority they will not have sense enough to know what harm they could do. I am not indicting his board. He is indicting it himself.

Further:

6. It is not proposed to pay the debentures of subsidies to the farmers but to the export merchants, and it seems certain that a large part of it would not be reflected back to the farmer.

Of course, that is inconsistent with his statement that it would be reflected back and the price of farm products would go up and stimulate overproduction, but we will pass by that inconsistency.

He says there will be no demand for these debentures. Of course, the debenture is just as good as any dollar in the earth. It is as good as gold, because it will pay customs duties. There is more money going into the Treasury every day through the customs than it is possible the debentures of that day would take up, so that instead of their being at a discount, instead of people not wanting to handle them, it would seem to me that they would be at a premium, because they pass upon delivery, and they are good at any customhouse for any duties on any imported goods. Therefore I can not imagine that there would not be a ready market for them, because the merchant importing goods could pay his duties and he would not have to get the gold for that purpose. They would be handled like a check.

The next alleged reason is:

7. The provision of such an export subsidy would necessitate a revision of the import tariffs. For instance, an export subsidy of 2 cents a pound on raw cotton would mean the foreign manufacturers would be receiving cotton at 2 cents a pound less than the American manufacturer, and the foreigner could ship his manufactured goods back into the American market with this advantage.

They are going to raise the tariff whether we put this on or not. But that would apply to any other farm measure we might adopt if it enhanced the price of cotton, because we have to find a foreign market for at least 50 per cent of American-grown cotton, which the President has singled out for comment. If the farmer is to get a higher price than the world's price for that cotton, it will have to come through some kind of legislation, whether it be the stabilization corporation, which the President recommends, or by loaning money and letting the farmers lift themselves by their bootstraps, or by a debenture plan. If the bill helps the farmer, he has to get a higher price for his product. The same world condition would follow.

The President further said:

Export bounties are recognized by many nations as one form of dumping.

I challenge that statement. Germany has had an export bounty for 25 or 26 years, and Germany has enjoyed a favored-nation treaty with us, and no living man has ever raised the question with Germany that her export bounty payment was a dumping provision or attempted to shut out German goods or invoke any retaliation, with the one exception of sugar. They have had it on wheat and rye and other farm products for more than a quarter of a century. Sweden has had it. Many countries have had it, and I challenge anybody to show that there has been a question raised in this country regarding it.

But the President further says:

9. A further serious question arises again (if the plan did have the effect intended) where the foreign producer of animals would be enabled to purchase feed for less than the American farmer producing the same animals. For instance, the swine growers in Ontario would be able to purchase American corn for less than the American farmers across the border, and it would tend to transfer the production of pork products for export to Europe from the United States to Canada.

Again, I remember that that alleged reason was contained in the then President's veto of the McNary-Haugen bill, so what I said about another "reason" would apply to this. If the former President has copyrighted his veto message, the present President would have had to find some other language in which to clothe that suggestion.

We can answer it by this statement: If the American farmer is to get a higher price—and that is what the legislation is for—that result would follow. If he is to get a price above the world's market for his products, then somebody abroad might buy the products more cheaply than we. If that is a valid reason against the legislation, let us look at the whole aim of tariff legislation. We build a tariff wall around America which is intended to compel the American consuming public to pay a higher price for what it buys than the people in other countries pay for the same class of article.

The American farmer pays twice as much for the clothes he wears of the same kind as the French farmer pays. The American farmer pays more for American-made utensils of his trade than the farmer in France or Germany would pay for the same utensils. The typewriter, the sewing machine, and dozens of other things manufactured in America are sold abroad more cheaply by 50 per cent than they are sold in the American market, so that everything that goes to make up the standard of living in other countries is cheaper there than in America. That is the result of the tariff, and that is the object of the tariff—to give the people who make things here in America a monopolized market so they can get a price higher than the world price for their products.

If we can believe what was said about the Fordney-McCumber bill, it gave to them a four billion dollar higher market for products they sold in America than the world market would have brought for those articles if they had sold in the world market. So, if there is any reason in that statement, it applies just as well to the tariff; and if it is bad for the country to have an artificial price for farm products, then, in justice to all, we ought to tear down our tariff wall and let us all be on an equal footing.

Again:

10. The plan would require a substantial increase in taxes, as no such expenditure or depletion of revenues as this plan implies would be paid from marginal income of the Government, more particularly in view of the very large increased expenditures imposed by the naval program, flood control, and other branches of farm relief.

That is the first time I ever knew the naval program was to be charged up to the farmer as a farm-relief measure, but that is what the President thinks it is. I presume we are going to haul pumpkins on battleships at reduced rates, and thus the farmer gets the benefit of it.

I started to read the entire letter, but I will not worry the Senate by reading any more of it; nor will I detain the Senate by reading the letter of the Secretary of the Treasury. It contains nothing new or different from those weighty reasons he gave to the former President to encourage him in vetoing the bill containing the equalization fee.

The Secretary of Agriculture also has written a letter opposing the plan. All I wish to say is that if Senators will read the statement of the Secretary of Agriculture before the committee they will acquit him of having any information on the subject. Whatever he knows about the legislation he has acquired since he was before the committee last week. To show

what he thinks the real purpose of farm legislation ought to be, let me say that he does not agree with the President, he does not agree with the chairman of the committee, and he does not agree with anybody else on farm relief that has ever expressed a view. I tried to get some definite, positive statement out of him as to what he thought would be the effect of the bill and who should bear the losses under the stabilization corporation if it should be put into effect. He does not agree, as I said, with the chairman of the committee; he does not agree with the President. He made the positive declaration that if a stabilization corporation were established and that corporation should deal in farm products, and there should be a loss, every farmer should be bankrupted before the Government ought to pay a cent of the loss. He wanted every farmer who went into a cooperative association or who went into a stabilization corporation to lose every cent he put in and everything he had before the Government should come to his relief; although the Government might take over the product and handle it, yet the farmer must bear the loss.

The bill itself contains a provision that if a cooperative association shall borrow money to build a warehouse or an elevator it must secure it by trade contracts; that is, it must agree that its members will sell every bushel of wheat they grow for 20 years—because that is the length of the mortgage—through such cooperative association, that it shall be handled through this warehouse, and that the board shall have power to charge them extra on every bushel they may sell there in order to raise a fund finally to repay the Government for money that it has put into the terminal facility, whatever it may be. If that provision remains in the bill, no farmer is going into a cooperative association under a contract requiring him to sell everything that he grows through the association, and empowering the association to charge him with the cost, with the losses, with the overhead, and to take from every commodity that he produces a certain percentage in order to pay back to the Government money that somebody else borrowed and expended. That is the bill, and that is the President's idea, I presume, because I understand it represents the President's viewpoint.

I started to read the answer of the Secretary of Agriculture, Mr. Hyde, but it is rather difficult to find. It was, however, unequivocally to the effect that the farmer must lose every cent he puts in before the Government shall come to his relief.

Then there is a provision in the bill, and it is insisted that it should be there, that before cooperative associations may borrow any money or anyone else may borrow any money under this bill they must exhaust all of their other sources of credit. If they can borrow at 10 per cent, we will say, from an intermediate bank they must exhaust that source of credit before they go to the board to borrow from it. I know it is the chairman's view that that language ought to go out of the bill, but that is the way the bill is framed, and that is the theory under which its framers expect to give the farmer relief.

The bill has good features in it. I think if the debenture plan remains in the bill it will be the best bill that ever came before the Senate so far as actual beneficial results to the farmer are concerned, because the minute the board shall put into effect the debenture plan the price of the farmer's product will be raised, and it will not simply raise the price of those products that are to be shipped abroad. That would not solve the farm problem at all. It is necessary to find some way to lift the price of all the other products in the hands of the farmer up to the level where he will realize a profit instead of incurring a loss when he sells his crops. This plan will raise the price of every bushel of wheat the minute it goes into effect. It will affect the price at home, so that all the product, whether sold here or abroad, will feel the stimulation of price.

The chairman of the committee stated very candidly that he has no doubt that it would add 21 cents to the price of every bushel of wheat the minute it went into effect. That amount is, of course, half of the tariff duty on wheat. It will do it, because if a man can get the debenture for exporting the product he is willing to pay that additional price. The President says that of course the fear that we might repeal or modify the debenture provision will make the individual ask for a wide margin, if it were made effective, but that same situation would operate with reference to the tariff, would it not? Because who would want to buy a big stock of dry goods in a protected market which could be sold only in a protected market if a profit was to be realized, if he thought the Congress next day was going to establish free trade and put him in competition with the world? The argument is just as pertinent on the one side as on the other.

The chairman of the committee said he did not believe that the debenture provision would be permanent legislation because it would be a subsidy. I wish to repeat—and every candid man will admit—that the tariff is a subsidy. It does not make

any difference how you take the money out of somebody's pocket and give it to another, it is a subsidy. But even then, this bill, with the debenture plan stricken out, contains a subsidy if it contains anything, because the only provision that is going to benefit the farmers at all is the provision, if it shall ever become effective, that stabilization corporations shall be set up. Such corporations are provided, I believe, with \$375,000,000 which they may use to loan to the farmers or to buy the farmers' products outright. If they buy wheat at \$1.50 a bushel, so that the farmer gets \$1.50 a bushel, and sell it for \$1.25 a bushel, the Government loses 25 cents and the farmer gets 25 cents more than the world price. If that is not a subsidy under another name, I would not know a subsidy. It does not make any difference what you call it; the result is the same; the farmer is to be enabled to get a higher price for his product by reason of something that the Government is going to do that costs the Government money. If a debenture is a subsidy—and that is not disputed—if the tariff is a subsidy—and nobody disputes that—so would the stabilization corporation provision be a subsidy; and no one can successfully dispute that.

To come back to the question of cost: The President said the debenture plan would cost \$200,000,000. The Government experts who testified before the committee—and, by the way, it was the President who suggested that we call them—said that it would not cost that much; and every member of the committee knows—although it is unfortunate that the hearings, so far as their testimony is concerned, have not been printed—that they said under the provisions of this bill it would cost a very great deal less than that. And, again, there might be years when the farm board would not have to put the law into effect at all. Then it would not cost a nickel. There might be years, I say, when the law would not be needed. Everybody knows there would not be very much short selling of farm products to beat down the price of farm products if the very result of beating down the price might induce the board to declare that the law should become operative and the debenture be paid, which would immediately raise the price of wheat, we will say, 21 cents a bushel. Nobody would sell short with that possibility.

Therefore I say the enactment of the bill itself would tend to stabilize prices at a very much higher level than they now are. It would end short selling; it would end gambling in farm products; it would end future selling, which has been one of the great curses of the farmer; because nobody would have the temerity to sell against that possibility, for the very success that would come to him of overselling the market and breaking the price might have the opposite result, because it would cause the law to be put into effect and automatically raise the price of wheat 21 cents a bushel.

I take violent issue with the chairman of the committee who said he wanted to vote for a bill the President would sign. The President said—as Senators will recall—that the framing of legislation was the duty of Congress. If that is not the duty of Congress, what duty do we perform? If we are to be rubber stamps, if we are to seek not to find out how to help the people who send us here but rather to ask "Will the President approve of our act," then I submit we ought to stay at home. What right have I to sit here as the ambassador of a sovereign State but abdicate my right to vote my honest convictions and say "I am going to vote the will of somebody who happens for the time being to be President of the United States?" There are some things that one can not lose without being a pauper, indeed; and self-respect is one of them. You can not keep your self-respect and abdicate your right to reflect your honest judgment by your vote.

Since mention has been made of how the committee acted, I want to say that every Senator on the committee, so far as I know, was in favor of reporting this bill with the debenture plan in it without criticism, although I want to be perfectly fair to the chairman of the committee who said he never had believed in the debenture plan; that he thought it was a subsidy, and not wise, and he had not been for it. The debenture plan was coming from the committee unopposed, but when the President sent down his letter certain members of the committee said, "I would rather be with the President than with the people, and therefore I will change my position and vote against including the debenture plan. I want to be with the President and have him approve what I do, although it may not do the people any good."

I wish to say—and I challenge anybody who reads the bill to contradict my statement—that there is not a farmer who voted for Mr. Hoover last November who will live sufficiently long to get 1 cent a bushel more for his wheat by reason of this bill if the debenture plan shall be stricken out. There is not a farmer in North Carolina who bolted his party and voted

for Mr. Hoover who will get a nickel more for his tobacco or cotton by reason of this bill if the debenture plan shall be stricken out. They have sold their birthright for a dream; that is all.

Mr. BLAINE. Mr. President—

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

Mr. CARAWAY. I yield.

Mr. BLAINE. I should like to ask the Senator a question in connection with what he has just said. I observe from the market reports that the day after the President delivered his message to Congress outlining his policy respecting farm relief the price of wheat took a tremendous slump. Is it the Senator's idea that when the President's theories are written into law wheat will take another slump?

Mr. CARAWAY. Has it not already hit the bottom? I do not know whether it can slump any more. But I want to say—and I am saying it seriously—that there are some good things in the bill; I think they may prove helpful; but it would be just as useless to give that bill to the farmer to aid him in his present economic condition as it would be to administer chloroform to a patient who is suffering from acute appendicitis and expect him to thereby recover from the disease. It is an acute disease that afflicts agriculture, and it ought not to be treated as if it were chronic, although it is both acute and chronic; but if it is to give relief to any farmer now living he will have to have something more than is included in the bill minus the debenture plan.

The debenture plan is for the farmer's immediate relief, and it will bring it to him. It will not take 48 hours to put that part of the bill into effect. It will not put on the Government pay roll a dozen men more than are now on it. It does not set up any vast machinery. Put it into effect, and automatically the price of farm products rise. By it overnight you can lift the farmer out of bankruptcy. If he has wheat in his bins, cotton in a warehouse, or tobacco in his barn, that provision of this bill will make him solvent the next morning, and before it has cost the Government a cent. We will take the cotton-mill men, for instance. If they knew that the low price of cotton might bring the law into operation and automatically raise the price of raw cotton 2 cents a pound, they would not stay out of the market, as they now do, and go to New York and bet on the future market by buying what they call a hedge, and letting the farmer starve while they get ready to spin his cotton a year afterwards. They would realize that it was the part of wisdom to go into the market while the product was in the hands of the farmer, and while the prices were normal, and buy.

The same thing would be true of wheat. The experts who came from the Department of Agriculture—and I was very much impressed by them—said that it would at once stimulate the market; that buyers would commence to bid against each other for the farmer's product while it was in the hands of the farmer, and the benefit, therefore, would be reflected in the price the farmer received. Not only would it enhance the price of the product that was to be exported, but it would raise the domestic market just that much higher.

Nobody disputed that until this letter came from the President of the United States; and then you read in all the newspapers that "the President gave 10 sound reasons why the debenture plan should be eliminated"; and a gentleman in the Press Gallery who writes for a paper published in Baltimore, whose writings I used to read with interest because I thought they reflected his honest convictions, has evidently had breakfast at the White House, and he has filled two columns of the paper in telling how "the President destroyed the debenture plan in the minds of all intelligent people." I am going to concede that he is intelligent; and if he can find one reason that the President gave that is convincing, it is more than is in the President's letter, and is more than is in his article approving the President's letter.

Newspapers have a right to their editorial policies. I am not falling out with them. They are saying that the debenture plan is unsound. They said the equalization fee was unsound. They said that the farmer must work out his own salvation; and yet they would not say editorially that industries that have been protected now for 140 years ought to be able to stand alone, and the tariff ought to be repealed.

I am going to confess that in one respect I was mistaken. I thought that when the debenture plan was included—and that was the only objection I had to it—all of the so-called tariff barons would say, "Now, we have got to stand together. The farmer is getting his benefit from the tariff, and we are getting ours, and we are all going in and plunder the American public.

Let us just stand together, then no one will revolt and kick the slats out of both of us." But they seem to be so certain that they can continue to plunder the consuming American public, and that nobody is going to complain, that they object to anybody else sharing a governmental favor with them.

What I was afraid of, and I am still afraid of it, was that if the farmer can get a debenture which will enable him to figure out on the back of an envelope how much profit he is making he will say, "This is an indirect benefit of the tariff, because they are giving us half the tariff on farm products that is written in the bill and we can put it in our pockets," then, "Let us double the tariff, and then we will be getting twice as much money as we are now receiving." I thought it would put a great deal of influence and respectability back of the cry for a higher tariff, and I think it will; but the other folks who have been enjoying the monopoly so long object to it.

This provision does not introduce any new principle. There has been in the tariff bills for a century a provision for a drawback. We will suppose the case of a man who is manufacturing carpets in Philadelphia. He imports 100,000 pounds of wool from Australia to weave his carpets and pays \$31,000 at the customhouse as a customs charge, because the tariff on wool is 31 cents a pound. He files a certificate that he is going to weave this wool into carpets and export them, and which he does, he then goes to the Treasury and gets 99 cents on every dollar that he paid into the Treasury and puts it in his pocket. Now, the farmer says, "You give me back just 50 cents on the dollar, and I will be satisfied"; and they say, "Oh, no; you are a robber and a plunderer for trying to get 50 per cent." The manufacturer gets 99 cents, and he is a patriot because he gives employment to American workmen. Well, the farmer does, too. The farmer furnishes employment to more men than any other group in America; and if that argument be good for industry it ought to be good for the farmer.

I submit that upon the question of helping the farmer, if you want to help him, you must include the debenture plan. If you merely want to give him a political bill, and trust that he will not find out the difference before the next election, vote for the motion to strike out the debenture plan and then vote for the bill as it will then be. It may do those folks good who vote for it, and it may be good politics. I do not know. They say, "Let the President write the bill, and then he must take the responsibility, and if the people do not like it they can hold the President responsible"; and if that is your idea of serving the people, that is the way you ought to vote.

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

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

Mr. CARAWAY. I yield.

Mr. COPELAND. Is it the Senator's view that without the debenture the bill would not benefit the farmer?

Mr. CARAWAY. Yes. I say it establishes a policy that in the long years to come, aided by other legislation, as the chairman himself said, that is not yet framed, and nobody knows when it is going to be, might benefit the farmer. It might be helpful; but, standing alone, it is not going to solve the farm problem at all.

Mr. COPELAND. After the Senator's thorough study of the bill, he is convinced that without the debenture the legislation would be practically useless?

Mr. CARAWAY. Absolutely. It is a fraud upon the farmer. It would not be a farm-relief bill without the debenture plan in it.

Mr. WALSH of Montana. Mr. President—

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

Mr. CARAWAY. I do.

Mr. WALSH of Montana. Will the Senator kindly tell us how this bill differs in substance from the McNary-Haugen bill, eliminating the equalization fee?

Mr. CARAWAY. It is the old McNary-Haugen bill without the equalization fee. It is changed somewhat in its administration features, but it is not helped. It has the stabilization corporation, where the Government is going to buy the products and undertake to establish the price by that means. It differs in that respect; but to support that provision of the bill for loans and for purchasing farm products there is \$375,000,000, as I now recollect. That is the entire capital of the bill for administration, for the innumerable things that must be done, and whatever will be left of that will be to loan the farmers, or else, if they have to do so, to establish a stabilization corporation and buy the products. That is the difference.

Now, let me say this, and then I am through:

If the debenture plan were included, it would be unnecessary to acquire warehouses and packing houses and all those things

necessary under the machinery of the bill without the debenture plan, because the farmer would not have to store his goods; he would not have to pay insurance and rents and overheads of one kind or another, because the effect of this provision bill goes to his wheat bin, to his cotton gin, to his potato house and says, "We will hand you the money right here. You do not have to store your product in Chicago. You do not have to pay freight. You do not have to pay warehousing. You do not have to invest this money in terminal facilities. We are going to buy your products right at your farm and give you the enhanced price for it."

If a man had a thousand bushels of wheat, and the debenture plan in the bill was put into effect, it would add \$210 to the price of his wheat. Anybody could take the back of an envelope and a piece of a pencil an inch long and figure it out. If he had a hundred bales of cotton, it would be worth just \$1,000 more the minute the law went into effect. He does not have to do anything to bring that about. It automatically happens, and his products are worth just that much more the minute after the law becomes effective.

If you want to help the farmer you can help him. If you want to vote for a political bill to help a political situation—I am frank to say I do not know how it will help it, but it is thought by those who are managing the politics of the matter that it will help—why, then, vote to strike out the debenture plan and vote for the bill and you have cast a political vote, and you can lay your hand on your heart and say, "We have not gone into the Treasury for a single dollar that will help the farmer. He is no better off than he was before we cast the vote, and we ought to stand well with the industrialists, because we have not helped the farmer but have helped them by making the farmer continue to feed and clothe them at half price."

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

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

Mr. CARAWAY. I yield.

Mr. COPELAND. If the Senator is correct in his view that the rest of the bill without the debenture plan is of no value, why should we pass the rest of the bill at all?

Mr. CARAWAY. Why, to keep the political faith.

Mr. COPELAND. Then the Senator's view is that simply the debenture feature of the bill in and of itself would be sufficient?

Mr. CARAWAY. Absolutely. You could strike out the rest of the bill and get relief, but if you strike out the debenture plan you get nothing.

I want to say to the Senator, and I want to be perfectly candid with him, that machinery set up for the study of markets and to loan the farmer cheaper money may benefit the farmer. The first may. I do not think the second will. I do not think credit is what the farmer needs. He owes too much. He needs to be able to pay, and not merely to increase what he owes.

There is one provision in the bill that I overlooked that I want to go back to, because it was in the McNary-Haugen bill, and it is in an independent measure offered by the Senator from Oregon, and that is the insurance provision. I think it might be helpful. It would aid the cooperatives, possibly, in avoiding the losses that occur so frequently in a violent drop of the market. I think that might be, and I do not think the bill itself would be hurtful to the farmer. In the long run it might be helpful. It does not bring him any immediate relief.

It might establish a policy that through the long years which, if followed out and strengthened by other legislation, would be helpful; I do not know; but let me say this: Let nobody vote for the bill with the debenture plan stricken out with any belief that the farmer is going to find anything in it that is going to relieve his situation at any time soon.

Mr. COPELAND. Mr. President, will the Senator yield once more?

Mr. CARAWAY. I yield.

Mr. COPELAND. I thank the Senator for his complete reply, but I would like to ask this further question: The Senator voted for the McNary-Haugen bill?

Mr. CARAWAY. Yes; I did.

Mr. COPELAND. If the Senator could choose, had full power to do so, if he could select from the two the equalization fee or the debenture, one plan or the other, which would he take?

Mr. CARAWAY. Let me say this: I voted for the equalization fee, and I have no doubt about its effectiveness. We made a party issue of it. We pledged ourselves and went before the country on it, and I would have felt bound for that reason to vote for the equalization fee if I had been writing the bill myself; but, so far as immediate relief is concerned, there is nothing else that will grant the immediate relief to the farmer that the debenture plan will give. It would be immediately effective. In my judgment, every cent of it, except the

mere trifling expense of administration, would go into the pocket of the farmer. He would get it immediately, and it would be reflected in the prices of his products, both those domestically sold and those exported. It would come to him just like a check, and he could go to the bank and realize on it the next morning. It would give him immediate relief. If this bill should be passed with the debenture plan in it, the bankruptcy that hangs over the farmers of this country would be lifted overnight, if the board would put it into effect.

We have left it optional, however, with the board, hoping that the President could not find any reason to object to it, because if the bill without this will bring relief then there would be no reason for the board to put this provision into effect. When the President objects to this, it is, in my opinion, a confession that he knows that the bill without it will not be effective, because if it were effective, there would be no occasion for invoking the debenture plan. It is optional with the board. Therefore, when the President wants it stricken out, and says that if it is left in the board is certainly going to exercise this authority and put it into effect, it is a confession that the bill without it would not provide relief. The board would be compelled, therefore, to adopt that provision in order to relieve the distressed condition of agriculture.

Mr. HOWELL. Mr. President, I would like to ask the Senator from Arkansas a question. Would this bill without the debenture feature be beneficial to a farmer who was not a member of a cooperative?

Mr. CARAWAY. Oh, no.

Mr. HOWELL. It would not be advantageous? He would have to join a cooperative in order to enjoy the advantages resulting therefrom?

Mr. CARAWAY. Yes; he could not even borrow money under it.

Mr. HOWELL. But suppose cooperatives borrow money and stabilize the market; would not a farmer who was not a member of a cooperative enjoy the advantages of the resulting higher level of prices just the same as the farmer who is a member of a cooperative?

Mr. CARAWAY. Let me just say this to the Senator; he knows that no cooperative association that borrows money and stabilizes prices and finds itself in possession of a surplus can long survive. Because only 7 or 8 or 10 per cent of the producers go in, and the others stand on the outside and scalp the market every time the price goes up a cent. Therefore they all come down finally in a common ruin. They do not let the price get to the point where it can be of very great help before they break it.

I have been a member of a cooperative cotton association for a number of years, and every time the 7 or 8 or 10 per cent of the producers who are members of it hold their product off the market and the price goes up, the independent farmers—and I do not blame them—sell, and the cooperative association finds itself loaded down with a surplus, which carries the loss, and the farmers who are members of the association often get less for their products than the men who stayed on the outside.

Mr. HOWELL. Possibly the Senator did not understand my question.

Mr. CARAWAY. Yes; I understand the Senator's position. The Senator asked me this, If some did stand together to raise the price, would not the farmer on the outside benefit by it?

Mr. HOWELL. Yes.

Mr. CARAWAY. I was trying to say that it is not possible for them to stand together, they can not do it; and I do not want to answer a question based on a hypothesis which I know is not true. The farmers never have gone into the associations—and they will not—and carry the expense incident and necessary to membership in them, and turned over their products and let them be withheld from the market while somebody else scalps the market. You can not get enough of them in to do it. Therefore I do not think it would be helpful. If 90 per cent of them should go in, then I would say it would be helpful to those who stayed out of it.

Mr. HOWELL: I agree with the Senator that but a small percentage can be gotten into any cooperative that is purely voluntary, but it is my understanding that the purpose of this bill is to aid all farmers, irrespective of whether they are members of cooperatives or not.

Mr. CARAWAY. Well, that may have been the purpose; but I do not think so.

Mr. HOWELL. Therefore it has seemed to me that farmers would not as a rule become members of cooperatives and pay the cost of stabilization which all farmers would enjoy and but only a part of the farmers must pay for.

Mr. CARAWAY. I think the Senator is right; and that brings me back to the answer of the Secretary of Agriculture, Mr. Hyde, who was frankly without information when he was

before the committee, but now is able to advise the President and the country a day or two later upon this proposition. He said:

The Government, under my theory, is not to lose a cent until every cooperative shall have lost everything it had in it if there be a loss. They must bear the loss until they are bankrupt before the Government comes in to lose a penny.

That is his view, and he is to be a member of the board.

Mr. HOWELL. As I understand it, this bill minus the de-benture feature is based upon purely voluntary cooperation.

Mr. CARAWAY. Absolutely.

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

Mr. CARAWAY. I yield.

Mr. ROBINSON of Arkansas. The stabilization corporation is not limited in the purchase and handling of commodities owned by its stockholders, by express provision of subdivision (d) on page 10 of the bill, or at least that would appear to be so.

Mr. CARAWAY. The Senator is now referring to the stabilization corporation with power to buy.

Mr. ROBINSON of Arkansas. Yes; and to act as a marketing agent.

Mr. CARAWAY. The entire stock and the organization of that must be in the hands of cooperatives. There is so much of the bill left to regulation which may be put into effect by the board, but the spirit of the bill would be against the idea that the stabilization corporation could act as a marketing agent for anybody except the organized farmers.

Mr. ROBINSON of Arkansas. In that connection may I read the language to which I have referred?

A stabilization corporation for any agricultural commodity shall have authority to act as a marketing agent for its stockholders or members, and to purchase, handle, store, warehouse, process, sell, and market any quantity of the agricultural commodity or its products, whether or not such commodity or products are acquired from its stockholders or members. Purchases or sales of the agricultural commodity or its products by the stabilization corporation shall be made in the open market in such manner as to effectuate the policy declared in section 1 of this act.

Mr. CARAWAY. The Senator is speaking now of the purchase of farm products.

Mr. ROBINSON of Arkansas. Purchase and sale.

Mr. CARAWAY. But that is where the stabilization corporation shall have ceased to try to loan money to cooperatives and tried to stabilize the market, and realizes that there was such a slump in the market that it must go in and buy, and then it buys on the open market.

Mr. ROBINSON of Arkansas. Yes; that is right.

Mr. WALSH of Montana. Mr. President, with the Senator's permission, I would remark that that does not seem to me to affect the situation suggested by the Senator from Nebraska. The ordinary voluntary cooperative association is not ordinarily restricted in its operations to members of the corporation.

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

Mr. WALSH of Montana. Yes.

Mr. ROBINSON of Arkansas. All the cooperative associations organized with respect to agricultural products with which I am familiar are limited to handling the products of their members. I know that is true of the rice cooperative association and I think it is true of the cotton cooperative association. I know of no agricultural association to which the rule does not apply.

Mr. WALSH of Montana. I am quite sure that the corporation organized under the act of Congress of 1922 is authorized to purchase from outsiders. But that is not the point. The point is that the outsider may or may not sell to the cooperative association. He may market outside if he sees fit to do so. Ordinarily he does see fit to do so, and that is the point made by the Senator from Nebraska, that unless it is compulsory you can not get enough into the cooperative association to affect the situation.

Mr. HOWELL. That was the point I was attempting to emphasize.

Mr. WALSH of Montana. That is what I understood. In my opinion, the fact that the cooperative association is authorized to buy from nonmembers does not meet the situation at all.

Mr. ROBINSON of Arkansas. No; but the stabilization corporation may buy and sell in the open market, may purchase from anyone.

Mr. CARAWAY. The stabilization corporation is not expected to come into effect until the credit of all the cooperative associations has been exhausted.

Mr. WALSH of Montana. The weakness of the cooperative association, as we have all understood it, is that producers will

not join. They will allow those who do join to bear all the expense and burden of the operation of endeavoring to keep prices up.

Mr. ROBINSON of Arkansas. And they get equal, if not greater, benefits, it is undoubtedly true, by staying out of the association.

Mr. WALSH of Montana. Exactly.

Mr. ROBINSON of Arkansas. They get the advanced prices for their products without paying the cost of cooperation.

Mr. WALSH of Montana. That was really the philosophy at the basis of the equalization fee, that it practically forced everybody to come into the cooperative association, in effect.

Mr. HOWELL. That was a compulsory measure.

Mr. WALSH of Montana. A compulsory measure, and this is purely voluntary.

Mr. HOWELL. This depends on voluntary cooperation alone.

Mr. WALSH of Montana. That is the essential difference, is it not, between this bill and the McNary-Haugen bill, minus the equalization fee?

Mr. HOWELL. It is. The McNary-Haugen bill provided for compulsory cooperation to the extent of compelling all the beneficiaries thereunder to pay the equalization fee. That was the extent of the compulsory cooperation. This bill, as I understand it, is based purely upon voluntary cooperation, and as voluntary cooperation never succeeds without coercion, and coercion is here impracticable, of course, only a portion of the beneficiaries of the stabilization of prices under this measure will pay the cost thereof, and hence the number who continue to pay the cost will naturally shrink until the cooperation fails.

Mr. GLASS. Mr. President, we do not lack concrete evidence of what may be expected to be the fate of a purely voluntary cooperative association. We had it in Virginia and North Carolina and Tennessee. We had the Tri-State Tobacco Cooperative Association, and while its momentary operations were of advantage to those who refused to join, their refusal to join sealed the fate of the Tri-State Tobacco Cooperative Association, and it failed, as I recall, for about \$3,000,000, has been in the hands of a receiver for the last three years, and still owes approximately a million dollars.

So that the fate of the purely cooperative marketing association, with people at liberty to remain outside and enjoy its temporary benefits, is certain.

Mr. WALSH of Montana. An effort to establish a cooperative association among the farmers of the State of Montana met with the same sad fate as that stated by the Senator from Virginia with respect to the tobacco growers.

Mr. ROBINSON of Arkansas. Mr. President, in connection with the remarks just made by the Senators from Virginia and Montana, may I say that my acquaintance with the subject leads me to the conclusion that large and powerful influences frequently combine to destroy the cooperative and to prevent it from proving a success. For instance, let me call attention to the case of a rice cooperative association. This association operates its own mills, and handles rice in the clean. Rival or competing millers' organizations have been known in some instances to stimulate discontent and dissatisfaction among the members of the cooperative and to inspire suits to place the association in the hands of receivers for the purpose of compelling the winding up of its affairs. That is another difficulty which the voluntary cooperative usually meets, and it is a very great and very important one from a practical standpoint.

Mr. GLASS. I may say to the Senator that that is inevitable. It is precisely what occurred with respect to the Tri-State Cooperative Tobacco Association. I am not criticizing those interests which destroyed the association. It was to their pecuniary advantage to do it. The Senator or I would perhaps have done it had our relations to it been what their relation was. They went so far as to induce the Imperial Tobacco Co. of Great Britain to refuse to buy a pound of tobacco from the Tri-State Tobacco Association.

I am not citing the fact in criticism of them. I would have done it if it had been to my pecuniary advantage to have done it. Most anybody else who was in business would have done it. Anybody who wanted the tobacco market depressed would have been very reluctant to see the cooperative association succeed. They did not succeed, and we will not, in my judgment, see any other cooperative association succeed.

Mr. McNARY. Mr. President, I am advised that no other Member of the Senate desires to discuss the pending bill. I therefore move that the Senate take a recess until 12 o'clock to-morrow.

Mr. HEFLIN. Mr. President, I would like to have my resolution voted on, but if the Senator insists on adjourning, I give notice that I shall call it up to-morrow during the morning hour.

Mr. McNARY. I have moved that the Senate take a recess and not an adjournment.

Mr. HEFLIN. If there is to be a recess then there will be no morning hour?

Mr. McNARY. No.

Mr. HEFLIN. The Senator does not want to cut me off from passing my resolution?

Mr. McNARY. No; but I want to proceed, I will say to the Senator from Alabama, with as much expedition as possible. We are probably a week behind in our schedule already, and I would like to go forward promptly at 12 o'clock with the further discussion of the unfinished business.

Mr. HEFLIN. Will the Senator give us time in the morning to vote on the resolution? We will not discuss it. I do not care to discuss it further.

Mr. McNARY. It is possible that no Senator will want to occupy all of the afternoon to-morrow on the unfinished business, and the Senator will have an opportunity, I am sure, to present his matter.

Mr. HEFLIN. Then when we meet in the morning I shall ask to have a vote on my resolution without discussion.

The PRESIDING OFFICER. The motion now before the Senate is to take a recess until to-morrow at 12 o'clock.

Mr. McNARY. In a matter of this kind it depends upon the consent of the Senate. I am only seeking at this time to keep the farm relief measure before the Senate commencing to-morrow at 12 o'clock, and that is the purpose of the motion which I have made.

Mr. HEFLIN. I am in hearty sympathy with the Senator in that desire. I am in favor of farm relief legislation in some form and expect to discuss it later, but it will not take long to dispose of my resolution. It is a matter of privilege, and I am entitled to have action on it because it pertains to myself and also to the rights of the American people.

Mr. McNARY. I renew my motion that the Senate take a recess until 12 o'clock to-morrow.

RECESS

The motion was agreed to; and the Senate (at 4 o'clock and 8 minutes p. m.) took a recess until to-morrow, Wednesday, April 24, 1929, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, April 23, 1929

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou God, who commanded the light to shine out of darkness, shine into our hearts and give us the light of the knowledge of the glory of God. When we are separated lead us to take time for the patient, pious pondering of the sacred truth of our Father in Heaven. In the contacts and associations of this day help us to be loyal to friendship, courageous in principle, ever faithful to truth, and generous in spirit. Do Thou come with us and give success to our endeavors, and bless us with that peace and satisfaction which are promised to those who diligently seek and love Thee. Purify our ambitions and cleanse us from all selfishness. Direct and bless all institutions that serve our fellow men. Be with those whose hearts are hungering for comfort as they breathe in smothered sighs because they can not note their silent grief. In the name of Jesus. 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 a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 179. An act to authorize the Secretary of Commerce to dispose of the marine biological station at Key West, Fla.; and

S. Con. Res. 4. Concurrent resolution thanking the people of Wisconsin for the statue of Robert M. La Follette.

ADDRESS OF HON. JAMES M. BECK

Mr. DARROW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address by my colleague the Hon. JAMES M. BECK, delivered in Elks Hall, in New York City, on Sunday, April 7, 1929, at a meeting of civic associations.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. DARROW. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I submit the glowing and eloquent tribute to the late Marshal Foch by our colleague, Hon. JAMES M. BECK, of Pennsylvania.

The address is as follows:

THE MEMORY OF FOCH

We are met to commemorate the passing of a great soldier, and one can say, as Fortinbras said of Hamlet:

" * * * ; for his passage,
The soldiers' music and the rites of war
Speak loudly for him."

If it be asked why American citizens should meet in honor of a great French soldier, it may be answered that he led the allied armies to final victory for the United States as well as for France.

These great nations, born of the same travail, are in the truest sense sister Republics, and Foch shares with Washington the unique distinction of having led an army in which the soldiers of the two great Republics fought shoulder to shoulder under a common command.

History will recognize him as a very great soldier, not because he commanded the greatest number of soldiers that were ever put into action, for a soldier can be a great commander, even if his followers are few. Washington was a great general, because he held together for seven weary years an army, over which he had no direct authority in the matter of length of service, and by his masterful personality, especially in the dark days of Valley Forge, inspired his almost naked and half-starved soldiers with the spirit of victory. After many reverses he achieved the culminating victory of Yorktown by a strategic move of unparalleled difficulty, which Frederick the Great lauded as one of the most masterly in history. The greatest soldier of modern times, Napoleon, was not as great a commander, when he led half a million soldiers across the Niemen into Russia as he was when, after the Battle of Leipzig and on the retreat to Paris, he won, with a small and diminishing army, victory after victory from the largely superior armies, which encompassed him on the retreat to Paris.

Let us, therefore, disregard the quantitative standard, which acclaims Foch because he was the leader of a larger army than was ever known in the annals of mankind. His greatness consisted not in numbers but in his indomitable will. Rarely has there ever been in the history of war such a demonstration of the potency of faith, with which he literally removed mountains of seemingly insuperable obstacles to success.

It is this quality of invincible courage that makes a truly great commander, and enabled Caesar to say, "I came, I saw, I conquered." It was in this spirit that the infant French Republic hurled back the invading armies of European powers at the rallying cry of Danton: "Il nous faut de l'audace, et encore de l'audace, et toujours de l'audace."

I can best illustrate my meaning if you will allow me an analogy drawn from the greatest play that the hand of man has ever inscribed. I refer to Hamlet, that enigma of literature, that masterpiece of the world's master mind. In that play Shakespeare tells the story of two princes, the one of Denmark and the other of Norway. To his Danish prince he gives the nobler attributes of mankind.

And yet Hamlet fails in carrying out the sacred mandate imposed upon him by his murdered father, and he himself reveals the reason. In the most famous soliloquy of dramatic literature he tells us that with him—

" * * * the native hue of resolution
Is sicklied o'er with the pale cast of thought,
And enterprises of great pith and moment,
With this regard their currents turn awry
And lose the name of action."

In a later act he again contrasts his own irresolute mind, incapable of translating his noble thoughts into action, with the young Prince of Norway, whom he casually meets, and who is on the way to the field of battle. Hamlet accuses himself of—

" * * * some craven scruple
Of thinking too precisely on the event,
A thought which, quarter'd, hath but one part wisdom
And ever three parts coward."

Having thus described his own fatal weakness, he speaks of the young Prince of Norway, who is destined to succeed to the throne of Denmark, which Hamlet lost, as follows:

"Witness this army of such mass and charge
Led by a delicate and tender prince,
Whose spirit with divine ambition puff'd
Makes mouths at the invisible event,
Exposing what is mortal and unsure
To all that fortune, death, and danger dare,
Even for an eggshell. Rightly to be great
Is not to stir without great argument,
But greatly to find quarrel in a straw
When honor's at stake."