The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. LA FOLLETTE. Mr. President, I object.

The PRESIDING OFFICER. Objection is made.

Mr. BRATTON. Mr. President, I desire to offer a substitute for the bill reported by the chairman of the Committee on Public Lands and Surveys [Mr. NYE]. I understand, however, the Senator from Wisconsin [Mr. LA FOLLETTE] objects to the consideration of the bill at this time.

Mr. NYE. That is correct.

Mr. WATSON. Then, the bill goes to the calendar.

Mr. BRATTON. Then, at this point, Mr. President, I offer the substitute, and ask that it may be printed in the RECORD, and lie on the table.

There being no objection, the amendment in the nature of a substitute submitted by Mr. BRATTON was ordered to be printed in the RECORD and lie on the table, as follows:

Amendment in the nature of a substitute intended to be proposed by Mr. BRATTON to the bill (H. R. 6153) authorizing the President to appoint a commission to study and report on the conservation and administration of the public domain.

Strike out all after the enacting clause and insert in lieu thereof the following:

"That there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, the sum of $50,000, or so much thereof as may be necessary, to be immediately available, to cover any expenses which may be incurred by the President, through such methods as he may employ, in making a study and report on the conservation and administration of the public domain. Such expenditures may include compensation and expenses of persons named for the purposes, employment of experts, stenographic, and other services by contract if deemed necessary, transportation, travel, and subsistence or per diem in lieu of subsistence, rent of office in the District of Columbia and elsewhere, purchase of necessary books and documents, printing and binding, official cards and/or such other expenses as the President may deem necessary, without regard to the provisions of any other act."

RECESS

Mr. WATSON. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 17 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, February 11, 1930, at 11 o'clock a. m.

NOMINATION

Executive nomination received by the Senate February 10 (legislative day of January 6), 1930

UNITED STATES ATTORNEY

Wellington D. Rankin, of Montana, to be United States attorney, district of Montana. (He is now serving in this office under an appointment which expired December 22, 1929.)

CONFIRMATIONS

Executive nominations confirmed by the Senate February 10 (legislative day of January 6), 1930

UNITED STATES ATTORNEYS

Fred C. Wetmore, western district of Michigan.
Hoyt E. Ray, district of Idaho.

UNITED STATES MARSHALS

William J. Williams, northern district of Ohio.
Inslee C. King, eastern district of Tennessee.

POSTMASTERS

CALIFORNIA

Ethel R. Costello, Acampo.
Edward L. Dithridge, Baldwin Park.
Isaac D. Jaynes, Buena Park.
Violet VerLinden, Colma.
Edyth P. Dunkle, Firebaugh.
Spencer Briggs, Oleum.
Edith B. Smith, Patton.
Elmer G. Crofts, Penryn.
George C. Gianola, Pescadero.
William R. Stephens, Roseville.
Jennie C. Gallant, San Martin.
Henry W. Nash, Stirling City.
Janet D. Watson, Tahoe.
Loring N. Kirk, Upland.
Webster W. Bernhardt, Ventura.
Hugh W. Judd, Watsonville.

FLORIDA

Arthur H. Fuller, Altamonte Springs.
Eva R. Vaughn, Century.
Lawrence P. Abney, City Point.
Nellie J. P. Browning, East Palatka.
James L. Richbourg, Laurelhill.
John H. Hildreth, Live Oak.
Gerben M. DeVries, New Port Richey.
Flora E. Burks, Ocoee.
Eloise Marcy, Penney Farms.
Clyde Bland, Pompano.
Bonnie B. Wilson, Sneads.
Lonie M. Watkins, Webster.
Jerry M. Sullivan, Winter Garden.

IOWA

Miller C. Rhoads, Clarksville.
Benjamin A. Brown, Colfax.
Harry E. Frantz, Winthrop.

MARYLAND

Fred R. Tucker, Forest Hill.
Lillie M. Pierce, Glyndon.
Frances R. Clayton, Overlea.

MASSACHUSETTS

Wilmur B. Brown, Harvard.
William F. Runnells, Newburyport.
Charlotte L. Parker, Osterville.
Lewis H. Bradford, Shirley.
William H. Pierce, Winchendon.

NORTH CAROLINA

Clyde H. Jarrett, Andrews.
Amelia B. Stepp, Black Mountain.
Marvin E. Johnson, Candor.
James Lee Sloan, Davidson.
Iredell V. Lee, Four Oaks.
Reuben H. Staton, Hendersonville.
Pierce P. Richards, Lawndale.
Albert Z. Jarman, Richlands.
Charles R. Hester, St. Pauls.
Blaney W. Hill, Snow Hill.
Frielden B. Jones, West Jefferson.
Otto S. Woody, Whitakers.
John T. Benbow, Winston-Salem.

PENNSYLVANIA

Charles E. Pass, Harrisburg.
Charles H. Welch, Mount Union.
Lynnford K. Johnson, Riegelsville.
Nell M. Hunt, St. Davids.

SOUTH CAROLINA

S. T. Waldrop, Greer.

TEXAS

George B. Black, Comanche.

WISCONSIN

Clifford C. Bro, Aniwa.
William H. Ware, Loganville.
Rollyn Saunders, Oconto Falls.
John L. Heffernan, Wilton.

HOUSE OF REPRESENTATIVES

MONDAY, *February 10, 1930*

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Hear us, O Father; forgive our transgressions and let come to every one of us that reverence, that faith, that fine emotion that tells us that Thou art near. If there has come into any lives the hour of weariness, the unsuccessful endeavor, the disappointed hope or the baffled purpose, O may they not lose heart. Unto them may there come the inspiration of a better day and give them recompense. The Lord God be with all these Thy servants and the servants of the Republic, and may their work be so impressive that it shall live in high appreciation upon the imperishable pages of history. Inspire us all to intellectual achievement and in the very best expression of thought, truth, and action. In Thy name we pray. Amen.

The Journal of the proceedings of Saturday, February 8, 1930, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

H. R. 2824. An act to amend section 5 of the act entitled "An act to establish a national military park at the battle field of Fort Donelson, Tenn.," approved March 26, 1928;

H. R. 7372. An act to revive and reenact the act entitled "An act granting the consent of Congress to the Highway Department of the State of Tennessee to construct a bridge across the Tennessee River on the Waverly-Camden Road between Humphreys and Benton Counties, Tenn."; and

H. R. 7373. An act to revive and reenact the act entitled "An act granting permission to the State Highway Commission of the State of Tennessee to construct a bridge across the Tennessee River at Savannah, Hardin County, Tenn., on the Savannah-Selmer Road."

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3398. An act to enable the George Washington Bicentennial Commission to carry out and give effect to certain approved plans.

The message also announced that the Vice President had appointed Mr. JONES, Mr. REED, Mr. ODDIE, Mr. FLETCHER, and Mr. BROUSSARD members of the joint committee on the part of the Senate as provided for in Senate Joint Resolution No. 7, Seventy-first Congress, second session, being Public Resolution No. 36 of said Congress.

HEARINGS ON THE MEDITERRANEAN FRUIT FLY

Mr. SNELL. Mr. Speaker, by direction of the Committee on Rules I call up a privileged House resolution.

The SPEAKER. The gentleman from New York calls up a privileged House resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 139

Resolved, That a subcommittee of the Committee on Appropriations, specially designated by the committee to conduct hearings and examine estimates of appropriations for the eradication, control, and prevention of the spread of the Mediterranean fruit fly, is authorized to visit the State of Florida and other adjacent territory to obtain information and data in connection with the purposes of such estimates. As a necessary incident to the examination of such estimates of appropriations, the subcommittee is authorized, to the extent it may deem advisable, to investigate expenditures heretofore made and currently being made from Federal funds on account of such fruit fly. For the purposes of this resolution, the subcommittee is authorized to sit and act at such times and places in the District of Columbia and elsewhere as it may determine, to hold hearings, to require the attendance of witnesses, to compel the production of books, papers, and documents, to take testimony, to employ personal services, to have printing and binding done, and to make such expenditures as it deems necessary.

Mr. SNELL. Mr. Speaker, this resolution which has just been read grants authority for a subcommittee of the Committee on Appropriations to make such an investigation relative to the need of additional appropriations for the extermination of the Mediterranean fruit fly. This is the kind of authorization that has my whole-hearted support, for it has for its purpose the provision of machinery for a certain committee of the House to obtain all data necessary and bring it before the House before it makes additional appropriations.

There is no question but that there is divided sentiment in regard to this proposition. There is even a divided opinion among people in the State of Florida and elsewhere who are interested in this Mediterranean fruit fly as to the value of the work accomplished under the appropriations that have already been made and whether those appropriations have been well expended. We have already appropriated between $5,000,000 and $6,000,000 on this proposition. There are estimates now pending before Congress that range between $16,000,000 and $36,000,000 for additional appropriations for the extermination of this Mediterranean fruit fly, and the very best thing, in my judgment, that this Congress can do is to send this subcommittee down there to get first-hand information on the subject. I believe we should appropriate what is necessary to accomplish what the Federal Government can do toward the eradication of this pest. On the other hand, we do not want to expend any more than is necessary. We want to do what is necessary and nothing more.

The object of this resolution is to provide for that distinct purpose. I would be in favor of expending two or three hundred thousand dollars a year to let various committees of this House which deal with specific problems in various parts of the country take the time to go there and investigate these problems.

For instance, I believe the Committee on Public Lands should visit, as far as possible, the public domain and get first-hand information and be fully informed that they can advise the House, as to what would be the best policy of the Federal Government to pursue toward that domain. I think the Committee on Insular Affairs should get all the information possible regarding our island possessions, first-hand information, and not be compelled to take information derived from persons here or there, who may have personal interests in the situation, that influence their judgment.

Mr. GARNER. Mr. Speaker, will the gentleman yield there?

Mr. SNELL. Yes.

Mr. GARNER. Is the gentleman in favor of getting this information for the benefit of pending legislation?

Mr. SNELL. Yes; and it should be obtained by the committee which handles the legislation in the House.

Mr. GARNER. I hope the gentleman will send copies of his remarks to each Member of the Senate.

Mr. SNELL. So far as I am concerned, I am perfectly willing that the gentleman should send that over, as he indicates.

Mr. GARNER. I congratulate the gentleman on his good disposition on this question, although he did not vote that way the other day in regard to a commission providing for such an investigation as he refers to, when he voted in favor of a resolution creating a commission to ascertain certain facts concerning the public domain.

Mr. SNELL. Will the gentleman from Texas let me answer him right there?

Mr. GARNER. Yes.

Mr. SNELL. Sometimes the chairman of the Committee on Rules might be wrong, and when the majority is against him he supposes he is wrong, and is always ready to yield his own opinion to that of the majority.

Mr. GARNER. I agree with the gentleman that a thorough investigation of these matters ought to be made. As I recall, an estimate has been sent in for the eradication of the fruit fly amounting to $15,000,000.

Mr. SNELL. I think that is correct.

Mr. GARNER. Is the gentleman going to follow up that policy of taking the estimates of the President of the United States and make investigations for the obtaining of certain information? Perhaps the President did not have correct information at the time he made his recommendation.

Mr. SNELL. That is possibly so, for there is a difference of opinion existing even among the people in that part of the country where the appropriation is disbursed.

Mr. GARNER. I call the gentleman's attention to an appropriation of $3,000,000 that will probably be brought before the House for the purpose of rebuilding homes, and things of that kind, in Porto Rico. Does not the gentleman think we ought to have some more information about that before we attempt to make an appropriation for that purpose?

Mr. SNELL. At the beginning of my remarks I said I thought the Insular Affairs Committee should visit all of our insular possessions and get all the information possible relative to the need of legislation on the part of the Federal Government for those various purposes.

Mr. GARNER. When Congress is called upon to appropriate $3,000,000 for the purpose of building homes, schools, and roads in Porto Rico, without the slightest investigation on the part of the membership of this House, does not the gentleman think it would be advisable to send a committee down there in order to get all the facts before we make an appropriation?

Mr. SNELL. In regard to those specific recommendations, I will say that the chairman of the Insular Affairs Committee has been there and looked over the proposition, and he himself recommends that appropriation to the Congress.

Mr. SMITH of Idaho. Will the gentleman yield for the purpose of permitting me to ask a question of the gentleman from Texas?

Mr. SNELL. Yes.

Mr. SMITH of Idaho. Two weeks ago when a resolution was under consideration in the House to authorize the appointment of a commission to investigate the public-land question the gentleman from Texas did everything he could to defeat the resolution on the ground that the Committee on Public Lands should gather its own data. I am just wondering where the gentleman from Texas secures the information which has made him one of the best authorities on the tariff, if it was not from the Tariff Commission which has been in existence for the last 10 years engaged in gathering data upon which the Committee on Ways and Means depends in preparing and presenting tariff bills to this House?

Mr. GARNER. I will answer the gentleman by saying that the gentleman from Texas is very much persuaded by the Tariff Commission's report, but my opinion is that your side of the House does not pay much attention to that report but takes the viewpoint of certain interests rather than the viewpoint of the Tariff Commission.

Mr. SNELL. I can not yield further, because we have another proposition to consider.

Mr. TILSON. I would suggest to the gentleman from Texas that his statement is altogether gratuitous, so far as this side of the House is concerned.

Mr. DYER. Will the gentleman yield for a question with regard to the pending resolution?

Mr. SNELL. I yield for that purpose.

Mr. DYER. I would like to have the gentleman from New York explain why it is preferable to send a commission to Florida to get this information rather than to have a properly constituted committee of this House get the testimony through hearings in Washington?

Mr. SNELL. If the gentleman will read the resolution he will find it does provide for the sending of a House committee to Florida.

Mr. DYER. A regular committee?

Mr. SNELL. Certainly.

Mr. DYER. Of this House?

Mr. SNELL. Yes; a subcommittee of the Appropriations Committee.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. CHINDBLOM. I am wondering whether it might not be necessary to make provision in the resolution for the payment of the expenditures made by this committee?

Mr. SNELL. That will be taken care of in another way.

Mr. KETCHAM. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. KETCHAM. I am sorry I was absent from the Chamber when the resolution was reported. Will the gentleman please state what committees of the House are to be represented in this investigation?

Mr. SNELL. It is the subcommittee of the Committee on Appropriations that has this matter before it.

Mr. KETCHAM. Do I understand that the matter under consideration requires an authorization from the Committee on Agriculture before it may be considered by the Committee on Appropriations?

Mr. SNELL. I think not, because the authorization has already been made in the general act.

Mr. STAFFORD. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. STAFFORD. Has the Committee on Rules considered the feasibility of having some members of the Committee on Agriculture accompany the Committee on Appropriations?

Mr. SNELL. That question has not been brought up before the Committee on Rules, but I doubt whether it is necessary at this time.

Mr. STAFFORD. The Committee on Agriculture is specially versed in this subject, whereas the Committee on Appropriations considers questions from the standpoint of dollar marks, so I think some consideration should be given to the matter of having the committee that has made a special study of this question, the Committee on Agriculture, accompany the Committee on Appropriations.

Mr. SNELL. At various times before now subcommittees of the Appropriations Committee have traveled about the country making investigations of various matters they are called upon to appropriate for, and I want to encourage them in doing this, as I think it is money well spent.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. COCHRAN of Missouri. The House created a new committee, the Committee on Expenditures, and, as I understand it, the purpose of the Committee is to investigate expenditures. I am in favor of the resolution and expect to support it, and I am glad to see the Committee on Appropriations make this investigation, but if the Committee on Expenditures has jurisdiction over such matters I think in the future the Committee on Rules should recognize it.

Mr. SNELL. The gentleman is somewhat mistaken. This is not so much to investigate an expenditure as it is, primarily, to determine the need of additional appropriations, and that is a matter directly in charge of the Committee on Appropriations.

Mr. COCHRAN of Missouri. The gentleman said he hoped such investigations would be made in the future, and I think the gentleman should bear in mind the committee that was created to make investigations of expenditures. The House Manual shows the committee's jurisdiction extends to protecting the Government against unjust and extravagant demands.

Mr. SNELL. I had in mind, primarily, a committee that is going to legislate on specific projects in various parts of the United States.

I yield 10 minutes to the gentleman from Indiana [Mr. WOOD].

Mr. WOOD. Mr. Speaker and gentlemen of the House, the gentleman from New York, the chairman of the Rules Committee, has stated the necessity for the adoption of this resolution.

The membership will recall that along in April, during the special session of the Congress, a request was made for an appropriation of four and a quarter million dollars, the same being the unexpended balance in an appropriation that was originally made for the extermination of the boll weevil. It had been discovered almost overnight that some sort of pest, that was afterwards denominated the Mediterranean fly, had suddenly appeared in an orchard at Orlando, or near Orlando; that the owner of this orchard went out in the morning and found all the fruit off of the trees and the ground literally covered with fruit. An examination was made, and the fruit was found to be infested with larvæ. They sent some gentlemen up here with a specimen of the fruit, and the pest was denominated as the Mediterranean fly, which is known as quite a pest throughout Spain.

We appropriated this four and a quarter million dollars after a very short hearing before the committee, upon the representations made by the Bureau of Entomology in the Department of Agriculture, and after hearing what the possibilities were of its eradication.

After the appropriation was made, the Department of Agriculture, through its agents, went to Florida and made what is known as the Plant Board in Florida the agent of the Department of Agriculture in the enforcement of certain quarantine regulations and in the expenditure of this money. They set about and employed some 6,200 men, some of them ordinary laboring men, and many of them known as supervisors and as foremen. They went about over this section of the State, supposedly, for the purpose of eradicating the Mediterranean fly. They were inexperienced, of course. We had had no experience with the Mediterranean fly in this country, and the Department of Agriculture itself no doubt was entirely lacking in experience as to the best way to deal with it.

They denominated all sorts of vegetables as being host plants, hundreds of thousands of dollars' worth of growing vegetables were absolutely destroyed, and after such destruction it was found that they were not host plants, but this did not bring back the property that had been destroyed.

Great complaint has been coming from that time down to this with reference to the unnecessary waste of this money and the improper application of it.

As was stated by the gentleman from New York [Mr. SNELL], there is a contrariety of opinion with reference to the necessity and with reference to the expenditure of this money to meet the so-called necessity. There is very grave doubt, or at least a contrariety of opinion, among the people who are interested in Florida as to whether this fly is any different from flies that have appeared there for more than 50 years. It is claimed by some of those who own some of the largest orchards in Florida that this fly has appeared periodically for 60 years, coming when the weather is exceedingly dry and when it is exceedingly hot; that he can not live for a long space of time because of the varying climate; that he can not stand the wet and he can not stand the cold.

Whether these people are right or not, of course, is a matter that must finally be determined in some way. It is the theory of the Department of Agriculture that if this pest can not be destroyed and fastens himself permanently in this country it is going to result in the destruction of a very great amount of fruit, and as a consequence be destructive ultimately of the property of citrus-fruit growers throughout the country. They also claim that if he has a firm foothold it is absolutely impossible to exterminate him.

This is one of the questions that is involved in this matter. If he has been here all these years and only appears periodically, according to the theory of the Department of Agriculture, there is no use to try to exterminate him, and the best thing that can be done is to follow the practice of the department with reference to other pests, and that is to try to reduce the injury he is inflicting as much as possible, and to control the pest.

Some of the largest fruit growers in that country have made affidavits, not only with reference to the waste of money but with reference to its criminal waste.

I think it is perfectly proper that the Committee on Appropriations should be well apprised of the facts before they further appropriate, to ascertain how much, if anything, should be appropriated.

We do know that by reason of quarantine regulations that have been established down there they have absolutely destroyed, or to a very great degree destroyed, the market for Florida citrus fruits. They have a quarantine regulation which to my mind seems about the biggest fool piece of business I ever heard of. I do not think it takes a "bugologist" to determine

that. They have a quarantine regulation that permits unprocessed or uncooked fruit to be shipped from Florida to Washington, to New York, to all points throughout New England, and another regulation or a part of that same regulation absolutely refuses to permit the same character of fruit to be shipped to Indiana, Ohio, Illinois, Michigan, the Dakotas, or anywhere throughout the Northwest. I have appealed to them from time to time to modify the regulation, and the only excuse they offer for it is that they are afraid of the possibility of some one piece of fruit that may be infested being reshipped from Chicago or Cincinnati or Detroit.

Now, if there is anybody who is going to reship them, they have the same opportunity to reship it from Washington, from New York, from Philadelphia, or any place in the East. But they insist upon maintaining that regulation when we all know that it has been one of the severest winters we have had for a long time throughout the northwest country and that this pest could not exist if they were exposed to the weather in this territory discriminated against.

Now, what is briefly the history of the appropriation for this fly? As stated by the gentleman from New York, we first appropriated four and one-quarter million dollars. That was exhausted, and then $380,000 was taken out of the contingent fund from the Department of Agriculture, and that was likewise expended.

Now, a committee went down from the Department of Agriculture. They came back with the representation that the people down there wanted $55,000,000 or $60,000,000—not all for the eradication of the fly, but a portion for repaying for the property that had been destroyed.

The Agricultural Department did not countenance that request made from Florida, but they did request $36,000,000 for further eradication. That was not acquiesced in by the Bureau of the Budget, but they recommended $26,000,000.

It occurred to me that that was a most extraordinary request, and at our suggestion the Secretary of Agriculture himself sent down a committee of independent bugologists. They were selected, two of them from New York and Minnesota and two from Indiana and one from Illinois.

They went down and after investigating for a week or 10 days they came back and gave practically a clean bill of health to the work that had been done, except that they said it was preposterous to think of spending anywhere near $26,000,000, and three out of the four reported that $7,000,000 would be ample. But as an extraordinary precaution one advised $8,000,000.

After that recommendation was made the Agricultural Department made a request for $16,380,000, and that came down to the committee. It was then suggested that a temporary appropriation of $1,000,000 be made, which we did make and another committee went down at the suggestion of the Secretary of Agriculture himself. I cooperated with the committee. We went to the Department of Justice and asked that some secret service men go down and investigate the charges and the affidavits which had been received. That was with reference to the affidavits setting forth the manner in which the work had been done.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. SNELL. I yield to the gentleman five minutes more.

Mr. WOOD. The Department of Justice, after two weeks delay, inasmuch as the affidavits did not charge an offense against the Federal Government over which it would have jurisdiction, refused to send the committee. We went to the Treasury Department on the theory that the money came out of the Treasury and this being an important expenditure they might appoint a committee of five and select them from different parts of the country from the secret service. They appointed such a committee and they went down with no partiality to ascertain the facts.

They came back after two or three weeks of investigation and the report that they made is most damning. It was then that I called on the Secretary of Agriculture and asked him whether or not we were justified in making any further considerable appropriation for this purpose.

I told him at this time that inasmuch as the Department of Agriculture had destroyed the market in Florida and had destroyed the confidence of the people of the country, we ought to do something to reestablish the confidence, and one of the best things to be done, inasmuch as no fly had been seen since August and no larvæ, except in November, was to lift the quarantine and let the citrus growers dispose of their fruit.

But the quarantine remained as it was then.

I do not want any quarrel with the Department of Agriculture. I want to be fair with them, and they ought to be fair with us.

The Secretary of Agriculture in giving out a report a few days ago with reference to this matter never referred to what the independent committee—that went down and came back and reported that $8,000,000 would be ample. He failed to say to the public that at his suggestion the committee of Secret Service men went down and made an investigation of these facts, which to their mind was damnable and condemnatory. He did not mention the fact that they had been appointed even.

Now, this Congress is responsible for whatever is appropriated, and, in my opinion, I would be derelict in my duty, with the conflict of opinion as it exists, without favoring the most thorough and searching investigation with reference to what the facts are down there.

There are all sorts of talk with reference to a combination for the purpose of controlling the money with reference to a purpose of controlling the citrus growers, and affidavits have come to the effect that there is an attempt to get a loan from the Federal Farm Board, that there is an understanding that if they get 51 per cent of all the citrus growers as members of this exchange they will get this loan, and if they do not get them they can not get it, and in consequence that they are going about among the growers with all sorts of threats, with all sorts of intimidations, with the idea of coercing them into membership of this exchange.

Mr. HARE. Mr. Speaker, will the gentleman yield?

Mr. WOOD. Yes.

Mr. HARE. In view of the statements just made, are we to infer from the information furnished the chairman of the Committee on Appropriations that there has been some misappropriation of the funds already appropriated or that the funds have been worthlessly and uselessly wasted?

Mr. WOOD. There are all sorts of indictments. I have at least 150 affidavits charging all sorts of misapplication of the funds, some of them charging, to my mind, a criminal waste and some of them that the money has been invested in expensive machinery and in buying automobiles for these men who are supposed to be inspectors down there.

Mr. LAGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. WOOD. Yes.

Mr. LAGUARDIA. And I have just been informed that since August 4 they have found one orange with four worms in it 9 miles west of Orlando, under such circumstances as to warrant a suspicion that it was planted there.

Mr. WOOD. There are all sorts of complaints, but here is a remarkable thing: This pest, whatever it is, was so plentiful down there as to cause all of the fruit to fall until it made a complete carpet on the ground.

The SPEAKER. The time of the gentleman from Indiana has again expired.

Mr. SNELL. Mr. Speaker, I yield three minutes more to the gentleman from Indiana.

Mr. WOOD. And no one until that morning had ever seen a sign of it. Here is another remarkable circumstance that these affidavits disclose, that of all of the fruit that has been shipped out of Florida from that time to this they have never discovered a single larva outside of Florida.

Mr. DYER. Mr. Speaker, will the gentleman yield?

Mr. WOOD. Yes.

Mr. DYER. Will the gentleman state what period these affidavits cover in the investigation referred to? Is it this year or was it last year?

Mr. WOOD. Many of the affidavits were made the latter part of last year, and many of them during this year.

Mr. YON. Mr. Speaker, will the gentleman yield?

Mr. WOOD. Yes.

Mr. YON. Will the gentleman please state to the House whether it is his intention to investigate the whole State from the standpoint of infestation and endeavor to ascertain the reason why northwest Florida has not been declared free before now?

Mr. WOOD. Yes; we will investigate as thoroughly as we know how, and it is our purpose to hear all sides of this question. I think if Members of the House knew the contrariety of opinion expressed they would be greatly confused, and feel that there ought to be more light on the question.

Mr. DYER. The gentleman refers to a statement given out by the Secretary of Agriculture. What statement was that, was it official?

Mr. WOOD. It was a statement given out to the press one day last week.

Mr. DYER. The gentleman, of course, is not going to attempt to criticize the Secretary of Agriculture on a statement he saw in the press, which is not official.

Mr. WOOD. It was a signed statement, signed by the Secretary, I suppose, or else his name was forged to it.

Mr. DYER. Did it refer to this investigation?

Mr. WOOD. He did not refer to that investigation. He referred to what he thinks is the condition down there.

Mr. DRANE. Mr. Speaker, will the gentleman yield?

Mr. WOOD. Yes.

Mr. DRANE. Does this committee propose to have the power to administer oaths to witnesses?

Mr. WOOD. That is carried in the resolution; yes.

Mr. DRANE. And it is the purpose of the committee to put the witnesses under oath?

Mr. WOOD. Absolutely.

Mr. SNELL. Mr. Speaker, I yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker, I rise to make a brief statement with reference to the attitude of the minority members of the Committee on Rules with reference to this resolution. The chairman of the Committee on Appropriations [Mr. WOOD] appeared before the Committee on Rules and made in substance the same statement that he has just made on the floor of the House. We were impressed with the fact that this is a matter not only of sufficient importance to the Treasury of the United States, but in its last analysis to the best interests of the citrus growers of Florida, that an investigation should be made by that committee charged directly with the responsibility of making the appropriations, in order that the truth of this business might be established.

I think it may be fairly stated that the evidence presented here in the statement of the gentleman from Indiana is a rather severe arraignment of those who have heretofore been responsible for the expenditure of this large sum of money. If the facts stated by the gentleman from Indiana are true, and I am sure that he has a good basis for the statement that he has made, they show that the Secretary of Agriculture has been most improvident, if not wasteful, in respect to the expenditure of these funds.

This argument has brought out another matter that it might be well for the Members of the House to reflect upon for a moment. That is that we are not ever authorized in taking as absolute the recommendations made to the Congress by the Bureau of the Budget. I submit here that under their responsibility as guardians of the public funds, by virtue of the suggestion or the direction of the Secretary of Agriculture, who has charge of these funds, in addition to the amount already expended for the extermination of this pest, they are now asking for an additional appropriation of from $16,000,000 to $30,000,000 for a further extension of this work. I was on the select committee of the House that had charge of the preparation of the Budget bill.

It was never imagined, when we were considering that bill and reporting and passing it, that there was being put into the hands of the Budget the practically tyrannical powers that are now exercised by the Budget with reference to their recommendations to Congress. It was always held and pointed out that it was not only the duty of the Committee on Appropriations, but also the duty of the membership of the House itself to reserve the right to look into the correctness of these estimates and to examine into the facts with reference to those estimates. Now, the Committee on Appropriations comes in and asks for authority to make an actual bona fide investigation of this whole Mediterranean fruit fly problem. I think they ought to do it. I think they are merely carrying out the duty that rests upon them.

Mr. CRAMTON. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes; for a brief question.

Mr. CRAMTON. Of course, if the Secretary of Agriculture is in fault in this matter, it is because he transferred it over to the State authorities of Florida.

Mr. BANKHEAD. Well, it is characteristic of the gentleman from Michigan to inject into this debate an intimation of this character, but I think it is unworthy of him.

I want to say this, that one of the main objects in mind in pressing the passage of this resolution to procure a real investigation as to the necessity of further expenditure out of the Federal Treasury is this—and the suggestion of the gentleman from Michigan brings it to mind: The Congress of the United States has not in recent years been sectional in granting emergency appropriations for various places and localities. It has ranged all the way from Vermont and from California to Louisiana and Texas and Florida, and I think I speak for the people of Florida themselves when I say they want only such money as will in an economical way meet the necessities of such an emergency as this respecting the Mediterranean fruit fly, and nothing more. If anything has been done that involves a wasteful or extravagant expenditure of the funds of the United States we should be made aware of it, and the people of Florida and the people of the entire South feel always that if they have claims that should merit the respect of Congress they should come here with clean hands concerning the spending of the money. That is the reason why I think the committee is fully justified to go into the merits of the matter and find out the facts for themselves and not take the recommendations of outsiders or of the Budget or of the Department of Agriculture, but to use their own judgment as to the correctness and trustworthiness of the information they receive and use their own judgment as the guardians and the trustees of the funds belonging to the people of the United States and then come back here and say to you and also say to the people of Florida, "We want to help you but we want to appropriate only such funds as are needed."

Mr. DYER. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. DYER. I am sure the gentleman from Alabama does not want the statement to go into the RECORD indicating that the Secretary of Agriculture had anything to do with the expenditures of the fund referred to by the gentleman from Indiana.

Mr. BANKHEAD. Who was chargeable with the expenditure of the money?

Mr. LAGUARDIA. The State plant board.

Mr. YON. Who appointed the State plant board?

Mr. LAGUARDIA. The Secretary of Agriculture here.

Mr. YON. What part of the Government turned this money over for expenditure to the State plant board?

Mr. BANKHEAD. I predicate what I say on the statement of the gentleman from Indiana.

Mr. LAGUARDIA. I recall in the first session of the Seventy-first Congress this authorization to transfer funds from the corn-borer purpose to this purpose. I thought at that time that we acted too hastily, without sufficient information, and, as I recollect, I protested at the time.

Mr. BANKHEAD. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has two minutes remaining.

Mr. BANKHEAD. Mr. Speaker, I yield the remainder of my time to the gentleman from Florida [Mr. GREEN].

The SPEAKER. The gentleman from Florida is recognized for two minutes.

Mr. GREEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and put therein a brief statement or resolution from the fruit growers of my State, and also a letter addressed by the President and his advisers to the Secretary of Agriculture.

The SPEAKER. The gentleman asks unanimous consent to insert in his remarks the statement and letter indicated. Is there objection?

There was no objection.

Mr. GREEN. Mr. Speaker and Members of the House, I shall not speak at length on the resolution as presented by the Rules Committee, which provides for a visit by the subcommittee of the House Appropriations Committee to the State of Florida to investigate and report relative to the fruit-fly situation in that State and the advisability of future legislation by the Congress.

So far as I am informed, no one in Florida objects to this proposed visit and hearing by a subcommittee of the Congress; but, on the other hand, numbers of Florida people have voiced their approval of such action. The fruit-fly situation in Florida and the relation of the Congress to same has been discussed rather at length by the gentleman from Indiana [Mr. WOOD], who, of course, is chairman of the House Appropriations Committee. I would like to say for the information of my colleagues and particularly for the information of the gentleman from Michigan [Mr. CRAMTON] that from the first discovery of the fruit fly in Florida the entire situation has been federalized and the program which has been carried on for the extermination of this pest has been fully in the hands of the Federal Department of Agriculture, and has by this department been well recognized as a Federal function and responsibility. This department has administered the funds appropriated by the Congress, and the State of Florida has all along assumed the rôle of acquiescence and even cooperation with the Federal department. If success has been achieved in the extermination of the pest, and if mistakes have been made in the program, credit and blame alike are with the Federal Department of Agriculture.

Statements have been made relative to the Florida State Plant Board, and I would like to say to my colleagues that the Florida State Plant Board is also the board of control of Florida's institutions of higher learning. They serve in a dual

capacity. The members are appointed by the Governor of the State and serve without pay. Members of this board are always representative of the very highest and best type of Florida citizenship. The board has handled millions of dollars of the Florida taxpayers' money in the construction and maintenance of her State institutions of higher learning, and I have never heard a word of unfavorable criticism or a derogatory statement as to the honesty, efficiency, and integrity of the members of this board or as to the board as a whole. The board is composed of five members, one from each congressional district and one from the State at large. The member from my own congressional district is Judge J. B. Davis, an eminent former jurist of my State and a man whose integrity is not questioned.

Other members of the board are the Hon. P. K. Yonge, chairman, of Pensacola, Fla., who has served on the board for about one score years. So efficient, thorough, and honest have been his efforts until governor after governor have appointed him without question. The Hon. Raymer F. Maguire, of Orlando, Fla., another member of the board, is, I understand, a large fruit grower as well as being president of the Florida Bar Association and a former State's attorney. He has also served as president of the University of Florida Alumni Association. Of course, he has first and foremost the interest of the State at heart, and his character is above reproach.

Another member, the Hon. Frank Wideman, of West Palm Beach, Fla., is a former State's attorney and one of Florida's most prominent members of the bar. He is a man of wide experience and best reputation. The other member of the board is Gen. A. H. Blanding, of Polk County, Fla., whose illustrious and patriotic achievements in business and in military service for his country are so numerous until time will not permit enumeration of them.

These members, as well as their predecessors, have been safely relied upon to handle the affairs of the board of control and the State plant board of my State, and I would like to add that the Department of Agriculture and my colleagues may safely rely upon this board to well and honestly perform any task to it assigned. This board is undertaking to cooperate with the Federal Department of Agriculture to the best end that the fruit-fly program is carried to the most rapid conclusion and with the least financial loss. This board and the citizens of Florida are cooperating agencies, while the Federal Department of Agriculture in this case is the dominating and controlling force.

I have recently received a large number of resolutions from organizations and citizens of Florida who have the interest of my State and our Nation at heart. These resolutions in substance were in the main as the following resolution:

Whereas the National Association of Commissioners, Secretaries, and Departments of Agriculture, in convention assembled in the city of Washington, appreciates the notable results obtained to date in the Federal and State efforts to effect the elimination of the Mediterranean fruit fly in Florida, and believing that a continuation of these efforts will effect the eradication of this fruit fly; and

Whereas it is the desire of this association that adequate funds be provided to prevent the spread and to complete the extermination of this pest: and

Whereas this association believes that in connection with such prevention of spread and eradication means can be provided for the orderly marketing of Florida fruits and vegetables under regulations of the United States Department of Agriculture; and

Whereas the fruit growers and others in Florida have suffered serious losses in the national interests occasioned by the destruction of fruit and vegetables and the prohibition of the growing of the same; and

Whereas the eradication effort and the cost to the State and its losses to individuals is in the interest of protecting the United States as a whole from the menace of a new and very serious fruit and vegetable pest: Now, therefore, be it

Resolved: (1) That this association appeals to Congress to provide at the earliest possible time funds for the United States Department of Agriculture adequate to carry forward and complete the campaign of eradication inaugurated with reference to the Mediterranean fruit fly;

(2) That this association urges the Secretary of Agriculture to extend the markets for Florida fruits and vegetables as rapidly as is consistent with safety;

(3) That this association recognizes and heartily approves a policy of reasonable indemnification or reimbursement of persons whose crops have been, or may hereafter be, destroyed as a necessity of the eradication campaign; and

(4) That this association transmit a copy of these resolutions to the President of the United States, to the Secretary of Agriculture, and to the Members of the Congress of the United States.

Very similar resolutions were received from—

Mr. Axel Hallstrom, president Vero Indian River Producers' Association, Vero Beach, Fla.

Hon. S. J. Jones, secretary Kiwanis Club, Delray Beach, Fla.

J. C. Huskisson, executive secretary Tampa Real Estate Board, Tampa, Fla.

Mr. D. A. Hunt, president Highland Park Packing House (Inc.), Lake Wales, Fla.

Hon. A. R. Jones, secretary Bradenton Chamber of Commerce, Bradenton, Fla.

Hon. R. H. Helvenston, secretary Florida Kiwanis Club, Live Oak, Fla.

Hon. C. B. Arbogast, secretary Rotary Club, Stuart, Fla.

Hon. W. H. Owen, chairman board of directors, Advertising Club of Miami, Miami, Fla.

Hon. T. M. Karstedt, secretary Lake City Chamber of Commerce, Lake City, Fla.

Hon. George O. Jacobs, secretary Lake City Rotary Club, Lake City, Fla.

H. B. Fielding, secretary Melbourne Chamber of Commerce, Melbourne, Fla.

J. A. Murdock, secretary Melbourne Rotary Club, Melbourne, Fla.

Frank B. Huddleston, Post 81, American Legion, Melbourne, Fla.

H. C. Peace, secretary Palmetto Chamber of Commerce, Palmetto, Fla.

Hon. A. S. Evans, secretary board of directors, Rotary Club, Miami, Fla.

A. H. Chapman, secretary Bradenton Kiwanis Club, Bradenton, Fla.

L. B. Thomas, jr., secretary Palmetto Kiwanis Club, Palmetto, Fla.

D. F. Barrington, commander Kirby Stewart Post, No. —, Bradenton, Fla.

Maxwell Stewart, secretary Sanford Lions Club, Sanford, Fla.

George J. Gowanlock, secretary Manatee Chamber of Commerce, Manatee, Fla.

Fred R. Wilson, president Sanford Kiwanis Club, Sanford, Fla.

H. S. Hamlin, president Winter Park Citrus Growers' Association, Winter Park, Fla.

Mrs. A. J. Ammen, secretary Palatka Woman's Club, Palatka, Fla.

R. G. Grassfield, general manager Florida State Chamber of Commerce, Jacksonville, Fla.

A. B. Johnson, secretary Florida Ice Manufacturers' Association, Jacksonville, Fla.

E. P. Taliaferro, vice president First National Bank of Tampa, Tampa, Fla.

Ray S. Boulwan, manager Lakeland-Highlands Citrus Growers' Association, Highlands City, Fla.

M. J. Orr, secretary Junior Chamber of Commerce, post-office box 3386, Miami, Fla.

Fred L. Merrill, secretary Rotary Club of Palatka, Palatka, Fla.

Ralph K. Tavel, secretary Kiwanis Club, Palatka, Fla.

R. M. Shearer, president Florida Citizens League, room 507, State Bank Building, Orlando, Fla.

Earl Hunter, secretary Winter Garden Citrus Growers' Association, Winter Garden, Fla.

C. W. O'Neal, president Rotary Club, Ocala, Fla.

A. B. O'Hara, president Indian River Citrus Subexchange, Cocoa, Fla.

L. A. Hakes, secretary Orange County Citrus Subexchange, Orlando, Fla.

O. J. Harvey, manager Hillsboro Citrus Sub-Exchange, Tampa, Fla.

Bradenton Rotary Club, Bradenton, Fla.

George F. Sampson, secretary Winter Haven Chamber of Commerce, Winter Haven, Fla.

Leon Sheldon, secretary Frostproof Citrus Growers' Association, Frostproof, Fla.

A. C. Sheefer, secretary Nocatee Citrus Growers' Association, Nocatee, Fla.

W. C. Crews, secretary Pinellas Citrus Sub-Exchange, Clearwater, Fla.

Paul T. Harber, secretary Lake County Chamber of Commerce, Tavares, Fla.

Lee B. Anderson, secretary Lake Hamilton Citrus Growers' Association, Lake Hamilton, Fla.

William Edwards, president Plymouth Citrus Growers' Association, Plymouth, Fla.

Bayard F. Floyd, secretary Florida State Horticultural Society, Davenport, Fla.

L. M. Johnson, president Leesburg Chamber of Commerce, Leesburg, Fla.

Mount Dora Citrus Growers' Association, Mount Dora, Fla.

G. W. Bailey, secretary-manager Haines City Citrus Growers' Association, Haines City, Fla.

R. J. Binnicker, president Florida Bankers' Association, Tampa, Fla.

Clinton Bolick, president Fort Myers Cooperative Citrus Growers, Forty Myers, Fla.

C. O. Bradbury, secretary Lake Alfred Citrus Growers' Association, Lake Alfred, Fla.

Gorden Brown, secretary Arcadia Citrus Growers' Association, Arcadia, Fla.

Holmes Bryson, secretary-manager Groveland Citrus Growers' Association, Groveland, Fla. (Lake County).

H. L. Carlton, secretary De Soto Citrus Sub-Exchange, De Soto, Fla.

F. L. Carr, secretary De Land Citrus Growers' Association, De Land, Fla.

John D. Clark, vice president Waverly Citrus Growers' Association, Waverly, Fla. (Polk County).

William L. Drew, president Eagle Lake Citrus Growers' Association, Eagle Lake, Fla. (Polk County).

Elliott Dunn, president New Pomona Citrus Growers' Association, New Pomona, Fla.

William Durst, secretary Crescent City Citrus Growers' Association, Crescent City, Fla.

P. C. Eldred, clerk of the circuit court, St. Lucie County, Fla.

William I. Fee, president St. Lucie County Growers' League, Fort Pierce, Fla.

A. M. Pratt, manager Florida Citrus Growers' Clearing House Association, Winter Haven, Fla.

E. G. Grimes, president Palmetto Citrus Growers' Association, Palmetto, Fla.

M. H. Guerrant, president Umatilla Citrus Growers' Association, Umatilla, Fla.

G. S. Hall, secretary South Lake Apopka Citrus Growers' Association, Oakland, Fla.

W. H. Harrison, manager St. Johns River Citrus Sub-Exchange, De Land, Fla.

J. S. Hill, secretary Clearwater Growers' Association, Clearwater, Fla.

D. H. Huckeby, secretary Fort Ogden Citrus Growers' Association, Fort Ogden, Fla.

W. O. Kirkhuff, secretary Bradenton Citrus Growers' Association, Bradenton, Fla.

Jerome W. Lincoln, secretary Elfers Citrus Growers' Association, Elfers, Fla.

W. A. Marshall, president Avon Park Citrus Growers' Association, Avon Park, Fla.

B. H. Martin, secretary Dade City Citrus Growers' Association, Dade City, Fla.

Charles A. McKeand, general manager Tampa Chamber of Commerce, Tampa, Fla.

J. C. Merrill, secretary Lake County Citrus Sub-Exchange, Leesburg, Fla.

J. C. Merrill, secretary Marion County Citrus Sub-Exchange, post-office box 400, Leesburg, Fla.

Homer Needles, president Fort Pierce Growers' Association, Fort Pierce, Fla.

H. V. Ray, secretary De Land Packing Association, De Land, Fla.

John O. Perry, president Tampa Clearing House Association, Tampa, Fla.

John J. Peterson, secretary Pierson Citrus Growers' Association, Pierson, Fla.

H. G. Putnam, president Oak Hill Citrus Growers' Association, Oak Hill, Fla.

J. Ed. Raulerson, secretary Lily Citrus Growers' Association, Lily, Fla.

P. W. Roberts, president American Fruit Growers, Orlando Division, Orlando, Fla.

C. O. Roe, president Clermont Citrus Growers' Association, Clermont, Fla.

Z. Russ, secretary DeSoto Citrus Sub-Exchange, Arcadia, Fla.

J. B. Rust, secretary-manager Polk County Citrus Sub-Exchange, Bartow, Fla.

Charles D. Smith, president Cocoa-Merrill Island Citrus Association, Cocoa, Fla.

R. L. Smith, manager St. Johns Citrus Growers Association, Seville, Fla.

B. E. Stall, president Tampa Citrus Growers Association, Tampa, Fla.

H. B. Stevens, general manager, estate John B. Stetson, De Land, Fla.

A. W. Stockett, secretary Sarasota Citrus Growers' Association, Sarasota, Fla.

W. O. Talbott, president Goulds Fruit and Vegetable Growers Association, Goulds, Fla.

John S. Taylor, member executive committee, Florida Citrus Exchange, Largo, Fla.

Alfred M. Tilden, president Florence Citrus Growers Association, Florence Villa, Fla. (Polk County).

J. M. Tillman, president Lake Wales Citrus Growers Association, Lake Wales, Fla.

Ralph N. Walker, president Auburndale Citrus Growers Association, Auburndale, Fla. (Polk County).

Lorenzo A. Wilson, president Holly Hill Grove & Fruit Co., Davenport, Fla.

M. H. Mabry, president Tampa Citrus Growers Association, Tampa, Fla.

W. M. Larkin, Dade City Citrus Growers Association, Dade City, Fla.

B. O. McDonald, president East Hillsboro Citrus Growers Association, East Hillsboro, Fla.

W. E. Lee, Peninsular Distributing Co., Tampa, Fla.

President Winter Haven Citrus Growers Association, Winter Haven, Fla.

Charles P. Zazzali, president Bowling Green Citrus Growers Association, Bowling Green, Fla.

R. G. Grassfield, general manager Florida State Chamber of Commerce, Jacksonville, Fla.

Janet Armstrong, assistant secretary Florida Citrus Growers' Clearing House Association, Winter Haven, Fla.

From time to time the members of the Florida delegation have conferred with the President, the Director of the Budget, the Chief of the Bureau of Plant Quarantine and Control, and the Secretary of Agriculture. At these conferences we have earnestly worked for the best solution of the problem and have urged relief for Florida. On January 13 I addressed a letter to President Hoover; Hon. Arthur M. Hyde, Secretary of Agriculture; and Hon. Lee A. Strong, Chief of the Bureau of Plant Quarantine and Control. This letter was as follows:

JANUARY 13, 1930.

The Hon. HERBERT HOOVER,
President United States of America,
The White House.

DEAR MR. PRESIDENT: You are assured of my deepest appreciation for all consideration which has been given to Florida by the Federal Government in the Mediterranean fruit-fly campaign.

Recently I have received a large number of communications from the various citrus fruit growers' organizations of the State of Florida, and have also received numerous communications from individuals and from vegetable growers of my State. A large number of individuals from Florida have also discussed with me the Mediterranean fruit-fly situation in my State. From such information as I have been able to obtain, it is apparent that the eradication program as has been conducted by the Federal Government and the State of Florida has been eminently successful, in that the eradication force apparently have not found any infestation for the past several weeks. Under the circumstances I feel justifiable in requesting your cooperation to the end that—

1. Sterilization of fruits be discontinued. Many of the growers of my State apparently believe that the processing of the fruit is neither successful nor further necessary, but in turn renders fruit unacceptable by the ultimate consumer. Furthermore, why is it necessary to process fruit when apparently there is no fly larva in such fruit?

2. Additional States be opened for shipment of Florida fruits and vegetables, particularly those States of the upper Mississippi Valley. I am informed that approximately 40 per cent of Florida grapefruit and 42 per cent of Florida oranges during the past five years have been consumed by these particular States. I am also informed reliably, I believe, that the market in the few States of the Northeast which are now open to Florida fruit will not be sufficient to nearly absorb the remainder of the Florida crop.

If in the opinion of the Federal authorities there would be danger of Florida fruits shipped to States of the upper Mississippi Valley being reshipped to Gulf States, then I suggest that the Federal department issue instructions to the common carriers against any back hauling which might be possible into at least Gulf States. In fact, it occurs to me that with careful grove and packing-house inspection, such inspected and approved fruits should move without processing in any portion of our country. Undoubtedly in this cold season of the year the fly could not survive even if shipped to other States.

3. Your continued support of Federal appropriations will be appreciated. It is apparent that Federal funds in such an amount as will enable careful grove and packing-house inspection, together with general eradication administration, should be made, and this work carried on until such time as Federal authorities may be able to pronounce this pest completely exterminated.

4. Reimbursement for losses. Great has been the losses sustained by Florida growers and shippers. In fact, so terrible has been group and individual losses until our State has suffered a general financial handicap. Banks have gone under, credit and loans in some portions of the State are almost nonexistent. In fact, the eradication program necessarily has brought in some cases dire need for physical existence to some individuals. The eradication program, as I understand it, was launched primarily for the protection of fruit and vegetable growers of the entire United States. Therefore reimbursement for these losses is strictly a national duty, and I believe no good-thinking individual could hold that groups and individuals of my State should bear same. Several precedents for Federal reimbursement in cases like this are known. Therefore I most earnestly request that your full force may

be promptly felt to the ends that these firms and persons are now reimbursed.

Reimbursement could not come at any better time. The fact is that these Florida groups and individuals—in fact, the whole State—has cooperated in a manner which is unparalleled in the history of our country. They have not only submitted to the destruction of their property but have cooperated in said destruction for the protection of growers and consumers of other States. They have demonstrated a spirit of courage, sacrifice, and determination which only such American citizens can demonstrate. Frankly speaking, thousands of them are now to the road's end, and it is very imperative that the strong arm of Federal reimbursement now be extended to them.

The Florida delegation through its dean, the Hon. H. J. DRANE, has introduced a reimbursement measure, which apparently is quietly resting in the hands of the House Agriculture Committee. Will you please urge prompt report and passage of this or a similar measure.

Sincerely yours,

R. A. GREEN,
Member of Congress.

The letter, of course, was acknowledged by the President and the Secretary of Agriculture, and was answered by Doctor Strong, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
PLANT QUARANTINE AND CONTROL ADMINISTRATION,
Washington, D. C., January 17, 1930.

Hon. R. A. GREEN,
House of Representatives.

DEAR MR. GREEN: I have just returned to my office from Florida where I spent a week going into the Mediterranean fruit fly situation with the administrative officers of the department, and find your letter of January 13.

The department has a deep appreciation of the conditions existing in Florida and is very grateful for the spirit of cooperation which has been manifested by the citizens of Florida during the past several months in which the campaign of eradicating the Mediterranean fruit fly has been under way.

I have gone over very carefully the suggestions you have made in your letter for modifications of the existing quarantine regulations, which modifications you suggest should be in the direction of greater liberality in the movement out of Florida of products susceptible to Mediterranean fruit fly attack. The department has on several occasions amended the regulations to provide for greater leniency when such movement could be authorized without increasing the risk of the fruit fly being spread to new areas. This is indicative of the desire of the department to use every effort to enforce the quarantine with as little inconvenience to everyone concerned as is possible, keeping in mind at all times that prevention of spread and eradication of the fruit fly are the purposes of our work.

You suggest that failure to find any infestation for the past several weeks justifies the request made for certain modifications which are outlined in your letter.

In the first place, failure to find infestation does not mean at all that no infestation is present. It simply means that we have been unable to find infestation. It is easily possible for fruit-fly eggs or fruit-fly larvæ to be present in fruits and yet be impossible of detection by any type of inspection which can be devised short of absolute destruction of each individual fruit. It is the belief of all who have studied the question that eradication in Florida has not been finally accomplished, but that the population of the fly has been so reduced as to make its finding for the past several weeks impossible. As the season progresses it will be most gratifying, but truly remarkable if the fly is not found to be established in many sections where the infestation is not now apparent. The suggestion that sterilization of fruits be discontinued can not receive the approval of the department.

In order to permit of the movement of the crops of Florida and at the same time prevent the spread of the fly to other States it was necessary that some form of treatment be worked out which would, first of all, be absolutely certain to destroy any stage of the fly which might be present in the fruit; and second, which would not materially injure the fruit. The heat sterilization, which followed the development of the cold treatment, has proven to be even more satisfactory in every respect than the most optimistic could have hoped for prior to the actual commercial demonstrations which were made of the treatment in Florida. The experimental stage was long ago passed and the treatment is now on a practical commercial basis.

The committee of experts which went to Florida in July, after a thorough investigation of all of the conditions with respect to the fruit-fly infestation, recommended that all host fruits of the fly moving out of Florida be subjected to sterilization. At that time facilities were not available to carry out in full the suggestions of the committee. In order to interfere no more than was absolutely necessary with the movement of the Florida crops, it was decided that until sterilization facilities could be provided for the sterilization of all susceptible products, that hosts of the fly would be permitted to move without sterilization into the section of the country probably least conducive to the permanent establishment of the pest and where possibility of back haul to more susceptible localities was most unlikely. Movement was, therefore, authorized into the northeastern portion of the United States of host fruits without sterilization, although the risk was fully recognized.

This was looked on at the time as purely a temporary authorization and it was intended that as soon as sterilization facilities became available, whereby all the hosts moving out of Florida could be sterilized that such treatment would be required, thereby further reducing the risk of spread of the pest. As the season of the year approaches which is more favorable to the natural development of the fly, it is entirely probable that the department may accept in full the recommendations of the committee and require the sterilization of all hosts moving out of the State of Florida.

There are several reasons why movement into the Middle Western States of fruits without sterilization can not be approved. One is that any infestation which might be carried to the Middle West in fruits could develop in storage at destination and infestation might very easily be established at any midwestern point. Not only would such establishment provide the means for spread of the pest from that point to others even more susceptible to infestation and damage, but the establishment might be of such a nature as to cause considerable damage even at a northern point. Added to this is the practical impossibility of preventing transshipment from points in the Middle West or north to points where infestation might more readily be established. The mere issuance of instructions to common carriers against any backhauling would not be sufficient to prevent such unauthorized movement. While the common carriers are cooperating most admirably in the enforcement of all of our quarantine regulations, violations do very frequently occur. Besides the difficulty of controlling movement of common carriers is the impossibility of controlling movement by truck.

There seems to be in Florida a belief that because fruit is moving into the northeastern part of the country without sterilization that the same movement should be permitted to other parts of the Unied States. In point of fact, if the department has made any mistake it has not been in that it required sterilization of products to certain points in the United States, but that it did not require sterilization of products moving into any part of the country when such products might be susceptible to fruit-fly attack.

The most gratifying development in this whole problem is that, despite the fact a heavy infestation of Mediterranean fruit fly, unquestionably the most important pest of fruit known, was found in Florida in the late spring of 1929, due to the work which has been accomplished, which includes the development of the sterilization process, the Florida citrus crop of the season in which the fruit fly was found is moving to market in a manner closely approaching normal. With profound appreciation of the distress which has been occasioned in Florida, I yet feel that there is much to be thankful for in the manner in which it has been possible to make provisions for the movement of Florida's crops.

As you undoubtedly know, the Committee on Appropriations in the House, in making available the $1,000,000 for emergency work last month, specifically limited the use of the money so that clean-up and eradication work was not permitted except should new infestation be found. When the original appropriation became exhausted, therefore, it was necessary to completely discontinue all clean-up and eradication work. For several days there has been no Federal money with which to carry on actual clean-up and eradication measures in Florida.

Probably the two measures which have been most effective in the eradication work are the use of the poison bait and the cleaning up of drops in the groves. Picking up and disposing of dropped fruits in the groves has very probably resulted in the destruction of incipient infestations. If the drops are not picked up and properly disposed of we are obliged to rely entirely upon inspection for the discovery of such infestations, which may under such circumstances develop and bring about spread of the pest. While the growers must continue to pick up drops in groves in order to get certificates for movement of fruit, no such work is being done in abandoned properties, of which there are many in Florida. This makes it even more dangerous to consider any further liberality at this time in the movement of Florida products.

As to Federal appropriations for grove and packing-house inspection and general eradication work, there is no question about the necessity. The department, however, has done everything it can possibly do in this connection. I am not at this time in position to discuss the reimbursement feature and obviously I am not in any position to initiate any action on the reimbursement measure which you state has been introduced into the House by the Hon. H. J. DRANE.

In conclusion I wish to assure you that the department appreciates the national significance and importance of the fruit-fly problem in Florida and that the department has in recognition of this assumed to the full limit the responsibilities which go with such a national problem.

Very sincerely,

LEE A. STRONG,
Chief of Administration.

Chairman Wood has, I believe, told you of special committees being appointed to study and investigate the situation. One committee, I believe, consisted of W. O. Thompson, president emeritus of Ohio State University; W. C. Reed, commercial fruit grower, of Vincennes, Ind.; W. P. Flint, chief entomologist of the Illinois Natural History Survey; W. H. Alderman, head of the department of horticulture, University of Minnesota; J. J. Davis, head of the department of entomology, Purdue University. It appears that this committee reported that the campaign of eradication had been very efficiently carried on and recommended that it be continued along the lines laid down.

A more recent Federal fruit-fly board created by Secretary Hyde as an advisory board to further the work of eradication in Florida is composed of W. P. Flint, Illinois, and P. J. Parrott, New York, entomologists in their respective States. Other members are W. C. O'Kane, New Hampshire; Chairman G. A. Dean, Kansas, and J. J. Davis, Indiana. This committee apparently is now studying the situation. It is singular that not a person from Florida is a member of this committee. Thus the more clearly is it shown that the problem is recognized as a national one.

Recently at the Florida Orange Festival, held at Winter Haven, Fla., Hon. Nathan Mayo, commissioner of agriculture of the State of Florida, said:

The present situation with regard to the work of eradicating the fruit fly is more or less disturbing. The appropriation made by Congress for this purpose has been expended. The million-dollar appropriation recently made will only care for quarantine work. Unless the eradication program is continued, it is entirely possible that the States in which favorable conditions for propagation of the fly exist will undertake to place an embargo against Florida citrus fruits.

I would like to call your attention to this fact, because if there had been no eradication program last year, very little fruit could have been shipped from Florida from this season's crop, and, notwithstnding, the losses sustained and the inconvenience to which people have been put, the fact that you could ship fruit at all must be credited to the eradication work that was carried on. Those who insist upon dropping the whole program fail to realize that this would mean the destruction of the industry commercially. We can not control the quarantine regulations of other States. We can not ignore their prerogatives in this matter. Our only recourse is to have the Federal Government assume this duty, and it will not assume it without the ultimate renewal of the eradication program as a basis for quarantine.

It is apparent from studies, which have recently been made by the eminent scientists of our Federal Department of Agriculture and agencies of the State of Florida, that the situation is a most serious one. The campaign against this pest has already cost the State of Florida millions of dollars, and even now the quarantine regulations exist against the shipment of our fruits and vegetables. I agree with the gentleman from Indiana [Mr. WOOD] in his insistence that quarantine regulations be entirely lifted, or, at least, greatly modified. To meet it looks far-fetched—to quarantine sections of our country which for weeks have been covered with snow, in some sections even waist deep. Quarantining such places for fear that a fruit fly would get out in the snow and propagate itself to me seems far-fetched, and I sincerely hope that as a result of the Appropriations Committee's visit to Florida, the quarantines in at least the upper Mississippi Valley States may be lifted, and also the processing of fruit discontinued.

Another thing which I earnestly hope that our Appropriations Committee members will become convinced of, and that is the extreme importance of reimbursement by the Federal Government for losses which have been sustained by our Florida people in the program of eradication of this pest. This program has been by the Federal Government initiated and prosecuted for the primary purpose of protecting other States against the pest; therefore it is only fair that these people of Florida, who have suffered the great losses, which they can so ill afford to bear, be reimbursed by the Federal Government.

Frankly, I believe that sending the congressional committee to the State of Florida will bring to my colleagues a better and more sympathetic understanding of the entire situation. In this program Florida has yielded millions in losses in the protection of the citizens and industries of her sister States. She has borne the burden bravely and courageously. She is entitled to the most adequate and best relief of which the Federal Government is capable; this she rightfully expects.

The congressional committee will by the Florida people be warmly received. Its members will be treated with courtesy and kindness. The mission of this committee is one of the most important in the annals of Congress, and I wish it well.

The SPEAKER. The time of the gentleman from Florida has expired.

Mr. SNELL. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

FORMER MEMBERS OF THE HOUSE

Mr. DE PRIEST. Mr. Speaker, I ask unanimous consent to proceed for two minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. DE PRIEST. Mr. Speaker and Members of the House, I wish to call your attention to the fact that we have two ex-Members of this House present to-day, and I wish to present them to you. One is ex-Congressman John R. Lynch, who served from the fifth district of Mississippi in the Forty-third, Forty-fourth, and Forty-seventh Congresses. [Applause.] The other one is Thomas E. Miller, who served from the seventh district of South Carolina in the Fifty-first Congress. [Applause.]

I am glad to have the privilege of presenting these gentlemen to you. They happen to be gentlemen of the racial group with which I am identified, so I am not the only one left.

GROUP, CHAIN, AND BRANCH BANKING

Mr. MICHENER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 141, which I have sent to the Clerk's desk.

The SPEAKER. The gentlemen from Michigan offers a resolution, which the Clerk will report.

The Clerk read the resolution, as follows:

House Resolution 141

Resolved, That for the purpose of obtaining information necessary as a basis for legislation the Committee on Banking and Currency, as a whole or by subcommittee, is authorized to make a study and investigate group, chain, and branch banking during the present session of Congress. The committee shall report to the House the results of its investigation, including such recommendations for legislation as it deems advisable.

For such purposes the committee, or any subcommittee thereof, is authorized to sit and act at such times and places in the District of Columbia, whether or not the House is in session, to hold such hearings, to employ such experts and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary.

Mr. MICHENER. Mr. Speaker, this resolution creates no commission and it sets up no new committee. It simply gives the Committee on Banking and Currency, as a committee or a subcommittee thereof, the power to investigate and study group, chain, and branch banking, a matter which is a very live subject in the United States to-day. This committee, if this resolution is adopted, is permitted to hold sessions anywhere within the United States during the present session of Congress and to report its action——

Mr. McFADDEN. Will the gentleman yield?

Mr. MICHENER. I yield.

Mr. McFADDEN. I would like to suggest to the gentleman that the hearings are confined to the District of Columbia.

Mr. MICHENER. That is correct; the resolution was amended, and the hearings are confined to the District of Columbia. The committee is to report during the present session, and in substance that is all the resolution does. There is no opposition, so far as I know.

Mr. BRAND of Georgia. Will the gentleman yield?

Mr. MICHENER. Yes.

Mr. BRAND of Georgia. I did not understand what the distinguished chairman of the committee said to the gentleman from Michigan.

Mr. MICHENER. The gentleman from Michigan stated that this resolution would permit the committee to hold hearings anywhere in the United States. The chairman of the Banking and Currency Committee corrected the present speaker by stating that the resolution confines the hearings to the city of Washington.

Mr. BRAND of Georgia. That answers my question, but I want to ask another question. The gentleman from Pennsylvania [Mr. McFADDEN] told me that he construed this second paragraph of the resolution to mean that all sessions of the com-

mittee or a subcommittee thereof will be held to consider the subject matter of this resolution during the present session of this Congress, and that there will be no meetings of the Banking and Currency Committee or subcommittee thereof after the Congress adjourned.

Mr. MICHENER. That is the plain language of the resolution and the intent of the resolution.

Mr. BRAND of Georgia. It is the language of the resolution; but is that what the Rules Committee contemplates?

Mr. MICHENER. That is the purpose of the resolution, that the committee will hold hearings only during the present session of the Congress and will then report to the Congress.

Mr. Speaker, the gentleman's last statement correctly interpret the resolution. The gentleman says he has studied the problem for 17 years and that he is going to devote 90 per cent of his time between now and the next session in a study of the matter. I am sure that the gentleman, who is one of the best-informed men on the committee, with his past study and his future study will be able to bring to the Congress helpful information looking toward a solution of the problem without a great deal of additional work by an extra committee.

So far as the resolution is concerned, it in no way limits the power of the existing committee or the powers conferred on the Committee on Banking and Currency by the rules of the House. It gives additional power to permit the committee to sit during the sessions of the House throughout the present session and to bring before it papers and documents and make a thorough investigation. That is all there is to the resolution.

Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Everyone in this House knows that one of the most urgent questions up for consideration is that of chain, group, and branch banking that has evolved during the past year. The people in various parts of the country expect Congress to take some steps toward solving this important question, and they hope, at least I hope, that this Committee on Banking and Currency, one of the great committees of the House, particularly by reason of the consideration of this present and pressing question, will be able to report substantive legislation at this session of Congress.

Up to the present time the banks have merged without let or hindrance by the Treasury Department. From the set address delivered by the Comptroller of the Currency at the meeting of the American Bankers' Association at San Francisco I conclude he favors the trend of consolidation. The Secretary of the Treasury has stated in an address that the bank mergers should not be permitted to continue without legislative inquiry, and perhaps sanction and regulation.

The Wisconsin State Bankers' Association at a recent meeting disapproved of the policy of amalgamation. To my mind, there is no question of the need of legislation to restrict and regulate these controllers of bank credit.

Knowing the keen interest that the public generally is taking in this question, I hope the committee will be able, after study and investigation, to report a constructive policy at this session on this most important question that, as I view it, affects the vitals of our banking institutions.

Mr. KNUTSON. I would like to ask the gentleman from Michigan if this should not carry an appropriation?

Mr. MICHENER. That is taken care of by the Accounts Committee. May I say to the gentlemen of the House that some may have the wrong resolution—there has been a reprint.

Mr. DYER. Will the gentleman yield?

Mr. MICHENER. I yield.

Mr. DYER. I understand the chairman on Banking and Currency is authorized in the resolution to appoint a subcommittee to make the investigation. Is that correct?

Mr. McFADDEN. If the gentleman from Michigan will yield, I will say that while that authority is granted it is not the purpose of the chairman to appoint a subcommittee unless it is absolutely necessary. In other words, he considers this subject of such great importance that he would expect the whole membership of the committee to be in attendance.

Now that I am on my feet I would like to add that, as has been stated here, this study is going to mean a lot of hard work to complete it by the time that Congress adjourns. But I will say that we are going ahead to do the best we can under this limitation.

Mr. DYER. I would like to ask if the only question they expect to consider is whether there shall be branch banking?

Mr. McFADDEN. Branch banking, chain banking, and group banking, and the committee hearings will be confined to those subjects.

Mr. DYER. I think the House is pretty well informed on branch banking, and if the gentleman can bring further information to show that branch banking would be disastrous, I hope the committee will bring it in.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. MORTON D. HULL. Is it contemplated that the hearings will be public?

Mr. McFADDEN. It is.

Mr. MICHENER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

CONTESTED-ELECTION CASE—WURZBACH AGAINST M'CLOSKEY

Mr. SEARS. Mr. Speaker, I present a privileged report from the Committee on Elections No. 3, in the case of Harry M. Wurzbach against Augustus McCloskey.

The Clerk read as follows:

(Rept. No. 648, February 10, 1930)

REPORT OF COMMITTEE ON ELECTIONS, NO. 3. HARRY M. WURZBACH, CONTESTANT, AGAINST AUGUSTUS M'CLOSKEY, CONTESTEE

To the Speaker and the House of Representatives of the Seventy-first Congress:

Your committee begs leave to report that after a full hearing we find that Harry M. Wurzbach, contestant, is entitled to be seated as Member of the House of Representatives from the fourteenth congressional district of Texas, and that Augustus McCloskey is not entitled to retain his seat in said body.

WILLIS G. SEARS, *Chairman.*
CHARLES L. GIFFORD.
CHARLES BRAND.
ALBERT R. HALL.
ED H. CAMPBELL.
JOHN W. MCCORMICK.
JOHN H. KERR.
BUTLER B. HARE.

House Resolution 149

Resolved, That Augustus McCloskey was not elected as Representative in the Seventy-first Congress from the fourteenth congressional district of Texas, and is not entitled to the seat as such Representative.

Resolved, That Harry M. Wurzbach was elected as a Representative in the Seventy-first Congress from the fourteenth district in the State of Texas and is entitled to his seat as such Representative.

Mr. O'CONNOR of Oklahoma. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. O'CONNOR of Oklahoma. My resignation as a member of the Committee on Elections No. 3 has been placed in the hands of the Speaker. I think the House is entitled to know that the statement that has just been read does not include me, as I am not now a member of the committee.

Mr. SEARS. I think that is true, Mr. Speaker, but I understand the resignation has not been accepted, and I am going to labor with the gentleman to withdraw it.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. SEARS. I yield.

Mr. COOPER of Wisconsin. I ask the gentleman from Nebraska if that is a complete report of the committee?

Mr. SEARS. It is a complete report of the committee.

Mr. COOPER of Wisconsin. May I further ask if the report contains all that the committee found?

Mr. SEARS. That is all the report that the committee intends to file, and I shall state the reason for that in a moment.

Mr. COOPER of Wisconsin. The reason I ask the question is that allegations of fraud were made, and the testimony, much of which I have read, would seem to substantiate those charges. Fraud of the grossest, I may say most infamous, kind was perpetrated; and it strikes me as remarkable that such charges, substantiated as they seem to be by the printed record, go unnoticed in the report of the committee.

Mr. SEARS. Mr. Speaker, with reference to that I was going to add just a word, which I think will encompass the thought that my friend has. When the committee met, if the contestee had appeared before the committee and said that he was contesting no further, that he was not entitled to this seat, and that Mr. Wurzbach was, we would have at once reported as we have now. As a matter of fact, the committee sat—and, I think, patiently—for about 10 days, and the committee unanimously was satisfied that Mr. Wurzbach had been elected and

that his grave charges of fraud were true. Every member of the committee would have said that. At that stage of the proceedings the contestee, Mr. McCloskey, appeared and said, in effect, "I am satisfied that I was not elected and that Mr. Wurzbach was elected, and I am contending no further in this matter."

Mr. O'CONNOR of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. SEARS. Yes.

Mr. O'CONNOR of Oklahoma. That statement was not made by Mr. McCloskey to the committee until after the committee had finished their hearings and had agreed that Mr. Wurzbach was entitled to his seat, and a certain gentleman was asked to bring in the report, and we were going to hear that report. Is not that correct?

Mr. SEARS. No; that is not correct.

Mr. O'CONNOR of Oklahoma. Monday morning of last week.

Mr. SEARS. We all came to that conclusion and before anything was said about a report Mr. McCloskey appeared before us—that is my recollection—and made this statement. There was nothing further then for us to report on as to the matter which was put in our hands. If we had been in the attitude of bringing in a report which would require a foundation to reach to the climax that Mr. Wurzbach was elected, then we would undoubtedly have put in the different stages and the report of the minutiæ that led to the conclusion, but the conclusion we came to, the majority of us, all except Mr. O'CONNOR, was that it would save a good deal of rancorous talk here, that the evidence, whatever it is, is disclosed by the record, and we concluded that the best way out of the matter, when there was no contention left—except to expose the frauds, and there was ample record made of all those frauds—was to bring in the report that we have. I may say that I had prepared a report, agreed to by all three Democratic members and most of the Republican members, in which I said that it was proved that many of the charges of unfair counting and forgery of elections were established. Mr. Wurzbach himself presented the form of the report that was adopted by the committee and which has been read by the Clerk, so that I think the only issue here is, who is entitled to the seat.

Mr. DYER. Mr. Speaker, will the gentleman yield?

Mr. SEARS. Yes.

Mr. DYER. Did I understand the gentleman to say that charges of fraud and violation of the election laws were clearly proven by the witnesses?

Mr. SEARS. Yes.

Mr. DYER. May I ask the gentleman whether his committee intends to call these matters to the attention of the Attorney General?

Mr. SEARS. I should be glad to join with the gentleman in doing that, if he so desires.

Mr. DYER. Will the gentleman permit an amendment to his report?

Mr. SEARS. That is as much the gentleman's province as mine, but I shall join with him in a letter, if he so desires.

Mr. DYER. If the gentleman will yield to me, I shall suggest an amendment.

Mr. SEARS. Oh, no. That has nothing to do with this report here. I was talking about a proposed letter to the Attorney General. That is the whole situation. I do not think there is anything to contend for here. The Democrats admit it—that the report should be adopted—and the Republicans claim it, and all agree to it. I do not know why we should have any contention. I do not know how anyone could argue in favor of seating Mr. Wurzbach when everyone is agreed that he should be seated. That was the contention put to the committee; that is the culminating point of those things placed in our hands; and unless some one wants to talk to the merits of something—and I do not understand how he can—I shall in a moment move the previous question. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken.

The SPEAKER. The resolution is unanimously agreed to.

SWEARING IN OF A MEMBER

Mr. WURZBACH appeared at the bar of the House and took the oath of office.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WASON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 9546) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1931, and for other purposes. Pending that, I ask unanimous consent that the time for general debate be equally divided, to be controlled by the gentleman from Virginia [Mr. WOODRUM] and myself.

The SPEAKER. The gentleman from New Hampshire moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9546. Pending which, he asks unanimous consent that the time for general debate be equally divided, to be controlled by himself and the gentleman from Virginia. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, can the gentleman from New Hampshire at this time give any indication to the House as to how long the general debate will continue?

Mr. WASON. I think the rest of the day and probably tomorrow.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from New Hampshire that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9546.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9546, with Mr. DOWELL in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9546, which the Clerk will report by title.

The Clerk read as follows:

H. R. 9546

A bill making appropriations for the Executive office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1931, and for other purposes.

Mr. WASON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. WASON. Mr. Chairman, I yield 30 minutes to my colleague from Pennsylvania [Mr. MCFADDEN].

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 30 minutes.

INTERNATIONAL BANK OF SETTLEMENTS

Mr. MCFADDEN. Mr. Chairman and members of the committee, international cooperation has obviously become a definite, fixed policy. This cooperation was first evidenced by conferences, principally between the officers of the Federal Reserve Bank of New York and the central banks of issue of Great Britain, France, Italy, Belgium, and Germany, and with central banks of some of the smaller countries. This cooperation began shortly after the organization of the Federal reserve system and was undoubtedly influenced by the World War financial operations. It took a more definite form at the close of the war and has been unquestionably a factor in the international debt settlement situation.

The real significance or purport of this cooperation began to become more apparent when England decided to return to a gold basis, and in order to do so negotiated a loan of $300,000,000 through J. P. Morgan & Co., their fiscal agents in this country, and the Federal reserve banks, the house of Morgan taking $100,000,000—for which the Morgan firm were paid a commission of $1,125,000—and the 12 Federal reserve banks the balance, $200,000,000, in gold credit rendered available through the Bank of England should it be required. This loan was guaranteed by the British Government to the Bank of England. Since the consummation of this arrangement similar loans have been granted to other banks of issue for like purposes.

The first definite knowledge that Congress had that the Federal reserve system was granting loans to central banks of foreign countries was during the hearings on the Strong stabilization bill where it was disclosed first by the governor of one of the 12 Federal reserve banks. It was later discussed by members of the Federal Reserve Board and the governor of the Federal Reserve Bank of New York, who, it was ascertained, was largely instrumental in the handling of this transaction in collaboration with the Morgan firm. When members of the House Banking and Currency Committee asked members of the Federal Reserve Board and the governor of the Federal Reserve Bank of New York by what authority a loan of this magnitude was

authorized, the committee were informed that it was under the authority granted in section 14 of the Federal reserve act, which section reads as follows:

SEC. 14. Any Federal reserve bank may, under rules and regulations prescribed by the Federal Reserve Board, purchase and sell in the open market, at home or abroad, either from or to domestic or foreign banks, firms, corporations, or individuals, cable transfers and bankers' acceptances and bills of exchange of the kinds and maturities by this act made eligible for rediscount, with or without the indorsement of a member bank.

Every Federal reserve bank shall have power:

(a) To deal in gold coin and bullion at home or abroad, to make loans thereon, exchange Federal reserve notes for gold, gold coin, or gold certificates, and to contract for loans of gold coin or bullion, giving therefor, when necessary, acceptable security, including the hypothecation of United States bonds or other securities which Federal reserve banks are authorized to hold;

To buy and sell, at home or abroad, bonds and notes of the United States, and bills, notes, revenue bonds, and warrants with a maturity from date of purchase of not exceeding six months, issued in anticipation of the collection of taxes or in anticipation of the receipt of assured revenues by any State, county, district, political subdivision, or municipality in the continental United States, including irrigation, drainage and reclamation districts, such purchases to be made in accordance with rules and regulations prescribed by the Federal Reserve Board;

(c) To purchase from member banks and to sell, with or without its indorsement, bills of exchange arising out of commercial transactions, as hereinbefore defined.

(d) To establish from time to time, subject to review and determination of the Federal Reserve Board, rates of discount to be charged by the Federal reserve bank for each class of paper, which shall be fixed with a view of accommodating commerce and business.

(e) To establish accounts with other Federal reserve banks for exchange purposes and, with the consent or upon the order and direction of the Federal Reserve Board and under regulations to be prescribed by said board, to open and maintain accounts in foreign countries, appoint correspondents, and establish agencies in such countries wheresoever it may be deemed best for the purpose of purchasing, selling, and collecting bills of exchange, and to buy and sell, with or without its indorsement, through such correspondents or agencies, bills of exchange (or acceptances) arising out of actual commercial transactions which have not more than 90 days to run, exclusive of days of grace, and which bear the signature of two or more responsible parties, and, with the consent of the Federal Reserve Board, to open and maintain banking accounts for such foreign correspondents or agencies. Whenever any such account has been opened or agency or correspondent has been appointed by a Federal reserve bank, with the consent of or under the order and direction of the Federal Reserve Board, any other Federal reserve bank may, with the consent and approval of the Federal Reserve Board, be permitted to carry on or conduct, through the Federal reserve bank opening such account or appointing such agency or correspondent, any transaction authorized by this section under rules and regulations to be prescribed by the board.

Of course, neither the authors of the act nor Congress itself expected or intended that this language would permit a transaction of this character to be consummated by the Federal reserve system. This is obvious if only for the fact that the Federal reserve system's credit comes through the mobilization of the reserves of member banks, which reserves are supposed to be held in trust for the purpose of supplying credit needs in times of stress to enable them to provide credit to take care of the business requirements of American industrial interests.

I understand, unofficially, that when the Federal reserve management began these negotiations certain Federal reserve officials were of the opinion that the law would have to be amended to permit the consummation of a transaction of this character. It was discovered, however, by the counsel of the Federal Reserve Bank of New York that section 14 could be construed in such a manner as to make this transaction legal or to make it appear legal. This subterfuge was resorted to because of the fear in the minds of the management that Congress might not grant the authority once it was known that it was the purpose of the Federal reserve banks to make a loan of $200,000,000 of the sacred reserves of member banks to a foreign central bank guaranteed by its government. Consummation of this loan gave definite assurance to European central banks that our Federal reserve system had been made readily available for their assistance.

Thus was established a dangerous precedent for further cooperation of the kind I have just described. The execution of this loan accelerated the close working understanding between the governor of the Federal Reserve Bank of New York and the governor of the Bank of England in the administration of these two systems and marked the beginning of an era of very confidential relationships, which it has since been disclosed has caused considerable concern to the members of the Federal Reserve Board as well as to the officers of the other 11 Federal reserve banks.

The climax of these continued relationships arrived in the summer of 1927 when the heads of these central banks came to the United States on one of these frequent confidential missions and conferred in private with the governor of the Federal Reserve Bank of New York for a period of about two weeks. These conferences resulted in a definite change of policy on the part of the Federal reserve system, causing the lowering of the discount rate to 3½ per cent. This simultaneously resulted in the releasing, coupled with active operations in the open market, of a large volume of credit, which during the ensuing months permitted the shipment of over $500,000,000 worth of gold to Europe. Thus was carried out the scheme of the foreign bankers to get a grip on our banking system.

In order to make sure that a sufficient amount of gold would be available to cover the requirements of Europe, the Federal reserve banks released an excess amount of credit which resulted in the beginning of the orgy of speculation that continued unrestricted through the year of 1928 to the disastrous panic of October, 1929.

Through the perfecting of methods of communication and the frequent exchange of visits by the heads of the cooperating central banks with the Federal reserve banks a highly sensitized working arrangement has been perfected. The international debt settlement has acted as an aid in the working out of this system by bringing closer together the central banks of the debtor and creditor countries with the treasuries of these countries. In that connection it should be noted that the man most responsible for the working out of the Dawes plan was the vice chairman of the Federal Reserve Bank of New York. When that plan was put into operation a former Undersecretary of the United States Treasury Department was placed in charge of its execution, a man closely allied with Federal reserve operations. Shortly thereafter the then chairman of the board of the Federal Reserve Bank of New York resigned to go to Berlin to assist, apparently, the reparations agent under the Dawes plan; the new chairman of the board of the Federal Reserve Bank of New York was, under the Dawes plan, made a director of the Reichsbank of Germany.

The governor of the Federal Reserve Bank of New York was permitted to have a desk and a private secretary in the Bank of England, where frequent conferences took place concerning international financial matters. These close-working arrangements were further enlarged by the employment by the Bank of England of the former economist and statistician of the Federal Reserve Board. He remained in the employ of the Bank of England until quite recently, when he was supplanted by one of the leading economists closely associated with the Federal Reserve Bank of New York and its former governor.

As a result of the building up of this relationship, meetings have been held, attended by the economists of all of these banks, either independent of, or in cooperation with, the economic organization of the League of Nations, perhaps more properly known as the Genoa conferences; all of which tends to indicate a definiteness of purpose looking toward a universal plan of banking operations by and through the central banks and the Federal reserve banks.

Concrete evidence of this development materialized when, at the instance of the reparations agent in the handling of the Dawes plan, a meeting was called to consider reparations settlements in which the United States, although it took no official part, was unofficially represented by J. P. Morgan, Owen D. Young, Thomas N. Perkins, and Thomas W. Lamont. This meeting was held in Paris a year ago in conjunction with the representatives of the other governments involved, including Germany, and the plan of settlement now known as the Young plan was consummated. In connection with this settlement plan, a plan for the establishment of an international bank of settlements was drafted, which plan was sponsored by Mr. Young, and, it is understood, was adopted largely through the study of the operations of the gold settlement fund of the Federal reserve system, with the assistance of Mr. Young and those associated with him in the Federal Reserve Bank of New York. This plan has now been adopted by subsequent conferences participated in by two additional unofficial representatives from the United States, the presidents of the First National Bank of New York and of Chicago. This institution, the International Bank of Settlements, it is now understood, has been definitely located at Basle, Switzerland, and will open for business on or about April 1, 1930, with an authorized capital of $100,000,000, the stock of which is to be divided equally between the central banks of each of the participating countries and the United States.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield there?

Mr. McFADDEN. Yes.

Mr. SUMNERS of Texas. What does the gentleman mean by the "central bank" of each country. Does he include the Federal reserve system of the United States?

Mr. McFADDEN. I will come to that later. I referred to governmental institutions abroad, like the Bank of England and the Bank of France, and in this instance the Federal Reserve Bank of New York, which is acting practically as a central bank.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. COOPER of Wisconsin. I regret I did not hear the gentleman's opening statement, but I have been much interested in what he has just been saying. Can the gentleman approximate the aggregate amount of those foreign loans?

Mr. McFADDEN. I recall that one of $200,000,000 to the Bank of England and a loan of several millions to the Bank of Belgium. I think loans were also made to one or two other countries.

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. SLOAN. Are those loans that were made still existent?

Mr. McFADDEN. I understand the loan to Great Britain is not now existent. Whether the loans that were made to the other banks are now existent I do not know. But the Federal Reserve Board has been cooperating with those countries that have been undertaking to go back to the gold standard by loaning them money during an emergency.

Mr. STAFFORD. Does the Federal Reserve Board or the Federal reserve system cooperate with those foreign banks, as I understand the gentleman to say?

Mr. McFADDEN. Yes; chiefly through the Federal Reserve Bank of New York.

Mr. STAFFORD. Are they coming into this international system?

Mr. McFADDEN. Most of these loans are handled by the Federal Reserve Bank of New York.

Mr. STAFFORD. It was done through the governor of the Federal Reserve Bank of New York?

Mr. McFADDEN. I think largely through the governor of the Federal Reserve Bank of New York.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. KNUTSON. Does the gentleman understand that any negotiations had between the Federal reserve bank in New York and these foreign banks had the approval of the Federal Reserve Board in Washington?

Mr. McFADDEN. I think they should be all approved.

Mr. KNUTSON. Has the gentleman any information on that? That is very interesting.

Mr. McFADDEN. When the members of the Federal Reserve Board appeared before our committee in regard to this transaction they evidenced a lack of knowledge as to the details of these transactions, but they stated that most of the arrangements had been made by the Federal reserve bank at New York, and subsequently made known to the board.

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. SLOAN. Were these Federal reserve banks informed that they would have to contribute?

Mr. McFADDEN. They were informed that they would be expected to contribute in proportion to their assets.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. BRIGGS. Are the gentleman's remarks going to cover the question whether there is any relationship existing between the Federal reserve system and this establishment of the international bank for the international loan settlements?

Mr. McFADDEN. I will come to that; yes.

When in May, 1929, the announcement was made of the proposed establishment of the International Bank of Settlements the fact that the vice chairman of the board of the Federal reserve bank, the sponsor of the plan, and the fact that the deputy Federal reserve agent of the Federal Reserve Bank of New York were in Paris at the time, apparently in connection with this matter, caused much concern in this country as to what part the Federal reserve banks were to take in this establishment. Owing to the conflicting reports coming from abroad regarding the extent of the participation of the Federal reserve banks in the project and the proposed election or selection of two directors by the Federal Reserve Bank of New York, the Secretary of State announced officially that neither the New York bank nor the Federal reserve system would be formally represented on the board of the new international bank. His statement follows:

In respect to the statements which have appeared in the press in regard to the participation of any Federal reserve officials in the creation or management of the new proposed international bank, I wish to make clear the position of this Government:

While we look with interest and sympathy upon the efforts being made by the committee of experts to suggest a solution and a settlement of the vexing question of German reparations, this Government does not desire to have any American official, directly or indirectly, participate in the collection of German reparations through the agency of this bank or otherwise. Ever since the close of the war the American Government has consistently taken this position; it has never accepted membership on the reparations commission; it declined to join the allied powers in the confiscation of the sequestered German property and the application of that property to its war claims.

The comparatively small sums which it receives under the Dawes plan are applied solely to the settlement of the claims judicially ascertained by the Mixed Claims Commission (United States-Germany) in fulfillment of an agreement with Germany, and to the repayment of the expenses of the American Army of occupation in Coblenz, which remained in such occupation on the request of both the allied nations and Germany. It does not now wish to take any step which would indicate a reversal of that attitude and for that reason it will not permit any officials of the Federal reserve system either to themselves serve or to select American representatives as members of the proposed international bank.

Two days before this statement the New York Times reported under a Washington headline that President Hoover, according to information obtained in a reliable quarter, was opposed to the United States acting through the Federal reserve system in any manner in the setting up of the International Bank of Settlements to handle German reparation payments as proposed by experts of the reparation committee at Paris.

Objection was raised to the semiofficial inclusion of the Federal Reserve Bank of New York in organizing the bank or recommending a director. In this the administration followed closely the policy laid down by the Coolidge administration, namely, that the United States has no official interest in the reparations question and will not become involved in any way as to the terms of settlement or the program for the collection of reparations.

Since this is an announced determination on the part of the United States Government that no participation, directly or indirectly, shall be had by the Federal reserve system in this International Bank of Settlements, the Federal Reserve Board and the Federal reserve banks disclaim any participation whatsoever in the organization or operations of the International Bank for Settlements. There is a feeling, however, that the Federal reserve system, perhaps more particularly the Federal Reserve Bank of New York, through the chairman and deputy chairman of the board, as well as the deputy Federal reserve agent, are keeping in too close touch with the organization and possible management of the Bank of International Settlements.

The two American bankers who were chosen by J. P. Morgan and his associates to represent the United States in the conferences leading up to the organization of the bank have completed that work and have returned to the United States. It is understood that the organization committee are actively at work in Paris completing the details for the opening of the bank; and it is commonly reported, both from Paris and New York, that the present chairman of the Federal Reserve Bank of New York is to be the governing head of the Bank of International Settlements. A strange coincidence in this connection is the return from Berlin of the former chairman of the board of the Federal Reserve Bank of New York, who, it is understood, is again to become chairman of the Federal Reserve Bank of New York. This all tends to indicate that the Federal reserve management are cooperating in the establishment and operation of the Bank of International Settlements; and it all causes us to ponder over the strange announcement by the Secretary of State that the Federal reserve system is not to be permitted to have any part in the Bank of International Settlements. This apparently is the first time that the State Department has assumed to speak for the Federal reserve system, a system which is not a governmental institution and whose right to participate in international financial transactions has been established by previous actions in cooperation with the central banks of issue of the other countries of the world, and in the granting of loans to the extent of several hundreds of millions of dollars under the authority of section 14 of the Federal reserve act, which loans

I have referred to as being a part of the loans negotiated by J. P. Morgan & Co.

It is well to note here, in connection with this whole situation, that any obligation that is consummated by any bank, banker, or groups of bankers, or business institutions in the United States, calling for the shipment of gold out of this country, has to be fulfilled through the operations of the Federal reserve banks, because they and the United States Government, for whom the banks act as fiscal agents, control practically all of the gold in the United States, which is in excess of 40 per cent of the world's gold at the present time.

It is important to note, also, that J. P. Morgan & Co. are fiscal agents in this country of Great Britain, France, Italy, Belgium, and apparently are to be of Germany, through their connection with the International Bank of Settlements; and it is understood that J. P. Morgan & Co. are to be the principal American representatives of the Bank of International Settlements, and their nominees for directors of this bank will be elected.

The New York Times of this morning contains a cablegram from Paris, headed "Paris sees accord on the world bank—believed Reichsbank will end objection to Quesnay, citing Young plan spirit." My particular attention was called to the last paragraph, which reads:

> Arrangements have been made at Basle for the bank to occupy provisional headquarters while a permanent building is being made available. A hotel near the railway station is being remodeled for the permanent headquarters. It has three large halls and 80 rooms, which can be prepared quickly to accommodate the bank. The annual rent has been fixed at 200,000 Swiss francs ($40,000).
>
> Mr. Siepman, representing American Federal reserve system and the Bank of England, with Mr. Van Zeeland, of Belgium, has gone to Milan. There they will be joined by M. Quesnay on Tuesday for conversations with Italian financiers.

Because of the fact that that statement seemed to indicate a connection with the Federal reserve system, I took occasion to ask an official of the Federal Reserve Board here whether Mr. Siepman was a representative of the Federal reserve system. I was told that they understood Mr. Siepman was representing the Bank of England in this negotiation.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. DICKSTEIN. Under this resolution you propose to investigate so-called branch banking. Does not the gentleman think we ought to try to investigate our Federal reserve system?

Mr. McFADDEN. No; and I will say that is not in contemplation. That is a subject by itself, and I have already, as chairman of the Committee on Banking and Currency, assured the committee that all discussion in this coming study of branch, chain, and group banking would be confined to those particular subjects.

It has recently been announced in the press that J. P. Morgan & Co. will shortly offer for subscription in the United States the United States allotment of the stock in the International Bank of Settlements, which subscription was announced as guaranteed by the two bankers representatives on their arrival at the last conference in The Hague. It was generally understood by this announcement that J. P. Morgan & Co. had underwritten that portion of this subscription allotted to the United States and will also offer America's share of the proposed $300,000,000 of the reparation bonds which are to be issued in connection with the launching of the Young plan.

Because of the close relationship of this private banking house to the governments and their central banks, as well as its close working agreements with the Federal Reserve Bank of New York, it is naturally assumed that the Bank of International Settlements, when established, is, so far as the United States is concerned, to be represented by the Morgan firm. When one considers the relationships which have grown up during the past few years in international finance between the central banks of Europe and fiscal agents, J. P. Morgan & Co., and the Federal reserve banks, particularly the New York Federal Reserve Bank, which must be construed in the light of present-day developments as being at least in the same relationship to the other central banks of the world as though it were a central bank operating in the United States, the question naturally arises as to whether the Federal Reserve Bank of New York is not, after all, a central bank. That it is is made more certain by the apparent acquiescence of the other 11 Federal reserve banks and the Federal Reserve Board.

The action of the State Department in speaking thus openly for the Federal reserve system is most interesting when one contemplates the possible scope of operations which may develop through the organization and operation of the bank of international settlements. Can it be that the State Department has recognized the possible scope and the importance of the connection of the Federal reserve system with this international bank? Is it possible that the State Department has recognized the fact that this bank of international settlements was to be a more powerful influence diplomatically than a treaty, or the League of Nations, or the World Court? Can it be that the State Department, because of this fact, wanted to keep the Federal reserve system from having any voice in the organization and management of this bank, fearing lest Congress, and particularly the United States Senate, who have the authority under the Constitution to act on questions of treaties involving international situations in diplomacy, might object to the establishment of relations of this character by the Federal reserve banks? Can it be that the State Department felt that, through the organization and participation on the part of the Federal reserve system in the bank of international settlements, that the Federal reserve system and not the State Department would be handling more important diplomatic relations than are now handled by the State Department under the approval of treaties negotiated by the President of the United States and approved by the United States Senate?

Can it be that the State Department sees no harm in the private banking house of J. P. Morgan & Co. representing the United States in the Bank of International Settlements, particularly when they must know that these operations in international financial transactions can not be successfully conducted except by and through the Federal Reserve Bank of New York; and by this acquiescence are they not approving of the possible use of the Federal reserve banks in all international financing which may be carried on through the international bank of settlements or the firm of J. P. Morgan & Co.? And is this not giving the Morgan firm a valuable franchise? Is it not fair to assume such to be the case when we review the negotiations that led up to the granting of the recent loan of $300,000,000 by the Federal reserve banks and the Morgan firm to the Bank of England and England, wherein the Morgan firm were paid a commission of $1,125,000 for the first year and the credit ran for two years and the Federal reserve banks received no interest?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WASON. Mr. Chairman, I yield the gentleman 15 additional minutes.

Mr. McFADDEN. In the light of all of these occurrences, and the new opportunities of financing which the organization of this bank will open to the Morgan firm, is it not possible that in spite of the order of the State Department that the Federal reserve system has been and is at the present time being used; and may it not be possible that the forbidding by the State Department of any participation by the Federal reserve has only tended to accelerate and consummate this other relationship?

Everything is being done to minimize the importance of the establishment of this international bank. It is with the utmost difficulty that any definite information is obtained pertaining to its purposes, its organization, or its scope. That we as a country are being involved there is no longer any doubt. It is clearly indicated that the American leaders in this institution are going to be the "House of Morgan."

It is clearly indicated that through this institution all of the reparations and international debts are to be handled, and the distribution to the various governments are to be made. It is also clearly indicated that the splitting up and making liquid of such amounts of reparation debts as may be deemed advisable are to be handled by the international bank. It is also clear that this international bank will be given the right to deal in gold and exchanges and perform other important international governmental transactions. It is also intimated that there will be a mobilization of international gold reserves, either through the actual deposit of gold reserves in the vaults of the international bank or by the process of earmarking, and that eventually an international circulating medium will follow. Apparently this institution is also to be permitted to buy and sell Government note issues and make distribution of the securities thus originating under its auspices in the countries who participate in the organization of the bank.

While the Young plan settles the reparation issues and determines the amount that Germany is to pay and fixes the term of payment, there is no assurance that this is a final solution of the debt settlement; but on the contrary the organization of this International Settlements Bank affords a vehicle through which a subsequent readjustment of the debt issue may be possible, particularly so when we already know that the great majority of international bankers, and particularly those asso-

ciated in the International Bank of Settlements, are in favor of debt cancellation.

Let us not deceive ourselves as to the real motives, the real purposes behind the creation of the Bank of International Settlements. Let us recall the fact that at two recent elections the American people have voted 7,000,000 strong against our meddling in international affairs. We have voted down the League of Nations and now the same crowd that are behind the international bank are behind our joining the World Court under the so-called Root plan; and if we do not watch our step the American people will be drawn into the international situation through our joining the World Court and this proposed international bank in spite of the same opposition that was also manifested to the cancellation of our international debts. The World Court will be the judicial part of the League of Nations; and the international bank will be the financial part of the League of Nations.

Just bear in mind that, while the American people insisted on debt settlements in full, there is hardly any mention of the fact that the United States, by the funding agreements, already has canceled the war debts on an average of 51.2 per cent if values are figured at 5 per cent, or 43 per cent if 4.25 per cent interest is used. Bear in mind that most of the American people themselves do not realize that such cancellations have been made. And is it possible now that our State Department and Federal reserve system are cooperating in this international entanglement in the fact of the well-known expressed opposition of such an overwhelming majority of American sentiment? Should we not awaken to the fact that we are being led by a small group of clever internationalists?

The Earl of Beaconsfield, more familiarly known as Disraeli, once said:

> The world is governed by very different personages from what is imagined by those who are not behind the scenes.

I doubt whether this international institution will be able to function without the cooperation of the Federal reserve banks in the United States. In this connection, let us recall that Lord Melchett, the renowned British industrialist, said only last year:

> It will be impossible to make a success of either the scheme of reparation payments or still more the Bank of International Settlements, unless the financial power of the United States frankly, fully, and wholeheartedly comes to its assistance.

Because of this fact and the effect the building of an institution of this magnitude might have upon the operations of our own domestic banking system, I feel that it is incumbent upon the administration and the management of the Federal reserve banks to be frank with the American people in regard to what is now being done and how our financial system is to be involved internationally.

Upon analysis of the present dilemma, it would appear that it is acceptable to both the State Department and the Federal reserve system that the entire resources of the Federal reserve system shall be used in cooperation with J. P. Morgan & Co., who are to direct the American participation in the Bank of International Settlements. I am not attempting to suggest that the Morgan firm does not possess the right to act in this capacity. I am doubting, however, the wisdom of permitting the use of the Federal reserve system in this manner, and would point out that the Morgan firm, after all, is a private bank, free from governmental control, and is the fiscal agent in this country of several of the leading countries of the world.

There is no doubt that this proposed organization is going to have a broad field of influence of a most positive character, as is indicated by a paragraph in the annual report of Barclay's Bank (Ltd.), of London, England. In commenting on the Bank of International Settlements, it says that the bank—

> May have for its object not only the adjustment of payments actually rising out of the war but also of playing an increasingly important part as a supercentral bank for the regulation of gold movements and international exchange, which hitherto have been adjusted through the money markets of London and of the other international monetary centers, but of which London had the principal share.

This statement, which I take from the January 25 issue of the London Economist, tends to confirm the statement that was issued in Paris on March 29, 1929, just prior to Secretary Stimson's statement of last spring, by Mr. Randolph Burgess (which he has since denied), who represented the Federal Reserve Bank of New York at the Paris conference on the subject of the creation of the bank of international regulations, in which it was declared that the project was almost completed; and further stated that—

> The Federal reserve bank will act as correspondent to the new establishment as it does for other central banks, which will avoid the necessity of special American legislation. The Federal reserve bank will make important deposits of gold in the international bank abroad and will receive in New York deposits of gold from it.

Mr. Burgess adds that—

> The statutes of the new establishment have been prepared in such a way as to avoid recourse to legislative measures in the various European countries.

This statement indicated clearly the reliance of the Federal Reserve Bank of New York upon their construction of section 14 of the Federal reserve act as giving them the right to participate in the organization and operations of the Bank of International Settlements.

Mr. MERRITT. Will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. MERRITT. Did I understand the gentleman to say that Mr. Burgess denied he said what the gentleman says he said?

Mr. McFADDEN. He made a denial of that statement, but because of its close relationship to the reiteration of practically the same statement by Barclay's bank, I felt it should be a part of this discussion. Because of this it is apparent, as evidenced by subsequent activities, that they are completely ignoring Secretary Stimson's direct order, which it is understood was authorized by the President, and the same cooperation is apparently quietly going on, ignoring the State Department's order on the theory that the law gives the Federal reserve banks the legal right to do that which the administration has attempted to prohibit. This, of course, raises a most interesting departmental situation. The State Department has charge of diplomatic relations with foreign countries. The Treasury Department and the Federal reserve system are charged with financial relations, both domestic and international, and if the State Department, in possession of diplomatic information, issues an order forbidding international financial relationships through the Treasury Department and the Federal reserve banks, certainly there must be important reasons therefor. And inasmuch as this whole international relationship, so far as Federal reserve banks are concerned, is being conducted under the authority of section 14 of the Federal reserve act, and believing, as I do, that Congress never intended that section 14 should convey this authority, is it not about time that Congress took notice of this situation and ascertained the facts and the scope of the intentions of the Federal reserve management in regard to the past, present, and future plans on international finance. [Applause.]

Mr. WOODRUM. Mr. Chairman, I yield 40 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman and members of the committee, I have introduced the following resolution to investigate the Cottonseed-Oil Trust:

> *Resolved*, That there is hereby established a select committee, to be composed of three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives.
>
> SEC. 2. (a) The committee is authorized and directed to conduct a thorough investigation into the activities of all persons, firms, and corporations engaged in the business of purchasing cottonseed for crushing purposes, and purchasing cottonseed oil and refining cottonseed oil and otherwise engaged in purchasing or handling the products produced from cottonseed, for the purpose of ascertaining whether there be a combination to fix the prices of cottonseed or the prices of any products produced from cottonseed, in violation of the antitrust laws of the United States, or unduly detrimental to the rights of growers and producers of cottonseed.
>
> (b) Said committee is hereby specially directed to investigate the following:
>
> First, whether cottonseed-oil mill representatives have adopted a system for exchanging information relative to what they propose or expect to bid for cottonseed for the purpose of agreeing upon a price to be paid to the cotton farmers or to anyone.
>
> Second, whether the cottonseed-oil mills are acquiring by purchase, mortgage, contract, or otherwise the ownership or control of cotton gins for the purpose of destroying the competitive market of cottonseed or for the purpose of depressing or holding down the prices paid to farmers for cottonseed.
>
> Third, whether any agreement has been entered into by representatives of cottonseed-oil mills that will lessen or destroy the benefits of cooperative marketing to the cotton farmers of their cottonseed.
>
> Fourth, whether representatives of cottonseed-oil mills have agreed not to permit the storage of cottonseed in the warehouses of the oil mills for future sale in order to compel a majority of the growers to immediately sell their seed when the cotton is ginned and at a price far below the market price.
>
> Fifth, whether cottonseed-oil mill companies have acquired by purchase or otherwise a majority stock in other oil mills for the purpose of junking said mills so acquired in order to lessen competition.

Sixth, whether the representatives of cottonseed-oil mills have agreed to allot or divide territory in which purchases of cottonseed for any particular mill shall be confined.

Seventh, whether the representatives of cottonseed-oil mills have agreed to prevent or endeavored to prevent the publicity of prices of cottonseed at certain times or from certain sources in order to continue to hold down the price below the market price.

Eighth, whether the Federal Trade Commission of the United States has assisted, aided, or otherwise encouraged representatives of cottonseed-oil mills in fixing the price of cottonseed or in entering into agreements the effect of which were to fix the price of cottonseed, or doing any act in violation of the law of the United States, or detrimental to the interest and rights of growers of cottonseed.

Ninth, whether cottonseed-oil mills, refiners, dealers, brokers, and chemists have entered into agreements between themselves and for their mutual benefit setting prices, fees, and charges involving the processing and handling of cottonseed that are destructive and detrimental to the rights of the cotton farmers.

SEC. 3. Such committee shall report its findings to the Congress not later than the second regular session of the Seventy-first Congress, including such recommendations for legislation as it may deem advisable to regulate the activities of such individuals and organizations. Upon the filing of such report the committee shall cease to exist.

SEC. 4. For the purposes of this resolution the committee is authorized to select a chairman; to hold such hearings within the District of Columbia and elsewhere in the United States during the sessions and recesses of the Congress; to employ such clerical, stenographic, and other assistants; to require the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; to take such testimony; and to have such printing and binding done and to make such expenditures (including expenditures for travel and subsistence) as it may deem necessary. The cost of stenographic services in reporting hearings shall not be in excess of 25 cents per hundred words.

SEC. 5. The expenses of the committee shall be paid from the contingent fund of the House of Representatives, upon vouchers to be approved by the chairman of the committee.

It was referred to the Committee on Rules, and hearings were held on it this morning before that committee. I am hopeful that it will be favorably reported.

I am from a cotton-growing section of the United States. We produce in the South all the way from 14,000,000 to 16,000,000 bales of cotton each year. Cottonseed 25 years ago was not a very valuable commodity, but during recent years it has become quite valuable.

When cotton is ginned the seed is separated from the lint. The grower usually has the cotton ginned, and at the time of ginning ordinarily sells the cottonseed and carries the lint, made into 500-pound bales, to the market and sells it. From cottonseed four main products are produced: Oil, which is extensively used for cooking purposes; lint, which is the short fiber taken from the seed and is used for making rayon and other commodities; hulls, which are used for feeding livestock; and meal, which is used for feeding livestock, fertilizer, and other purposes. Cottonseed-oil mills crush the cottonseed and obtain these products. The oil mills claim that they base the price which they offer to the farmers for cottonseed upon what they can obtain for the finished products, to wit: Oil, lint, hulls, and meal.

I am convinced that a cottonseed-oil mill of reasonable capacity can profitably operate if it receives $7.50 a ton for crushing the seed. In other words, if the oil mill can sell the finished products from a ton of seed for $50, it should be able to pay $42.50 for a ton of seed.

During recent years there has been an attempt in the South by the largest oil mills to control the price paid to farmers for seed and to either purchase or destroy competitors who interfered with their desires in this respect. Consequently, the oil mills have purchased, leased, and otherwise controlled cotton gins in large numbers in order that they may more conveniently and successfully handle the cottonseed at the price set by them. Further, the larger oil mills have purchased and junked many smaller oil mills, doubtless for the purpose of destroying competition. I have been informed upon reliable authority that some oil mills have purchased gins outright and charged the purchase price on the books of the oil company as operating expenses or loss; yet they would still own the gin, which would make a large profit. The oil mills claim that they have been losing money in recent years. I doubt this statement and feel reasonably sure that it is not true generally with the industry. However, if some oil mills have lost money, it is probably due to the fact that excessive amounts have been spent to destroy competitors and purchasing and junking other oil mills.

During the last several years, the cottonseed-oil mills have made a determined effort to set the price of cottonseed. In 1926 the oil mills paid the farmers on an average $21 a ton for seed, yet these same oil mills received on an average $50 a ton for the crush of this seed, or a spread of $29, which permitted them to earn excessive profits at the expense of the cotton farmers. During the year 1928 the farmers received on an average $35 a ton for seed and the cottonseed-oil mills received on an average $53 for the crush, a spread of $18, which was excessive again at the expense of the farmers.

The cottonseed crushers' association, composed of cottonseed-oil mills has as general counsel Mr. Christie Benet, whom I understand the crushers pay an annual salary of $50,000. Mr. Benet has been very persistent in contending that it is right and legal for cottonseed-oil mills that are supposed to be competitors to confer with one another each day in order that their competitors might know what is going to be bid for cottonseed, although it seems to be well conceded by the legal fraternity, and so held by the Supreme Court of the United States, that such a conference or agreement would be in direct violation of our antitrust laws.

On July 24, 1928, no doubt through the efforts of Mr. Benet for the cottonseed crushers, a so-called trade practice conference of the cottonseed-oil mill industry was held at Memphis, Tenn. At this conference, the chairman of the Federal Trade Commission presided. A copy of the proceedings of that meeting discloses that 95 per cent of the industry, based on volume and covering 14 States, was represented. A copy of the proceedings of that meeting discloses clearly that the object of such meeting by the cottonseed crushers was to fix the price that they expected the farmers to receive for their cottonseed. In the discussions it was freely stated by the delegates present that they wanted to have some kind of an agreement whereby a manager of an oil mill could call up his competitor in the early morning and tell this competitor what he expected to bid for seed that day and have his competitor tell him the same thing. Resolutions and agreements were adopted at this meeting, which received the sanction and approval of our Federal Trade Commission of the United States, which are destructive to the rights of the producers of cottonseed and in violation of the antitrust laws of several of those 14 States represented, and especially of the laws of the United States.

As a result of this Memphis conference, the cottonseed crushers of the South have practically set the price the farmers have received for cottonseed during this season. The price set was from $8 to $15 a ton too cheap, which represented a loss to the cotton farmers of the South of some $50,000,000 to $100,000,000 this year. The cotton farmers of Texas alone will lose from $18,000,000 to $30,000,000 by reason of this illegal combination in restraint of trade although a great deal of this was saved to the farmers of Texas in many localities by reason of a courageous investigation made by the first assistant attorney general of Texas and his assistants, which commenced about October 8, 1929. The people who are deprived of this money usually represent a class of citizenship that is working extremely hard in order to provide the necessaries of life for themselves and families. In many cases the amount that a family is deprived of by reason of this combination would be sufficient for the head of the family to comfortably provide his family with comfortable clothes and sufficient and proper food, but by reason of this combination they are deprived of these comforts and necessaries of life.

The combination goes further than merely setting the price of cottonseed. The crushers also agreed that they would not under any circumstances store cottonseed for farmers and ginners. This agreement is evidently for the purpose of compelling the farmers to sell at the price set by the oil mills as very few of them can properly store their own seed, and besides it would require an unusual amount of handling.

It is my opinion that the price is not set over the entire South by one organization, but each State organization announces its own price but after considering the price paid in the neighboring States. These organizations have even gone so far as to request newspapers not to publish prices of cottonseed over any large area with the promise that this organization would furnish the market price of the seed each day to the newspapers. Newspapers have refrained from printing prices that were reported over the area in which the newspaper usually circulated in compliance with such a request. It has also happened that when the price of seed would increase in this area, this particular board would refuse to give the market price of seed to the newspapers, and the public and the farmers in particular would be deprived of the information as to what the market price of cottonseed was in that locality.

The Federal Trade Commission can not escape the responsibility for helping to organize the Cottonseed-Oil Trust that is

now existing in the South and which will cost the cotton farmers from $50,000,000 to $100,000,000 this year.

For the benefit of those who are not familiar with the industry I will briefly explain it in this way: The farmer plants his cottonseed in the spring of the year; he cultivates it during the spring and summer, and in the fall of the year the cotton is harvested by extracting the fiber, which contains the seed, from the bolls. The farmer takes about 1,500 pounds of seed cotton to a cotton gin for the purpose of having the lint removed from the seed. The lint, of course, is used for the making of cloth and for other purposes, with all of which you are familiar. However, the seed is used for the production of four principal commodities. In the order of their value they are oil, meal, hulls, and lint. From each 1,500 pounds of seed cotton a farmer will gather from 925 to 975 pounds of seed, usually referred to as a half ton, although it is very seldom it amounts to as much as 1,000 pounds. But it is usually referred to as a half ton of cottonseed. From a ton of cottonseed a cottonseed-oil mill can extract from 925 to 950 pounds of cottonseed meal, 300 to 350 pounds of oil, about 100 pounds of lint, usually referred to as linters, and 550 or 600 pounds of hulls.

It is a very easy matter to determine how much a ton of cottonseed is worth by first estimating the value of the finished products that are obtained from a ton of cottonseed. By taking the prices quoted daily on the products that are mainly and ordinarily produced from cottonseed you can ascertain very quickly and easily the correct amount that a farmer should receive for his ton of cottonseed.

Heretofore, and for the past 10 or 15 years, it has been the ordinary practitce that a farmer could take a ton of cottonseed to a cottonseed-oil mill and have delivered in his wagon a ton of cottonseed meal; in other words, it has always been known that a ton of cottonseed meal was worth just as much as a ton of cottonseed, and that a ton of cottonseed was worth as much as a ton of cottonseed meal. Heretofore the dairy farmers of our country have been able to buy a ton of cottonseed meal for the same price that a farmer receives for his cottonseed; but for some reason unknown to a large number of us, in the last cotton season the price was set at the beginning of the season, some time in the latter part of August, 1929, at from $7 to $15 a ton less than the price of a ton of cottonseed meal. That would mean a difference (there being from 4,000,000 to 6,000,000 tons of cottonseed produced in the South), if that price remained effective, of from $50,000,000 to $100,000,000 to all the cotton farmers. That is quite a large sum of money for the cotton farmers to lose.

This is not a problem that affects the South alone. I have heard of manufacturing industries in the Northeast who complained about their inability to sell the amount of goods in the South during the fall of 1929 that they were able to sell heretofore.

I can tell you why. It is because the purchasing power of the cotton farmer was cut $50,000,000 to $100,000,000. Whenever you permit any industry on earth to organize by an illegal combination and trust and monopoly and force and coerce the farmers of the South to sell their products from $50,000,000 to $100,000,000 less than their reasonable worth, it is going to affect the entire Nation.

The Federal Trade Commission, my theory is—and I believe I have the facts and figures to substantiate it—are directly concerned and are directly responsible for the organization of this illegal trust and monopoly.

They have done this under the guise of a trade practice conference. I want to say this about trade practice conferences: They have held, so they boast, 100 trade practice conferences in the United States, and I want to say that if each conference they have held has cost the American people in dollars and cents as much as this trade practice conference on the cottonseed industry has cost the southern cotton farmer, it has amounted to more than $5,000,000,000. And how much is that?

Why, you are subsidizing steamships and paying them $7,000 to render $1 worth of service. You are spending tens of millions of dollars in order to encourage foreign trade and for no other purpose on earth. The total of our foreign trade last year was $5,000,000,000, and you are spending tens of millions of dollars a year in order to expand and increase this trade. Why, my friends, can we not consider the purchasing power of our own people? Why should we spend these tens of millions of dollars in order to try to increase our export trade, and at the same time permit trusts and monopolies to be organized here by an arm of our Government that will deprive our people of a purchasing power equal to as much as our total export trade?

If this goes on, my friends, it is going to be felt more all over the United States. It was felt last fall, but it is going to be felt more this fall.

Mr. ADKINS. Will the gentleman yield there?

Mr. PATMAN. Yes, I shall be pleased to yield.

Mr. ADKINS. Most of your cottonseed meal is sold to dairy farmers, is it not?

Mr. PATMAN. Yes, sir; a large amount of it is.

Mr. ADKINS. Does it not necessarily have to come in competition with other dairy feeds, and if they sell low, do you not have to sell low?

Mr. PATMAN. Yes; to some extent, that is true.

I have introduced in the House a resolution for the purpose of investigating the Cottonseed-Oil Trust, and what I mean by the Cottonseed-Oil Trust is this.

I charge that the oil mills are in combination and in this combination they are controlling the refineries, the oil mills and even the gins.

I am making the charge that the Federal Trade Commission has had a large part in the organization of this trust.

Now, when I make this charge, my friends, I know it is a very serious one. I would be one of the last persons on the floor of this House to impugn the motives of anyone. I would be one of the last persons to make any charge against any person of gross carelessness or negligence in the performance of duty, or the careless performance of duty, as I am doing in this case, if I did not have full and sufficient proof to back up every word and every charge that I make.

The charge I have made in this resolution is to the effect that cottonseed-oil mills have formed a combination and have agreed upon a price that the cotton farmers shall receive all over the South for their cottonseed.

They have organized for the purpose of depressing and holding down the price by controlling the gins by purchase, by ownership, or by letting them have money on vendors' lien notes. In many instances they are buying the gins outright.

I know of one instance where it is charged one oil mill owns more than 250 gins. They are coming to this, if something is not done to break up this monopoly the oil mills will soon own all the gins and then you will not see the cotton farmers going around with a small amount of cotton in their hands or a load of cottonseed to sell, but they will be compelled to sell that cotton in the seed as they are being compelled to do now in a large number of places in the South where the trust or monopoly is in absolute control. Then they will make a profit on the lint, seed, and ginning. The farmers will only be called upon to do the drudgery at the prices paid the pauper labor of India.

Mr. WOODRUFF. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. WOODRUFF. The gentleman has called our attention to the fact that this is a combination of interests in the South that has cut the price they pay the cotton farmers for their seed.

Mr. PATMAN. Yes.

Mr. WOODRUFF. It naturally follows that the cost of manufacture of these lard substitutes and other products of the seed has been greatly reduced as a result of such reduction in the price, can the gentleman tell the House whether or not as a result of this reduction in the cost of manufacture the consuming public has benefited by a reduction in price to them of the products of these mills?

Mr. PATMAN. If the gentleman's conclusions are correct, of course, you would say there is a public benefit; but I think the gentleman has formed the wrong conclusion.

Mr. WOODRUFF. No; the gentleman is mistaken. I have formed no conclusion.

Mr. PATMAN. The other products have not decreased in price. You are not buying cottonseed meal one cent cheaper by reason of this loss to the farmers in the price of his cottonseed.

Mr. WOODRUFF. Further than that, I have not been able to notice the price of lard substitutes has been reduced either.

Mr. PATMAN. No; but they are using one as against the other, and I can show the gentleman how they are doing it.

It is to the interest of the oil mills that are owned by the refineries that consume cottonseed oil by making it into lard compounds and other necessaries to keep down the price of cottonseed oil, and the interest of the refineries is interlocked with every branch of the business. For instance, people in Liverpool, England, control cottonseed-oil mills in this country. The refineries own and control cottonseed-oil mills here. There are about six companies that control about 80 per cent of the

cottonseed oil in this Nation. These big companies have oil mills and they have gins, and where they lose on the oil-meal price they make it up on the refinery price when they use it to make finished products, and for this reason it is to their interest to want coconut oil to be brought in here at a cheap rate so as to keep the price of cottonseed oil low and then use the price of cottonseed oil to reduce the price of coconut oil, and I can show the gentleman a concrete illustration of how they are doing this.

Dallas is one of the most important cottonseed centers in the South; the rate on cottonseed oil over the railroads from Dallas, Tex., to Kansas City, one of the principal consuming points for this commodity, is 53½ cents a hundred pounds. The rate from San Francisco to Kansas City is 75 cents a hundred pounds. The same rate also applies to coconut oil. The large consumers of coconut oil and cottonseed oil in Kansas City, who are also extensive owners of cottonseed-oil mills all over the South, want cheap cottonseed oil. They want the price to remain cheap. Doubtless, through their efforts a new rate will become effective March 1, 1930, to apply on coconut oil from San Francisco to Kansas City of 55 cents a hundred pounds. This rate has been published at Dallas, Tex., and everywhere else where cottonseed oil or coconut oil is transported over the railroads. The oil mills can not deny that they have knowledge of this proposed rate and yet to this day not one has filed a complaint against it being put into effect.

If this rate goes into effect, Swift, Armour, and other large consumers of these oils will be in a position to get coconut oil transported from San Francisco to Kansas City, a distance of approximately 2,000 miles, for 55 cents a hundred pounds, when the rate on cottonseed oil from Dallas, Tex., to Kansas City, Mo., a distance of approximately 500 miles, is 53½ cents a hundred pounds or approximately the same. The railroads at the suggestion of these large packers are agreeing to render four times the service for coconut oil as they are rendering for cottonseed oil in transporting it into Kansas City for the same price.

It is also interesting to note that although the rate from San Francisco to Dallas on cottonseed oil, coconut oil, or soybean, is 75 cents. The rate from Dallas to San Francisco on the same commodities is 90 cents a hundred pounds. The farmers' rights are seriously jeopardized by the importation of coconut oil in San Francisco in subsidized steamships at a low rate and then over the railroads of our Nation at a rate equal to about one-fourth cottonseed oil is to pay.

Have you heard of refinery or any oil mill objecting to it? No; they are not going to object to it for the cheaper the haul the better off they are in making their products.

Mr. JONES of Texas. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. JONES of Texas. I appreciate the manner in which the gentleman is making his argument, but I want to ask the gentleman when one concern gets a monopoly of a situation, is it not the usual custom to gouge both the producer and the consumer?

Mr. PATMAN. That is my opinion.

Mr. WOODRUFF. That was my thought when I asked the gentleman a question.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. STRONG of Kansas. Whether or not the gentleman feels that the manufacturers of imitation butter, who use cottonseed oil, are in combination against the cottonseed farmer?

Mr. PATMAN. I would not like to discuss that now, but I will take it up later.

Mr. ADKINS. Will the gentleman yield?

Mr. PATMAN. I will be glad to yield.

Mr. ADKINS. Did I understand the gentleman to say that the rate from Dallas to Kansas City was 55 cents?

Mr. PATMAN. Fifty-three and one-half cents.

Mr. ADKINS. The gentleman made the statement that the rate was from San Francisco to Dallas.

Mr. PATMAN. I should have said Kansas City.

Mr. EDWARDS. Have those reduced rates the gentleman speaks of been passed on by the Interstate Commerce Commission?

Mr. PATMAN. They have been posted and filed with the Interstate Commerce Commission, and if there is no objection they will go into effect on March 1.

Mr. EDWARDS. How long has this trust been in operation?

Mr. PATMAN. Since along last August. Three or four years ago my friend from Georgia [Mr. RUTHERFORD] wrote the Federal Trade Commission a letter proposing to investigate the Cottonseed-Oil Trust. A resolution by the gentleman from Alabama [Mr. McDUFFIE] was passed by the House of Representatives and also referred to the Federal Trade Commission and the Federal Trade Commission made an attempt to investigate that trust, but that investigation to my mind was a farce. They did not investigate it, they went around through the South and got a little information from these cottonseed-oil mills, and without making an investigation themselves they came back and made a report that shows on its face that the cottonseed-oil mills have been trying for years and years to organize a trust. At the meeting the cottonseed-oil representatives held, they discussed cottonseed prices and oil prices, but, of course, they told the Federal Trade Commission that they never agreed upon any price. That is true, possibly they never did, but last fall—and there is no question about it—they agreed on a price that cost the southern cotton farmers nine to fifteen dollars for every ton of cottonseed they sold.

Mr. RUTHERFORD. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. RUTHERFORD. Are there any independent seed buyers in the gentleman's State?

Mr. PATMAN. That brings up another new question. There are none in my State. They used that argument on the Federal Trade Commission. It was represented that the organization of a trust was to keep the independent seed buyers out. They were not a detriment; they were a benefit. When the oil mills would attempt to hold down the price of seed the local merchant would commence buying and give the farmer the benefit of his commission.

Mr. RUTHERFORD. In the section I come from, before I introduced that resolution to investigate conditions the gentleman refers to, whenever the price of seed became very low, almost invariably a number of independent buyers would go into the market and buy the seed and store them until some future date when the seed were higher and then sell them. If you buy seed independently to-day down there, you have nobody to buy it when you get ready to sell.

Mr. PATMAN. That is absolutely true in my section of the country, and they have even gone this far: In the Memphis conference where the then chairman of the Federal Trade Commission presided and organized this trust, notwithstanding the fact, in response to that resolution to investigate the cottonseed trust, they reported in March, 1928, that the farmer usually disposed of his seed at the gin, but this Federal Trade Commission in organizing this trust permitted them to pass a resolution, which was agreed to there in the presence of this chairman of the Federal Trade Commission, that they would not under any circumstances permit a customer to store a pound of seed in their warehouse. Why?

In order to force them to sell at the time of ginning, in connection with this report, made in March, 1928, by the Federal Trade Commission, permit me to invite your attention to the fact that the Federal Trade Commission reported at some of the meetings—that is, referring to the meetings the industry had been holding all over the South trying to organize this trust—that it is admitted that the price to be paid for seed had been discussed, although it was denied that any agreement had been reached. They go ahead, and this little pamphlet [indicating] is full of information which will convince any reasonably minded person that the object and intent of the cottonseed industry was to set the price the farmer should receive for cottonseed, and further on the pamphlet says that the Georgia Crushers Association got together and fixed the commission that the agent should pay; and when you fix the commission that an agent shall pay, you set the price of the commodity. The Federal Trade Commission criticized that and said that it was to be noted that rule 4 provides for a uniform rate to be paid shippers, and so forth, the general adoption of which might go to make the price paid for seed uniform. The Trade Commission was right; but notwithstanding that this report was made in March, 1928, that same commission which made that report got the cottonseed industry people together in less than six months from that date and let them pass another resolution applying to the whole South, setting the commission that cottonseed agents shall pay, notwithstanding that in March they had said that to set a uniform commission price would be a violation of the law.

Mr. JOHNSON of Texas. Has the existence of this trust and its violation of the antitrust law been called to the attention of the United States Department of Justice?

Mr. PATMAN. When this matter was first mentioned in the early part of September, although cottonseed meal was selling for around $42 a ton the price of cottonseed was unexpectedly set at $34. I knew there was something wrong. I took it up with the Federal Trade Commission. I first made a speech in Texas in which I attacked the trust. Of course they came back and

said that they were not violating any law, that an arm of our Government had approved everything that they had done, and they said it was the Department of Commerce. They said that it had thrown the cloak of legality around them, so to speak. I wired the Department of Commerce and the Department of Commerce said it was not true. Later on I found that it was the Federal Trade Commission. I wired the Federal Trade Commission on September 7 and told them the conditions, told them about the cottonseed mills allotting territory and setting the price of seed and destroying competition, and the secretary of the Federal Trade Commission wired back and said that I would have to come up and lay the proof on the table before them and that then they would decide whether or not they would take it up. I called the matter to the attention of the attorney general of our State, and I say now that the attorney general's office through the first assistant, Mr. Galloway Calhoun, made an honest and fearless investigation of this trust in Texas. From newspaper reports I have learned that suits will soon be instituted against the offending concerns.

Everywhere the attorney general's investigators would go the price of seed would begin to go up. In my State, where there was an honest investigation made in certain sections, the farmers received from $40 to $43 a ton for their seed; and in Georgia, South Carolina, and other States for the same class of seed they were getting around $25 a ton.

Mr. EDWARDS. Have those investigations been made in any of the other cotton States except Texas?

Mr. PATMAN. Not that I know of.

Mr. RUTHERFORD. At this Memphis meeting was there a member of the Federal Trade Commission?

Mr. PATMAN. Yes.

Mr. GLOVER. The gentleman was asked the question if any investigation had been made in any other cotton State than Texas. I made a request for an investigation in Arkansas and I was assured that there would be one, and carrying out the gentleman's thought about reducing the price of cottonseed, I have in my possession a letter signed by six of the cotton growers of my State, in which they say that 13 of the cotton-oil mills have been bought and put out of commission, or junked, and that the price of cottonseed, which had been formerly around $44 to $45 a ton was this year $33 a ton in my State.

Mr. PATMAN. I thank the gentleman for his contribution.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by inserting copies of letters and telegrams that I sent to the attorney general of the State of Texas and to the Attorney General of the United States and the Federal Trade Commission of the United States.

The CHAIRMAN. Without objection, it will be so ordered.

Mr. PATMAN. Also, by inserting a copy of the resolution which I have introduced to investigate the Cottonseed-Oil Trust, and certain extracts from newspapers and letters which are necessary in order to bring out my chain of thought in connection with this matter.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BRAND of Georgia. In regard to the markets for cottonseed in Georgia, we are practically in the same situation you are in Texas, and in some instances we got as much as 50 per cent less than the prevailing price of the year before.

Mr. PATMAN. These cottonseed-oil mills are not afraid of any State officer, because they belong to a chain of mills extending all over the South. We seldom see one independent mill, it is usually a chain of mills.

When the oil mills in Texas learned that the State attorney general's power to properly and sufficiently investigate this trust was restricted by State lines and also learned the Federal Trade Commission and the Department of Justice were not really doing anything about it the scare was over and many of them put the price back where it was, which set the price $9 to $15 a ton under their real value.

Let me tell you about this trade conference. Imagine the chairman of the Federal Trade Commission, one of the branches of our Government, organized for the purpose of enforcing the antitrust law and to prevent monopolies, countenancing such an arrangement! They were not intended to organize trusts, but to prevent the organization of trusts, and to give publicity about such matters as that. Imagine the chairman of that commission, six months after making this report as to the determination of the oil mills to set the price on cottonseed in the South, making such a suggestion!

Here was a representative of our Government presiding over that meeting. The first resolution offered was what? I will read it to you. It was a resolution that had for its purpose the setting of the price that the farmers should be paid for their cottonseed. What did that resolution say? I will read it to you. I have a copy of the proceedings right here.

Mr. BRAND of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BRAND of Georgia. Where did they gather?

Mr. PATMAN. At Memphis, Tenn. And, by the way, it is the same place where, just a few months later, the attorney of the United States made a speech, in which he said he was going to destroy these trusts and monopolies.

Mr. BRAND of Georgia. Did anybody accept that statement?

Mr. PATMAN. I do not understand that they did.

The Supreme Court of the United States held that it is perfectly legitimate and honorable for one competitor in an industry to tell another competitor about closed or past transactions through a trade association, but it has held that it was a violation of the antitrust laws where a competitor tells another competitor what he expects to pay for a commodity. And here is a resolution proposed at the Memphis conference that indicates a purpose to violate the antitrust laws of the United States.

Mr. RUTHERFORD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. RUTHERFORD. Was any resolution introduced by any member of the association at the meeting the gentleman refers to?

Mr. PATMAN. Yes.

Mr. RUTHERFORD. Is it not also true that the chairman of the Federal Trade Commission stated that "We can not agree to that resolution, but if you will follow another suggestion we will agree"?

Mr. PATMAN. Yes. He in substance said:

> Gentlemen, you can not pass that resolution, because that shows on its face that it is a violation of the law. I will suggest language to you that will not violate the law and not show on its face to be a violation of the law.

Mr. JOHNSON of Texas. That statement was made by the chairman of the Federal Trade Commission?

Mr. PATMAN. Yes; in substance. The counsel for the cottonseed-oil mill people, Mr. Christie Benet, of Columbia, S. C., had been more active than any other man in America in the organization of this trust, and he got up and said, in substance, "Then we will be required to tell our competitor the last price we have paid." Then the chairman said, "Just put in the words 'price paid,' and then put in the word 'immediately.' Need not say price 'have paid' but just the word 'paid.'"

That is what he meant, I presume, when he said he would substitute language that would not show on its face a violation of the law. Another member said:

> Oh, it is the bid price that we want to give to our competitor.

One representative of the Federal Trade Commission responded:

> Oh, well, of course, this resolution does not say you can not do that. When you call him up to carry out this resolution as an individual you can tell him that.

Imagine, my friends, an arm of our Government suggesting to members of an industry how they can violate the laws of the United States of America, an arm of our Government that is charged with the duty of enforcing those laws. Imagine that.

Mr. RUTHERFORD. I do not like to interrupt the gentleman's trend of thought, but I would like to state this: I have been told, whether rightly or not, that as soon as these crushers get together they begin to figure out their requirements, and they estimate the production, and then there is a general agreement as to the apportionment of the production among the mills in accordance with their requirements.

Now, is it not true that they also have a representative who goes from one mill to another to see whether a particular mill is getting more than its pro rata portion of the seed, and is it not further true that if this is discovered that particular mill is directed, ordered, or requested to ship so many tons of cottonseed to another mill that has not gotten its share?

Mr. PATMAN. That has occurred. I know of cases where that has happened. I know the names, places, dates, and everything else. But, without getting away from what I was discussing, Mr. McCarley, of Elberton, Ga.—I presume he is an independent operator—got up and offered a resolution at the Memphis conference. After all of these trust agreements had been passed he said, "I have one I want to offer." Now, remember, these resolutions were adopted after General Counsel Benet had called witnesses. He would say, "Well, Mr. So-and-So, what do you think about this? Mr. So-and-So, what do you think about it?" He was calling witness after witness. Doubt-

less he called on those he wanted to talk about this resolution. After all that was done and a few of them engaged in motions, seconds, and motions to adopt, and so forth, Mr. McCarley, of Elberton, Ga., got up and introduced a resolution. He said, "I have one I want to introduce," and here it is. It is a good one, too, and it is the very kind that a chain operator would not want. You see, they are squeezing out these independent mills by cutting the price. They want to put them out of business. They have junked cottonseed-oil mills all over the South. In 1915 there were almost 900 oil mills—at least 850—while to-day there are less than 550. They are squeezing these independent operators out by cutting the price on them, and then after the independent is destroyed the price goes higher than ever. So Mr. McCarley offered a resolution which reads like this:

It is unfair to the producer and destructive to the best interest of the cottonseed-crushing industry for a mill or unit to establish a higher price for wagon seed in one market than said mill or unit establishes in a neighboring market for wagon seed of equal quality.

Is not that a good one? That is a good resolution, and yet the chairman of the Federal Trade Commission would not even put it to a vote.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WOODRUM. Mr. Chairman, I yield the gentleman 20 additional minutes.

Mr. BUSBY. Will the gentleman yield right there?

Mr. PATMAN. Yes.

Mr. BUSBY. I would like to ask how many members of the Federal Trade Commission were present?

Mr. PATMAN. The chairman was there. But, mind you, the whole commission later approved this code and obligated themselves to carry it out.

Mr. BUSBY. I understand that one gentleman conferred with the operators and they worked out a scheme which was brought back to the commission and the entire Federal Trade Commission got back of the proposition as outlined and planned by them.

Mr. PATMAN. Yes; and agreed to help enforce it.

Mr. BRAND of Georgia. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BRAND of Georgia. Will the gentleman explain what they get out of that sort of conduct? I want the gentleman's views on that.

Mr. PATMAN. Pardon me just a minute. Here is Rule V.

Resolved, That the clandestine violation of any of said resolution, those accepted by the Federal Trade Commission merely as expressions of the industry as well as those approved by said commission, shall be deemed to be unfair method of competition.

Remember, it is the duty of this commission to enforce the laws against unfair methods and the commission should spend the people's money in order to do it if necessary. But here is the way the oil-mill industry handles charges of unfair practices: They have organized a court of their own, and whenever a fellow cuts the price they have a way of filing a claim against him in what I would call their own court; and they begin to work on that man, and I doubt whether there has ever been a case where that man failed or refused to come across at the proper time.

I just want to show you the effect of some of these resolutions. It says here that each mill shall by all available means publish immediately to the selling public the price paid for cottonseed. That sounds good, does it not? You would think ordinarily that was a very innocent resolution. The object of it is to require those mills to post on their bulletin boards every morning at 8 o'clock what they are going to pay, and immediately they wire the State secretary and that State secretary wires it all over the State and the price is intended to be or become the same in each locality.

Heretofore in my State the Dallas News has rendered a very valuable service in my section by giving the price being paid for cottonseed in different sections of the State, but for some unknown reason after this trade-practice conference or trade trust conference was adopted they refrained from publishing this price and they would only publish the price as given to them by the Dallas Cotton Exchange. I wrote to the Dallas News and asked them why they had quit it; I asked them why they were failing to perform the very valuable service they had rendered in the past. I got a very nice letter from the president of the Dallas News in which he explained it, and I expect to put that letter in the RECORD in the extension of my remarks.

I want to invite your attention to this fact, my friends, that whenever the price of cottonseed begins to go up they report to the Dallas News that they could not give them the exact information because the price was irregular. That would go on for days and for months. Finally, the price would be uniformly established at so much and announced. Then when the price commenced to increase they would begin to say again they could not give the information because the price was irregular or nominal. Would not report the highest price, as they were obligated to do.

So you would think this resolution they have here is a very innocent one about publishing the cottonseed prices.

Furthermore, there is not a newspaper in the South that I have any knowledge of or that the legislative service in the Library of Congress has been able to find, that has carried local cottonseed prices regularly since the adoption of this resolution, except the Memphis Commercial-Appeal from the cottonseed market there in Memphis; that is the only one; yet they proclaimed long and loud that they had for their object the giving of publicity to prices, when they have been trying to keep the farmer from knowing the price and real value of cottonseed.

They go on further and say:

Resolved, That where the practice of buying seed through commission agents is in existence the payment of any amount in excess of $3 per ton on wagon seed and gin seed, such payment to include storage, handling, loading, loss in weight, and all other charges of every kind, and the payment of any commission in excess of 50 cents per ton for buying carload seed is against public policy and hereby declared to be an unfair method of competition.

Now, imagine our Government putting its stamp of approval upon a violation of our antitrust law. Here they are setting the price of cottonseed through their agents by giving their agents a certain commission, and our Government saying they will carry out that promise and use the taxpayers' money, if it is necessary, in order to enforce it.

Now, listen to this:

Resolved, further, That the payment of such commission to other than bona fide seed buyers—

That gives them an opportunity to limit it to the buyers that they say are all right—

who render a service, and in such manner that any part of it goes to the seller (the farmer) directly or indirectly through the medium of partners, influential friends, kinspeople or under any other guise whatsoever, is hereby declared to be against public policy and an unfair method of competition.

In other words, fixing it so the farmers can not get the benefit of cooperative marketing of their cottonseed.

Here we passed a law creating the Federal Farm Board, the object of which is to help the farmer, and then right over here our Federal Trade Commission has organized a trust which has said, in words, that the farmer shall not get the benefit of any agent's commission.

What does this mean? Suppose a group of farmers got together, like they did down at Roxton, Tex. They held 400 tons of seed and they finally got $40 a ton for it when this investigation came on, but suppose they had been in a place where the investigation was not being made, here is what would happen. They would have gone to the cottonseed-oil mill and the man would say, "I will give you $25 a ton," and he would say, "Oh, yes, but you pay John Jones $3 a ton commission and that is $28. Give us that $28. We have pooled all our seed and we want to sell it in a cooperative way, so give us that $28." If the oil mill did that, it would violate the rules approved by the Federal Trade Commission and would be engaged in an unfair trade practice.

Mr. JONAS of North Carolina. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. JONAS of North Carolina. Is the chairman of the Federal Trade Commission the gentleman to whom the gentleman from Texas now refers, now chairman of the Federal Trade Commission?

Mr. PATMAN. I understand they take turn about down there and one is chairman one year and another member is chairman the next year, and so on. He is still on the commission.

Mr. JONAS of North Carolina. He has not resigned as chairman?

Mr. PATMAN. No; he has not resigned from the commission.

Mr. JONAS of North Carolina. Does the gentleman refer to the present chairman of the Federal Trade Commission?

Mr. PATMAN. No; I think he is the one just preceding the present chairman.

Mr. JONAS of North Carolina. Does the gentleman know whether the approval of the Federal Trade Commission was unanimous or not?

Mr. PATMAN. I do not know; but I presume it was. If there was any disapproval, it has never been made known.

Mr. JONAS of North Carolina. The reason I ask the question is because the present chairman of the Federal Trade Commission is a very honorable gentleman from my State of North Carolina.

Mr. PATMAN. The gentleman, Mr. Humphrey?

Mr. JONAS of North Carolina. No; Mr. Ferguson.

Mr. PATMAN. No; I thought Mr. Humphrey was chairman.

Mr. JONAS of North Carolina. Mr. Ferguson is chairman.

Mr. PATMAN. They change them every year. I know one thing, they are not paying much attention to this.

Mr. JONAS of North Carolina. I am in sympathy with what the gentleman is saying.

Mr. PATMAN. Here [indicating] is a picture of one of the members of the Federal Trade Commission in The Nation's Business for January, 1930. I presume this publication is the mouthpiece of the United States Chamber of Commerce. This is a long article about trade-practice conferences. They would have you believe it is a perfectly harmless procedure, and they pick out one, little, innocent industry and picture it up; but in this same magazine I want to show you how used to trusts they are.

Doubtless the men who are on the commission read this magazine, and you will find here, just a few pages from where this picture of one of the members appears and the long article about a harmless conference, this statement:

> Cigarette price war starts again. The United cuts Camels, Chesterfields, Luckys, and Old Gold to 12 cents. Last month they agreed with other mass retailers to make them 15 cents.

Now, here is a statement in print, stating that during the month of November the mass retailers of the United States got together and agreed upon what? A retail price for cigarettes, and agreed they would make the price 15 cents, and here this magazine is quoting a criticism about one of them cutting the price to 12 cents. If a concern can afford to sell cigarettes at 12 cents a package, I think they should be permitted to do it.

I wonder if the Federal Trade Commission has ever seen this or if it has ever been called to the attention of the Attorney General of the United States by the member of the Federal Trade Commission whose picture appears here and who doubtless saw the article I have just read. If it was called to his attention, I have heard of no action being taken.

I have talked to you about the Federal Trade Commission, and from what I have told you—and I have not told you one-half of the information I have here—you know that the Federal Trade Commission is not going to investigate this trust.

If they are called upon to make the investigation, they will go around and try to get up a defense for what they have done. They are not going to make any disclosure of the truth because it will condemn them when they do it. The Senate passed a resolution months ago asking the Federal Trade Commission to make an investigation by holding public hearings. Have you heard of them doing it?

Now, the attorney general's department of the State of Texas can not do as much as should be done in Texas because these concerns operate in several States. It is not possible for one attorney general to do much work in destroying a trust that is nation-wide.

I called it to the attention of the Attorney General of the United States on September 25. I dictated a statement; I told them about the violations of law; I delivered to them a copy of these resolutions which were in violation of the laws of the United States. I told him where they were adopted; I gave him the names of the people who adopted them; I told him the names of the conspirators and what they had done. Has any action been taken by the Attorney General? No. I told the Federal Trade Commission the same thing, but they said, "You will have to go to the Department of Justice."

Now, we have only one recourse to enhance the purchasing power of the farmers of the South and to give the farmer a square deal, and that is to give the representatives of the people who are entitled to relief an opportunity to make a fair and impartial investigation of the facts.

When you do it do you know what the result is going to be? You are going to find a world-wide monopoly in vegetable oils and cottonseed oil. That is what you are going to find. You are going to find that London and Liverpool interests own large blocks of stock in cottonseed-oil mills; that Armour & Co. and Swift and Co., Procter & Gamble, and one or two others own and control 80 per cent of the coconut oil and cottonseed oil.

You will find that in August last they had another meeting in Memphis. What was the object of it? To organize the cottonseed-oil mills, the refineries, the dealers, the exporters, the chemists, the brokers, and everybody connected with the sale of cottonseed and its products into one big trust, leaving out the cottonseed farmer.

How long is the cotton farmer going to last under such an arrangement as that? Here is what they are doing: This article [indicating] tells who are in it; they propose an assessment. Every fellow has to pay so much. The cottonseed-oil mill has to pay $50, or not less than that—I think it is 3 cents a ton for every ton of cottonseed handled. The refiner has to pay so much on every barrel of oil; the chemist pays so much for every analysis; the broker pays so much for every car of seed he handles; and the exporter has got to pay so much for everything he exports. For what purpose is that? To sustain this trust organized by the Federal Trade Commission of the United States. It is a direct tax on a farmer's commodity to sustain and enforce an agreement in violation of the laws of the United States.

Now, my friends, in the face of these facts, are we going to give the farmers of the South the benefit they are entitled to receive? The difference between what they receive for cottonseed under this trust arrangement and what they should receive ofttimes represents the difference between good living and poverty.

You do not want to crush any people on earth, and specially those people who produce so much for the good of our country. They are the men who not only went to war to save their country in the time of need, but they are the ones who furnished the sons that did go across and saved our country. They are the ones that not only saved the country in time of war but feed our country and help to build it in time of peace.

In conclusion, I invite your attention to another proposition. The Federal Trade Commission has no right to hold these so-called Federal trade conferences; they are in violation of law, and if you ask the Attorney General, he will doubtless tell you so, but it is embarrassing to him to go after them, because the Federal Trade Commission is a separate department of the Government. I can show you where they organized an industry a while back, and as a result of it all over the United States a commodity that is used in every home, whether in the city or in the country, was immediately raised in price from $200 to $280. Tell me they have a right to do that? I can show you where that industry with practically every member of it participating in that conference sent out letters to the trade of the same date saying:

> We are now operating under the Federal trade conference rules and are canceling all prices.

Which meant an increase in price, and every one of them did increase the price. You know that the Federal Trade Commission in 1929 made a report upon price trade associations to the Senate, and in that report the same person who held that conference at Memphis, who organized this trust—and I do not qualify it, he organized it—made this report to the Senate.

Mr. JOHNSON of Texas. The gentleman is talking about the chairman now?

Mr. PATMAN. Yes; I am; the then chairman. He says:

> Trade-practice conferences were developed by the commission as a part of its proceeding as early as 1919.

The CHAIRMAN. The time of the gentleman from Texas has expired. The gentleman from Texas has occupied one hour and can proceed further only by unanimous consent of the committee.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that the gentleman from Texas have five minutes additional time.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that he may be permitted to yield five additional minutes to the gentleman from Texas. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Chairman, continuing to read from the report:

> In 1926 the Division of Trade Practice Conferences was organized, to devote exclusive attention to this part of the commission's work. * * *
>
> The interest of the public is represented not only through the commission's participation, but also through its policy of calling consumers into conference.

They knew that the finger of suspicion would be pointed at them for getting the representatives of an industry together in secret conferences, and adopting these trust agreements, so they say there that they had a policy of not only having the public represented through the commission—and of course they know that the public is not properly represented by them in the light

of events—but that through its policy of calling consumers into the conference they had the consumer represented. I call upon them here and now to name me the representatives of the public that they called into the conference at Memphis, Tenn., when the cottonseed-oil industry was being organized into one big trust.

I challenge them to name me the representatives from the great manufacturing sections of the country that would lose the selling power by the organization of this trust and the laborers who would lose their jobs, and I challenge them to furnish me the names of the people who were there to represent the consumers, as they claim, and who were going to pay a higher price for those commodities by reason of this trade agreement. Who was there to represent the former who would be called upon to take the loss? No one; he was the victim.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. PATTERSON. I have been interested in the gentleman's address, and also interested in this controversy since it began last fall. Will the gentleman state the status of this matter at present with reference to the cottonseed buyers?

Mr. PATMAN. Mr. Benet, the general counsel of this big trust, issued orders on October 23 that they could not even publish their prices except between the hours of 8 and 5 and not at all on Sunday, and further that no farmer could call in and get the price by telephone, and on the strength of that cottonseed went down in addition to the former large decrease, from a dollar to five dollars a ton all over the South, and is still down, although the price of the commodities produced from the cottonseed has increased.

Mr. PATTERSON. And they are still operating under that?

Mr. PATMAN. Yes; absolutely. I thank the committee for its attention and yield back the remainder of my time. [Applause.]

Permission having been granted, my remarks are revised and extended to include the following:

The following messages disclose the first complaint made by me to the Federal Trade Commission and their reply:

(Telegram)

TEXARKANA, TEX., *September 6, 1929.*

FEDERAL TRADE COMMISSION,
Washington, D. C.:

Unquestionably cottonseed-oil mills of Texas, Arkansas, and Oklahoma have conspired to keep price of seed below market price in this section. Price being held about $10 ton below market. Can you take some action to prevent this unfair practice?

WRIGHT PATMAN,
Member of Congress.

(Telegram)

WASHINGTON, D. C., *September 6, 1929.*

WRIGHT PATMAN, *Paris, Tex.:*

Submit promptly all evidence of conspiracy among cotton-oil mills to depress price. Question of commission's investigation will then be considered.

OTIS B. JOHNSON,
Secretary Federal Trade Commission.

I had no investigating force to send around over the country to get up the evidence—that is what the Federal Trade Commission was organized for—so I called on the secretary of the commission September 23, 1929, and registered the following complaint—two days later I was told by an agent of the commission that I could probably get better results by taking this up with the Department of Justice:

SEPTEMBER 23, 1929.

FEDERAL TRADE COMMISSION,
Washington, D. C.:

I have recently returned from the first congressional district of Texas, which is composed of 11 counties in northeast Texas. Cotton is the principal industry in this district. The farmers at this season of the year are picking their cotton, having it ginned, and putting it upon the market. At the time of the ginning the seed is separated from the cotton and the seed is usually sold to the ginner or independent buyer, who in turn sells them to the cottonseed-oil mill.

Many people made complaints to me the latter part of last cottonseed season of the year 1928 that they believed a conspiracy existed between the cottonseed-oil mills to depress and hold down the price of seed. I investigated the matter some at that time, but did not thoroughly investigate it until the beginning of the ginning season this fall, 1929, at which time I returned to the district and interviewed a large number of people relative to this alleged conspiracy. I am thoroughly convinced that there is such a conspiracy among the cottonseed-oil mills of that section for the following reasons:

1. The price of cottonseed is uniform, there being no competitive buyers.

2. Independent buyers can not find a market for the seed purchased.

3. Territory has been allotted by the cottonseed-oil mills, a cottonseed-oil mill in a certain territory having the right to purchase all the seed from gins in that territory; and other oil mills will not purchase seed from a ginner in some other oil mill's territory.

4. The price that is being paid to the farmers is wholly out of line and insufficient in comparison with the price the cottonseed-oil mills receive for the products produced from the seed. In other words, the value of the crush of a ton of seed is approximately $50. The cost of operation and profits should not be over $7.50 and $10 a ton, thereby making the price that the farmer should receive for the seed around $40 a ton, when in truth and in fact, they are only receiving around $30 and $31 a ton.

Dictated September 23, 1929, by Congressman WRIGHT PATMAN, first district, Texas.

Complaint was made to attorney general of Texas about the Cottonseed Trust, as evidenced by the following correspondence. I also furnished to the attorney general's department from time to time such valuable information as I was able to obtain:

TEXARKANA, TEX., *September 8, 1929.*

Hon. CLAUDE POLLARD,
Attorney General of Texas,
Austin, Tex.

DEAR GENERAL POLLARD: I believe that you should take some action to destroy the conspiracy that is existing among the cottonseed-oil mills of this section of the State to purchase cottonseed from the farmers at a price which is from $9 to $15 below the market price. If you will send a representative to this congressional district he will not experience the least trouble in getting sufficient evidence of such an unlawful conspiracy.

The market price of cottonseed is $39 to $41 a ton; they are being purchased from the farmers at $25 to $31 a ton. Considering the present prices of meal, hulls, lint, and oil, cottonseed should be reasonably worth from $40 to $45 a ton.

Heretofore the ginners had the privilege of storing their seed and the seed of their customers in the cottonseed-oil mills warehouses for the purpose of holding a reasonable length of time for a better price. This year, after it was too late for the ginners and farmers to prepare for such storage, the oil mills gave notice that the practice would not be permitted this year, thereby compelling the immediate sale of practically all cottonseed.

The price offered to the farmers for cottonseed is uniform and from $9 to $15 below the market. It is reported that gins can sell only to the oil mill that is allotted that particular gin; if a gin happens to be on a dividing line the oil mills will divide the seed from it, giving the same price.

Independent buyers of cottonseed can not sell them to the mills for a higher price than the gins at that particular point are paying. One man told me that he knew the mills were paying the ginners a commission on all the seed purchased from the ginners' territory by the oil mill, although they were purchased directly from the farmer or private buyer.

Doubtless for the purpose of destroying competition the oil mills are paying more for cotton where it is ginned at their gin. Most of the gins are either owned or controlled by the oil mills, and they can afford to gin cotton free and still make a profit if the seed is purchased at the present price.

If this same condition exists over the State the farmers of Texas will lose this year approximately $25,000,000 on cottonseed by reason of this unlawful conspiracy, if something is not done.

You are the only public official in Texas charged with the duty of protecting the farmers against this violation of our antitrust laws. You have the power and authority under the laws of Texas to destroy this illegal combination. I trust you will realize the importance of immediate action.

Very truly yours,

WRIGHT PATMAN.

Investigation was commenced by Assistant Attorney General Galloway Calhoun, assisted by Messrs. Biffle, Lawrence, and Blalock, all assistant attorneys general, and Mr. Nichols, special investigator. By reason of this investigation cottonseed prices were almost invariably raised at the points visited by them. Criminal indictments were returned, and a news dispatch from Austin, Tex., of date January 17, 1930, indicates that civil suits will soon be instituted.

I commend these gentlemen for their faithful and effective work. I realized that they are obstructed in their investigation by reason of their inability to compel the production of information from companies without the State, and further by reason of the activities of holding companies and for other reasons too obvious to mention.

Receiving no assurance from the Federal Trade Commission that the trust would even be investigated, I personally conferred

with Mr. O'Brian, the First Assistant to the Attorney General, who has charge of antitrust violations in that office, and gave him all the information about the Memphis conference and asked for immediate action by that department. In support of my complaint I wrote him the following letter:

SEPTEMBER 25, 1929.

Hon. JOHN L. O'BRIAN,
Assistant Attorney General,
Washington, D. C.

DEAR MR. O'BRIAN: In my conference with you yesterday afternoon relative to the charges that the cottonseed-oil mills are in a conspiracy for the purpose of depressing prices of cottonseed, you requested that I outline the charges against them in a letter to you. The following represent the principal charges:

First, the cottonseed-oil mills have practically eliminated all competition by either destroying or purchasing competing concerns that would not submit to and be abided by the rules of the concerns in the conspiracy.

Second, in order to control the disposal of cottonseed the cotton-oil mills have engaged in the gin business, and the independent gins that would not submit to their rules and requirements would be destroyed by the cotton-oil mill gins in competition to them. The cotton-oil mill gins even go so far in some instances of ginning cotton free of charge, paying a higher price for cottonseed, and giving better weights in order to destroy the business of their independent competitor in the gin business.

Third, the cotton-oil mills, having either destroyed or whipped into line their competitors in both the cotton-oil business and the gin business, have agreed among themselves to allot territory. That is, each oil mill has a certain territory from which it purchases its seed. All the gins in that territory can only sell to that particular oil mill as no other oil mill will purchase the cottonseed. Farmers and independent dealers are in the same condition with reference to selling their seed. They can not sell them to any oil mill except the one having that particular terriory.

Fourth, before this year practically each town or community where there was a seed market, independent buyers would enter the market and buy seed for their own account. When they had purchased a sufficient quantity to sell in carload lots they would call the different oil mills over the telephone and sell to the one offering the best price. This year the oil mills are so well organized that independent dealers can not find a purchaser for the seed bought by them.

Fifth, at a metting of the cottonseed-oil mill representatives at Memphis, July 24, 1928, at which 95 per cent of the industry, covering 14 southern States, was represented, certain agreements were entered into by the cottonseed-oil mills as follows:

"Rule 8 (formerly Resolution 5). It is unfair competition and against public policy to buy and settle for cottonseed except on a basis of quality, cleanliness, and moisture content. Sound, clean, dry seed are worth more than damaged or trashy seed or seed containing an excess of moisture.

"Rule 12 (formerly Resolution 11). Whereas excessive commissions have been paid to seed agents for the purchase of seed, which has resulted in such commissions being paid directly or indirectly to sellers of seed, the effect being the publication of fictitious prices for seed and the inability of the public to know at all times the actual market for cottonseed: Therefore be it

"*Resolved,* That where the practice of buying seed through commission agents is in existence, the payment of any amount in excess of $3 per ton on wagon seed and gin seed, such payment to include storage, handling, loading, loss in weight, and all other charges of every kind, and the payment of any commission in excess of 50 cents per ton for buying carload seed, is against public policy and hereby declared to be an unfair method of competition.

"*Resolved further,* That the payment of such commission to other than bona fide seed buyers, who render a service, and/or in such manner that any part of it goes to the seller directly or indirectly through the medium of partners, influential friends, kinspeople, or under any other guise whatsoever is hereby declared to be against public policy and an unfair method of competition.

"*Resolved further,* That the names of such 50-cent buyers be made available to the public."

It will be noticed that rule 8 provides that the seed shall be purchased on a basis of quality. No such basis having ever been adopted by the Department of Agriculture or agreed upon by the trade, the cotton-oil mills are doubtless agreeing upon this basis themselves, and are, therefore, setting the price by requiring the seed to be purchased only upon that basis of quality.

Rule 12 is price fixing and is a discrimination against cooperative marketing. The rule provides that only bona fide seed buyers can be paid a commission of $3 a ton, and then with the distinct understanding that the seller of the seed can not directly or indirectly through any medium receive any part of that commission. The rule further enables the cottonseed-oil mills to determine for themselves who are bona fide seed buyers, and to refuse to purchase from anyone whom they do not consider bona fide buyers.

If the market price of cottonseed is $40 a ton, the cottonseed oil mills will set the price at $37 (presuming they are buying seed based upon a market price which is not true). The so-called bona fide agent is paid $3 for buying the seed. This makes up the $40 market price. If a farmers' organization desires to get $40 a ton for their seed and they send a representative to the cottonseed-oil mills for that purpose, the farmers' representative can not receive but $37 a ton, for the reason that he is not a bona fide agent of the oil mills to buy seed and it will be against the rules of the oil concern to pay that kind of an agent $40 a ton for seed. If he should be paid the $40 a ton, it would be paid with the understanding and by reason of an agreement to the effect that no part of the $3 received by him as a commission on each ton of seed can possibly be paid to the members of the cooperative who are furnishing the seed.

Rule 12 occurs to me is the competition-destroying rule and prevents farmers from cooperatively marketing their seed to the best advantage and at the market price.

Sixth, the price offered by the cottonseed-oil mills to the farmers for cottonseed is uniform and from $9 to $15 below what they are actually worth. The price of cottonseed can be easily determined by first determining the market price of the commodities manufactured from cottonseed and by deducting therefrom reasonable operating expenses and a fair profit. According to this rule, cottonseed should be worth at this time from $40 to $45 a ton. The farmers are, in fact, receiving from $25 to $31 a ton.

Seventh. One man at Paris, Tex., reported to me that the gins in that locality were receiving a commission from the oil mills on all the seed purchased by the oil mill from that gin territory whether handled by the gin or not.

This conspiracy if carried out through the season will cost the farmers of Texas alone $25,000,000 and the cotton farmers of the South from seventy-five to one hundred million dollars. Each day it continues to exist will cause the farmers to lose from a million and a half to two million dollars.

I hope there is a way that you can prevent the cottonseed-oil mills from acquiring, owning, or controlling cotton gins. To my mind the decree prohibiting packers in engaging in the business of handling food products and from establishing retail meat markets is a good one and should stand. For the same reason the cottonseed-oil mills should be prevented from owning and controlling cotton gins in order to destroy competition in the business of buying cottonseed.

I shall appreciate any attention or consideration given to this matter. You may rest assured that I shall be very glad indeed to cooperate with you and render any service it is possible for me to render.

Sincerely yours,

WRIGHT PATMAN.

If the Attorney General of the United States has ever done anything to destroy this trust or to even impede its progress, the information has not been reported to me. The Attorney General at the American Bar Association in Memphis last fall said he expected to destroy illegal combinations. He has the facts necessary to bring suit in this case. I wonder what detains him?

The following is a part of my correspondence about the mills withholding the information about prices paid for cottonseed:

OCTOBER 22, 1929.

DALLAS COTTON EXCHANGE,
Dallas, Tex.

GENTLEMEN: I shall appreciate it if you will advise me how you arrive at the price of prime cottonseed each day. I have observed that up until the last few days a price would be given in the Dallas News each day, but during the last few days I have noticed a statement from you to the effect that the price was irregular.

In addition to the information as to how the price is given to the press, I would also like to know what you mean by the price being irregular. In other words, do you mean that the price ranges from a certain price per ton to a certain price per ton, differing in the same or various localities?

Thanking you in advance for all courtesies extended in this instance, I remain,

Sincerely yours, ——— ———.

DALLAS, TEX., *October 30, 1929.*

Hon. WRIGHT PATMAN,
House of Representatives, Washington, D. C.

DEAR SIR: Your letter of October 22, addressed to the Dallas Cotton Exchange, has been referred to me for reply, and in this connection I beg to advise that the price of cottonseed is arrived at daily by me, acting as the Secretary of the Cottonseed Products Committee, by ascertaining from every oil mill in Dallas, Tex., the highest price they have paid for cottonseed on that date. The highest price reported to me by any oil mill is given to the cotton exchange as the market price for cottonseed on that day. The press secures this information from the cotton exchange when the price is posted.

When conditions became chaotic, we found that the mills will not report the price they have paid for cottonseed and we can not intel-

ligently quote the market, therefore, recently, we have been quoting the market as irregular. We regret that these conditions prevail, because we would like to be able to give the public the market price on cottonseed.

Yours truly,

W. D. CARR,
Secretary Cottonseed Products Committee.

OCTOBER 25, 1929.

Mr. GEORGE B. DEALEY,
Dallas Morning News, Dallas, Tex.

DEAR MR. DEALEY: Heretofore it has been customary for the Dallas News to carry prices being paid for cottonseed at different points in the State. I notice this fall that the Dallas News does not carry prices from different points in the State like it has during preceding marketing seasons. This information, to my mind, was very valuable to the farmers and I wonder why the service has not been continued.

I would also like to know if it would be possible for the News to carry each day the price being paid for cottonseed from the Dallas Cotton Exchange. For the past week or 10 days the price quoted from the exchange for prime cottonseed is "irregular." It occurs to me if the price is irregular, that the minimum and maximum prices should be given. This information is especially interesting in view of the fact that it is charged by many people that the cottonseed-oil mills and dealers in cottonseed have agreed that in the Dallas trade territory the price announced by the Dallas Cotton Exchange will prevail.

I shall appreciate very much any information you can give me relative to these matters.

Yours sincerely,

———.

DALLAS, TEX., *October 30, 1929.*

Hon. WRIGHT PATMAN,
House of Representatives, Washington, D. C.

DEAR MR. PATMAN: Referring to yours of the 25th, I showed it to our managing editor, Mr. Jno. E. King, and I am inclosing his response to your inquiry. I hope it will be satisfactory.

With kindest regards and best wishes always, I remain,

Very sincerely yours,

G. B. DEALEY.

OCTOBER 29, 1929.

Mr. DEALEY: With reference to the letter from Congressman WRIGHT PATMAN, heretofore during the cotton ginning season the News has obtained and published daily prices paid for cottonseed at the gin. Publication of these quotations resulted in numerous complaints to the effect that the quotations published did not represent the real market price of cottonseed in these various towns, but merely represented the price agreed upon between the farmer and the ginner who ginned his cotton. Because of these complaints and the seeming impossibility of getting figures representing the real markets in these towns we deemed it inadvisable to continue this service, and so we did not publish such cottonseed prices.

Mr. PATMAN'S complaint that the cottonseed market established by the Dallas Cotton Exchange is unsatisfactory is well founded. We have tried several times during recent weeks to persuade the Dallas Cotton Exchange to give us some price basis on the Dallas cottonseed market. The cottonseed quotation committee of the exchange, of which Mr. W. B. Carr is chairman, has insisted that it is impossible for this committee to establish the price range; that is, the high and the low. They have been content merely to announce the market as irregular or nominal. Since there is no other agency in Dallas that might establish the prices for cottonseed, it seems that we are doing the best we can on giving cottonseed now in the entire South.

We are now publishing daily the prices on cottonseed established by the Memphis Cotton Exchange, at Memphis, Tenn., which, according to men in the cottonseed business here, is the most reliable market for cottonseed now in the entire South.

JNO. E. KING.

Dallas, Tex., cottonseed market as reported in Dallas Morning News, from information received from Dallas Cotton Exchange.

December 7, 1928, cottonseed $40 a ton.

December 8, 1927, to January 13, 1928, prices quoted each market day as "nominal."

January 13, 1928, cottonseed $43 a ton.

September 27, 1928, cottonseed $36 a ton.

September 28 and 29 quoted "irregular."

October 1, 1928, price $37 a ton, and remained $37 until October 9.

October 9 to 13, inclusive, price "irregular."

October 15, 1928, price $42 and remained $42 until November 10, 1928.

November 11 to November 26, inclusive, price reported "irregular."

November 27, 1928, price $45 a ton.

Price remained either $45, "irregular," or "nominal" remainder of season.

August 30, 1929, price opened $34.

Price remained $34 a ton until October 11, 1929, notwithstanding the price of the finished products from a ton of seed varied several dollars during that time.

Since October 11, 1929, the price has either been quoted as "irregular" or no quotation at all.

The above information indicates that when the price of seed increases the Dallas Cotton Exchange through its committee makes no effort to publish the increase until it is well established. Second, it does not show a determination of the cottonseed board of the exchange to give immediate publicity, by all available means, to cottonseed prices. Third, it is very strange that the market can not be reported since the attorney general's department of the State of Texas commenced its investigation; it commenced just a day or two before October 11, 1929.

The cottonseed-oil mills in Dallas and vicinity obligated themselves at the Memphis conference to give publicity, by all available means, to prices paid for seed. Before that conference publicity was given, but since that time it has not been given, except possibly to competitors. I venture the assertion that an investigation will disclose that every member of the committee of the Dallas Cotton Exchange is directly interested in cotton-oil mills or in the purchase of seed.

Since the Memphis conference publicity of prices paid by cottonseed-oil mills for cottonseed has not been given in the Arkansas, Georgia, or South Carolina papers. Satisfactory local publicity has not been given in other States, except in Memphis, since the establishment of the cottonseed exchange, although the representatives of the industry at the Memphis conference proclaimed that publicity was what they wanted. Subsequent events prove conclusively that the object of the publicity resolution at the Memphis conference was for the sole and only purpose of permitting and requiring competitors to confer with one another for the purpose of agreeing upon the price they would pay the farmers for their cottonseed.

March 2, 1927, the House of Representatives adopted a resolution introduced by Mr. MCDUFFIE, of Alabama, providing for an investigation by the Federal Trade Commission of the Cottonseed-Oil Trust.

During the season 1926–27 the oil mills of the United States bought the farmers' seed for an average price of $21 a ton and sold the finished products of each ton for more than $50. All manufacturing costs, including a reasonable profit to the mills, should not exceed $6.40 a ton.

The Federal Trade Commission made its report March 5, 1928, to the Seventieth Congress, first session, known as pamphlet on Cottonseed Industry, House Document No. 193.

From that report the following extracts are taken:

Page 8—Cottonseed industry A

The cotton grower usually disposes of his seed to the ginner at the time of ginning.

Notwithstanding this knowledge, the Federal Trade Commission O. K'd a resolution at the Memphis conference in which the mills agreed not to store seed for the farmers (rule 9). The idea was to give them no place to store, so they would be compelled to sell. Theretofore it had been customary for the ginner to store the farmers' seed and permit him to sell them at his pleasure. The mills would in turn store them for the ginner. If the farmer is required to "catch" his seed when the cotton is ginned, he will have to handle them a number of times in order to hold for a better market, and will thereby be put to considerable trouble and inconvenience in refusing to take the price set by the trust.

Page 3—Cottonseed industry

While it was not practicable to secure data showing prices paid the producer by the ginner the variation and trend of prices is indicated to the same degree by the data secured from the cottonseed mills showing the average prices paid for cottonseed f. o. b. shipping point. This data was secured by questionnaire from representative mills located in each of the cotton-producing States.

Imagine the commission going to the conspirators to get the information to convict themselves on and without checking it up.

Page 10—Cottonseed industry

At some of the meetings (referring to meetings of representatives of cottonseed-oil mills in several States) it is admitted that prices being paid for seed have been discussed although it is denied that any agreement was reached.

With this knowledge, the commission knowing that their goal was to set prices, the Memphis conference was held and an organization perfected that permitted them to carry out their plans. The report of the commission is full of information that shows that the object of cooperation by the mills was to fix the price to be paid farmers for cottonseed. Yet with this

knowledge as reported in March, 1928, the Federal trade conference was held the following July.

Page 17—Cottonseed industry

Rule 4 (referring to rules adopted by representatives of oil mills at State associations in several States) provides for a uniform rate to be paid shippers who buy seed on commission and that rule 12 provides for the discontinuance of future option contracts, the general adoption of which might tend to make prices paid for seed uniform ($3 a ton commission).

Page 18—Cottonseed industry

Rule never made effective.

Federal Trade Commission in the light of this investigation, and knowing the effect of such rules, permitted similar rules to be adopted by the Memphis conference.

The very rules denounced by the commission in March, 1928, as being price fixing were approved by the commission at the Memphis conference four months later.

On page 21 "Cottonseed Industry" Ed Woodall, of Dallas, Tex., the principal owner of a chain of oil mills, is reported to have written the Alabama Cottonseed Crushers' Association:

October 12, 1926: "As far as oil is concerned, it is relatively too cheap, but we know of nothing we can do about it. As oil mills, it is better for us as it is, even though it may be bad for the farmer. When a large part of the edible surplus has been used for soap and in view of a sure reduction in cotton acreage next year, we believe at least 25 per cent oil will probably go higher later in the season."

A similar situation existed in the fall of 1929.

Page 34—Cottonseed industry

In Dallas a committee of Dallas Cotton Exchange furnishes daily prices of seed to customers by Western Union, newspapers, and radio.

This service, except Western Union to their own paid customers, has been discontinued since the Memphis conference agreed to give such wide and immediate publicity to prices as provided in rule 1 of conference resolutions.

Page 36—Cottonseed industry

The Federal Reserve Bank of Dallas for the last three years has collected statistics regarding prices being paid for cottonseed by the mills operating in Texas. According to bank officials, the local banks were reckless in loaning money on cottonseed, and in order to prevent this condition statistics, with respect to production, prices, and stocks on hand, were collected from the mills and furnished the banks with advice that they must be more conservative in making loans. A report is compiled weekly which shows the number of mills reporting, seed received during week, average cost of seed per ton, including freight, cottonseed products sold during the week, together with the average price received, and an estimate of the unsold cottonseed products on hand and to be produced. A copy of this statement is also furnished the mills reporting.

During the early fall of 1929 the local manager of a mill owned by a large chain of mills wrote his boss in a foreign State and complained about local independent street buyers paying $40 a ton for seed when he could only pay $33. He suggested that he be permitted to raise the price so they would lose money; that other competitors were helping him to get rid of them, but they were using their own money, and little could be done. The boss of the chain wrote back and told the local manager not to be disturbed, that he had every assurance that the independent buyers could not sell the seed they bought to any oil mill except at the posted price.

Note the words "the independents are using their own money." That indicates in the light of the statement on page 36 that the Federal reserve bank at Dallas might have been used in the past as an instrument to retard the independent seed buyers who did not use their own money and who were compelled to borrow from their local banks.

The Interstate Cotton Seed Crushers Association—same as National Cottonseed Products Association (Inc.)—met at Hotel Roosevelt, New Orleans, La., May 15, 16, 17, 1929. J. E. Byram, president of said association, in his speech to the convention stated:

It seems to me that this question of uniform cost accounting is one that should be given more attention. In fact, three or four years ago we had a committee for this, and they made a report to this association, with certain recommendations. They recommended that the cost-accounting system as outlined by them be adopted by the association and by each State association and that it should be the responsibility of each State association to see that every member used the system. The idea was to determine the total cost and expense, and therefore find the maximum prices that may be paid for cottonseed.

In support of this argument he gave as an example how competitors in another industry were bidding from $3.70 to $9.66 on a certain commodity before the expert showed them how much they should charge and how to compute overhead. He further stated:

The source of all our troubles has been the question of buying our raw materials.

At an annual convention of the United States Chamber of Commerce, Washington, D. C., May 2, 1929, Mr. Christie Benet, general counsel Interstate Cotton Seed Crushers' Association—same as National Cottonseed Products Association—and the one who had more to do with the Memphis trust agreement, stated:

We feel that the fine liaison which has existed heretofore between the Department of Commerce and the Department of Justice and the Federal Trade Commission might be extended, and we suggest that it might be well to have representatives from departments participate in the trade-practice conferences of the commission.

Mr. Benet does not seem to be satisfied with the Federal Trade Commission engaging in the work of organizing trusts and monopolies in violation of the laws of both States and Nation, but he wants these two other departments of our Government to also engage in the destructive and illegal work.

There is one conclusion for one to arrive at after reading Mr. Benet's statement and that is the Department of Commerce and the Department of Justice were working in perfect accord and agreement with the Federal Trade Commission in organizing the cottonseed-oil trust and the many others prior to his speech. He not only wanted the fine liaison which had existed between those three departments to continue but he wanted representatives from the Departments of Commerce and Justice to actually participate in the conferences.

In order to carry out the purposes of Memphis trade conference General Counsel Benet was authorized, July 22, 1929, to set up at the expense of the association (National Cottonseed Products Association, charter adopted July 8, 1929) such organization machinery as in his opinion from time to time may become desirable or necessary.

The new association takes in not only the crushers but also the refiners, dealers in oil-mill products, exporters, brokers, chemists, dealers and manufacturers of machinery, supplies or articles used in the oil-mill industry; buyers and consumers of cottonseed and other vegetable oil products; mixed-feed dealers using cottonseed products; and secretaries and State divisions and associations. It will be noticed that the new organization takes in everybody connected with cottonseed or its products except the farmer who produces the seed.

The association set up a court within its own body for the redress of its grievances.

ARTICLE IV

DUES

The annual dues of the association for the fiscal year shall be:

CRUDE MILLS

Three cents per ton of cottonseed crushed, with minimum dues of $50 per mill.

REFINERS

One cent per 400-pound barrel of summer yellow oil produced, with minimum dues of $50 for each refinery.

DEALERS

One-half cent on each ton of cottonseed meal, cake, and hulls, and one-half cent per bale on all linters sold in the United States; one-quarter cent on each ton of cottonseed meal, cake, hulls, and on each bale of linters or hull fiber sold for export; with minimum dues of $50 for each separate office or place of business.

BROKERS

One-quarter cent per ton on all cottonseed meal, cake, and hulls, and products thereof; one-half cent per bale on all linters, grabbots, motes, flues, and similar products; and one-fourth cent per equivalent 400-pound barrel of oil, soap stock, or any other by-products thereof, for which contracts are issued; with minimum dues of $50 for each separate office or place of business.

CHEMISTS

One cent for each analysis made, with a minimum of $50 for each separate laboratory or place of business.

ASSOCIATE MEMBERS

One hundred dollars, but secretaries of State associations or divisions shall be associate members without dues. The dues as hereinabove provided shall be payable at such times and in such manner as the board of directors may prescribe.

Dues are paid to the association by the oil mills at the rate of 3 cents a ton on cottonseed crushed, with minimum dues of $50. A tax of 1 cent a barrel of summer yellow oil produced is levied, with a minimum of $50.

It is estimated that the amount raised for Mr. Benet to enforce the trust agreements will be around $200,000 a year.

At the first meeting of National Products Association the following colloquy took place, which thoroughly explains the object of organization to bring in everybody except the farmer:

Mr. D. C. JOHNSON. Mr. Chairman, in order to get this matter absolutely straight in our minds, I don't think there is any question but that all members whose names appear on a contract, both buyer and seller, should be regular members of the association. Now, personally, I would greatly prefer that my exporter and mill friends be members of the association, ahead of some oil-mill men, because I have more dealings with them and I want them tied into this organization, but I don't think that the association should be made up of connections who have no financial transaction on the opposite sides of the contract.

Mr. BENET. In other words, Mr. Johnson, your position is that both ends of the financial equation should be represented?

Mr. JOHNSON. Yes, sir.

Mr. BENET. May I ask you this: Is "dealer" broad enough to include "exporter"?

Mr. JOHNSON. Yes, sir.

The August, 1929, number of the Cotton Oil Press carried the following editorial:

General Counsel Benet, fortified by authoritative resolution adopted a few days ago by the new board of directors of the reorganized association, announces that he will proceed at once to set up the necessary machinery in each State as may be needed to provide open-price quotation for cottonseed and products and for uniform interpretation of the code's rules. A unified industry is behind him now in his efforts to put the code of trade practice into full force and effect.

Evidently the proper machinery was set up. Soon thereafter the price of seed was set all over the South at from $9 to $15 a ton too cheap.

Benet represents and draws a retainer from everybody connected with cottonseed except the farmer. Who do you think will be called upon to lose under such a system?

Mr. S. M. Harmon, of Mississippi Cottonseed Crushers' Publicity Bureau, in interpreting the Memphis code, said:

The object of the code of business practices is to give the oil mills an opportunity to quit doing a number of useless things that have been a burden and an expense for a long time. This is accomplished by each mill agreeing to abide by the provisions of the code, which can be safely done for the reason that competitors are doing the same thing at the same time.

If the mills notify the secretary by wire of price changes simultaneously with their initial effort to buy seed or sell products at the changed prices, this information will be broadcast to all subscribers as rapidly as the telegraph companies can handle it, and we will then be in position to deny wild and false rumors with confidence and authority.

The August, 1929, number of Cotton Oil News reports the following about the popularity of the new association:

It is a time for throwing hats into the air and yelling like Comanches. The big job of reorganizing the old Interstate Cottonseed Crushers Association under a new name, giving its trading rules a definite and exclusive value and making membership a priceless possession, to be eagerly sought and proudly held, has been accomplished.

The September, 1929, number of Cotton Oil News reports the following about the popularity of the new association:

Starting with its full roster of members of the Interstate Cottonseed Crushers' Association, its successor, the National Cottonseed Products Association, under the stimulus of reorganization, last month acquired 53 new members. Thirty-five of these were Texas cotton-oil mills. The rest were mills, refineries, brokers, and chemists, variously located in Texas and other States. This is an auspicious start, and indicates that September and October will be record-breaking months in membership acquisitions. Texas is setting a fast pace. It will be encouraging to those who have worked long and faithfully to bring about the nationalization of the industry to know that favorable results are beginning to be in evidence.

September 28, 1929, General Counsel Benet sent out a letter to all members of the illegal trust in which he stated:

Every man in the industry should not alone read the Memphis resolutions again but should read the discussion held between Judge McCulloch and the representatives of the industry, which clearly set forth the position of the Federal Trade Commission and the hopes and desires of the industry. This discussion is included in the printed report of the conference which was sent out by the Federal Trade Commission to each mill represented at the conference and was also printed in the Cotton Oil Press of August, 1928.

This clearly tells the members of the illegal organization that they must advise with their competitors about prices and to fix prices—about the only thing that was discussed at the Memphis conference.

October 23, 1929, General Counsel Benet issued to all the members of the illegal trust the following price-publication instructions, which are a violation of the laws of the United States:

1. Each and every member shall conspicuously post on a bulletin board at its mill or mills the prices it is paying for cottonseed and charging for cottonseed products. Whenever a member revises its prices, such revision shall be posted immediately. These posted prices shall represent at all times the actual prices in effect and shall include the entire consideration.

2. Each and every member shall report by telegraph to the secretary all such posted prices for cottonseed, and by telegraph or mail all such posted prices for cottonseed products, immediately after such prices have been posted.

3. All such cottonseed price information received by the secretary shall be reported promptly and simultaneously by telegraph to all members and other subscribers to such service. All cottonseed products prices received by the secretary by mail may be reported by mail.

4. Due to the fact that some buyers and sellers are located where the hours of telegraphic service are limited, the Secretary shall transmit no telegraphic information before 8 o'clock a. m. or after 5 o'clock p. m. during week days, and no such telegraphic information shall be transmitted on Sunday.

5. The secretary shall not furnish telegraphic price information to members not posting and reporting their prices as required by paragraph 11 of this plan.

6. There shall be nothing secret or confidential about any price information received or transmitted by the secretary. All such information shall be made available at all times to all interested parties. All telegraphic information received from and transmitted to members will in like manner be furnished to any and all other interested parties on agreement to pay therefor the cost of such service, including a reasonable charge toward the expense of the secretary's office.

7. In order that the selling public may be promptly and accurately informed as to prices being paid for cottonseed and charged for products at the various mills, the secretary shall make public by all available means, including the use of the radio where available, the public press, and other market news services and media, current market information furnished by members.

8. The secretary shall in no case attempt to interpret the market. His activities with respect to receiving and transmitting price information shall be confined strictly to the services defined and approved in this plan. Nor shall members be permitted to discuss market conditions with the secretary or request his advice or comment with respect to prices.

9. The secretary shall keep a complete file of all market information received from members and transmitted to members, subscribers, and otherwise made public.

10. Price information received or transmitted by telephone is unsatisfactory and should be avoided, for no authentic record generally can be made of such information. Nor shall inquiries about market facts be made by telephone.

11. There is always a tendency in a highly competitive trade, such as the crude oil mill industry, to misrepresent market conditions and spread false reports. Therefore, in order to establish facts, members may make inquiries through the secretary. In all such cases members shall furnish all essential facts. No inquiries can be made to verify or refute vague or general rumors.

If this is not a complete arrangement for the mills to set the price of cottonseed I would like to know what it lacks. Under these rules a farmer can not call over the telephone and get the market price of seed before he goes to town. The price-setting purposes of the code were already working rather effectively before the issuance of these instructions, but immediately after they were issued cottonseed went down again all over the South from $1 to $5 a ton. The rules are iniquitous on their face.

The cottonseed-oil mills were so well pleased with the work done by their attorney, the Hon. Christie Benet, of Columbia, S. C., in successfully organizing this gigantic trust and monopoly and in getting an arm of our United States Government to safely and securely place around it the cloak of legality that they raised his salary to a sum aggregating tens of thousands of dollars annually. If a single laborer in the mills received a raise, that fact remains concealed. It will be noted that employees in cottonseed-oil mills are about the lowest paid, if not the lowest, of any industry in America and are paid very little more, if any, than is paid the cheapest labor in India, which is commonly referred to as the pauper labor of the world.

At the Memphis conference, July 24, 1928, the following named were the most active participants:

E. A. McCulloch, chairman of Federal Trade Commission, of Washington, D. C.

Christie Benet, Columbia, S. C., who represents practically all cottonseed-oil mills, dealers, brokers, chemists, exporters, refiners, and others, except the farmers who handle cottonseed or its products, in the United States.

T. O. Asbury, New Orleans, La., representing Southern Cotton Oil Co., with more than 50 mills, or 10 per cent of whole number of mills in United States; main office, Chicago, Ill.

A. Markham Flannery, director of trade practice conference work of Federal Trade Commission, Washington, D. C.

George C. Hauser, New Orleans, La., representing Southern Cotton Oil Co.

J. B. Perry, Grenada, Miss., representing Mississippi Cotton Seed Products Co. that owns 14 mills.

C. E. Covington, Magnolia, Miss., representing Mississippi Cotton Seed Product Co. that owns 14 mills.

J. H. Petty, Greenwood, Miss., representing Mississippi Cotton Seed Products Co. that owns 14 mills.

C. R. Valkerburgh, Chickasha, Okla., representing Chickasha Cotton Oil Co. that owns eight mills.

S. W. Wilbor, Paris, Tex., representing Southland Cotton Oil Co., of Paris, Tex., that owns nine mills in Texas, Oklahoma, Mississippi, and Louisiana.

J. C. Jones, Abilene, Tex., representing Abilene Cotton Oil Co. that owns eight mills in Texas.

In addition to the above the following made talks at the conference:

D. C. Johnson, of Texas, San Marcos Oil Co.

J. I. Morgan, Farmville Oil & Fertilizer Co., Farmville, N. C.

P. R. Lamar, Rome Oil Mill, Rome, Ga.

Hugh Humphreys, Shelby Oil Mill, Shelby, Miss.

J. J. Lawton, Hartsville Oil Mill, Hartsville, S. C.

T. J. Kidd, Farmers & Ginners Cotton Oil Co., Birmingham, Ala.

P. F. Cleaver, Rose City Cotton Oil Co., Little Rock, Ark.

P. D. McCarley, Elberton Oil Mills, Elberton, Ga.

The following either moved the adoption of a resolution without speaking to it or seconded a motion:

L. P. Brown, Southern Cotton Oil Co., New Orleans, La., that owns more than 50 mills.

T. H. Gregory, vice president National Cottonseed Products Corporation, Memphis, Tenn., that owns 19 mills.

J. H. Bellis, Cushing, Okla., president Oklahoma Cotton Seed Crushers' Association.

W. H. Jaspon, New York City. His company owns six oil mills besides his individual interest in a number of others.

A. T. Kennon, Desota Oil Co., Memphis, Tenn.

H. M. Hutchinson, Secretary Georgia Cottonseed Crushers' Association, Atlanta, Ga.

A. E. King, Oklahoma City, Okla., representative for several mills.

The proceedings of the conference do not disclose the name of anyone else.

About 80 per cent of all cottonseed oil is refined by six companies, to wit: Procter & Gamble Co., that also owns the Buckeye Cotton Oil Co., with mills in North Carolina, Georgia, Alabama, Mississippi, Arkansas, and Tennessee; Southern Cotton Oil Co., of New Orleans, that also owns more than 50 cottonseed-oil mills in Alabama, Louisiana, South Carolina, Arkansas, Tennessee, Florida, Texas, Georgia, and North Carolina; Swift & Co., that also owns a large number of cottonseed-oil mills; Armour & Co., that is known to have extensive cottonseed-oil mill interest; Portsmouth Cotton Oil Refining Corporation of Portsmouth, Va.; and the Van Camp Packing Co., of Louisville, Ky.

I believe that the same oil mills and in many instances the gins that buy the farmers' seed are owned and controlled by Swift & Co., Procter & Gamble, and a few others that control the coconut-oil market and the cottonseed-oil market.

As evidence of the fact that cottonseed-oil mills do not care how low the price goes they are not objecting to the new proposed rate on coconut oil from San Francisco to Kansas City. They want to use the low price of one to lower the price of the other. Their tariff proposal is a smoke screen in so far as they claim it in defense of the present low price of seed.

The following article appeared about the 1st of September, 1929, in the Arkansas Democrat at Little Rock, Ark., which fully explains the mergers of cotton-oil mills and the resulting detriment to the people:

More mergers—No. 4, attached.

From Dillon, S. C., of date December 2, 1929, I received a letter, of which the following are extracts:

It is most important that southern Senators and Congressmen get busy and break up the trust now existing between the cottonseed-oil mills in the South. For your information, the price of cottonseed to-day is only $29 per ton as against $45 per ton a year ago. You can readily see what this loss of $14 per ton is meaning to the southern cotton farmer.

Every cotton-oil company in the South has the same price on cottonseed; no competition now exists. Also the cotton-oil companies have the same price on their products—meal, hulls, etc. The farmer to-day is at the mercy of the oil mills, having to take for his cottonseed any price they may see fit to fix. It is high time that some action was being taken.

SMALL MILLS SQUEEZED OUT

The Bulletin No. 166 on cotton production for the season 1928–29, prepared by the United States Department of Commerce, contains the following information about the number of oil mills:

There were 545 cottonseed-oil mills operated during the season, compared with 557 for 1927–28, 570 for 1926–27, 563 for 1925–26, 530 for 1924–25, and 764 for 1916–17. The number of active mills from 1917 to 1927 decreased 193, notwithstanding that the quantity of cottonseed crushed increased from 4,479,176 tons in 1917 to 6,305,775 tons in 1927. Only 54 mills crushed less than 2,000 tons each during the past season, compared with 210 for 1916–17. Mills crushing 10,000 tons and over last season numbered 183, compared with 135 for 1916–17. The distribution of the larger mills is quite general among the States.

It will be noted that the smaller mills are being dismantled and the number of larger mills increasing.

[From the Arkansas Democrat]

MORE MERGERS

Swiftly the mergers are becoming greater mergers. A few years ago Arkansas was dotted with compresses and cotton-oil mills owned and run by home people. The dividends from these enterprises in prosperous years furnished the money for many community enterprises and new homes in the respective towns. To-day the compresses are, with two or three exceptions, controlled by one concern with headquarters in Memphis. The cotton-oil mills are following the example of the compresses, and will be owned by those in control of the compresses. Cotton-oil mills in Arkansas have been purchased in the past three weeks by large outside interests and in a short time these mills will be dismantled. Just yesterday a long-headed business man predicted that within the next year 90 per cent of the cotton-oil mills in Arkansas will be controlled by one northern group.

What will be the outcome we are too inexperienced to predict. Whether the control of the compresses and cotton-oil mills of Arkansas, each by an out-of-State group, will be any advantage to the Arkansas farmer, we could not say. We do know the various communities and their churches, schools, libraries, and other civic enterprises will miss their portion of the dividends that come their way through donations from local stockholders when such enterprises were owned by the home guard.

The following letter discloses partly the activities of the oil mills in Upshur County, Tex.:

NOVEMBER 4, 1929.

DEAR MR. PATMAN: I have been reading quite a bit of your writings in newspapers in regard to oil mills fixing prices of seed and other schemes to hold the price of seed down.

The farmers are looking forward for great benefits from the work that you are now undertaking.

The oil mill that we have in Gilmer has the strongest financial backing of any mill in east Texas.

No other mill will come into this district and buy seed, only on the price that this mill pays. They also own and operate one gin. There are also two other big gins located in Gilmer, each of which have gone to the expense of building large seed-storage houses and are storing the farmers' seed free of charge in order to help them get a better price for their seed later in the season.

This oil mill is doing everything possible to stop the ginners from storing these seed for the farmers. They have even gone so far as to offer to some of the ginners to slash the price of ginning, and said oil mill proposes to pay the ginners the difference of slashed prices in order to freeze out and bankrupt one ginner in order to get seed that he has been storing and selling on open market.

Can furnish names of parties who can give you some very interesting testimony if necessary.

B. H. MITCHELL, *Gilmer, Tex.*

The following letter is typical of what is happening in one of the principal cotton-producing counties in Texas:

NOVEMBER 23, 1929.

DEAR SIR: I am writing you in regards to some facts about defrauding in cottonseed that I sold to the Jefferson Cotton & Oil Mill Co., at Jefferson, Tex.

Now, Mr. PATMAN, I took 2,410 pounds of seed to them and they were paying gin men $42 a ton the same day and only paid me thirty-one, which was a loss to me, with the hauling at $4 a ton, over $17. They had some men in the community here buying these same seed at $38 a ton. I find out if I had of told them that these seed of mine belong to some of these men that I would have got the $42.

Now, Mr. PATMAN, I don't understand why I have to sell my stuff under an assumed name, being a citizen of Texas, law-abiding, and a taxpayer. I kindly trust that, being a friend, that you will investigate this for me. I can furnish you with all the proof that you need.

W. M. COX,
Douglassville, Tex.

From a letter from a constituent in Red River County, Tex., written October 23, 1929, the following extract is taken:

DEAR MR. PATMAN: About the time the assistant attorney general made his second trip to Paris looking into the cotton situation, things kind of picked up. One of the Paris mills dashed into Rugby, a little town between Paris and Bogata, and put seed to $40 a ton. The next day a Dallas mill bought a car of seed on Red River at $38, plus the hauling, and seed went to $35 a ton in several adjoining towns.

The following is an extract taken from a letter of a constituent at Roxton, Tex., dated November 12, 1929:

DEAR MR. PATMAN: Cottonseed as high as $43 a ton. The farmers here had on hand 400 tons which they sold for $40; besides the gins are paying the $40.

In a letter from the president of a prominent milling company at Dillon, S. C., I have received a leter containing the following extracts of date January 8, 1930:

There is still more than 200,000 tons of cottonseed in North and South Carolina to be disposed of. Most of this seed is in the hands of the farmers.

A copy of the following letter was forwarded to me by its author, which fully explains the situation in Arkansas:

RISON, ARK., *September 17, 1929.*

Hon. DAVE GLOVER,
Washington, D. C.

DEAR SIR: I am writing you in a brief way to see if you can get hold of some investigation through and with your Senators from Arkansas and other Congressman some action through some commission that we could feel some relief as to the prices on cottonseed.

Swift, Armour, Procter & Gamble, and other of the "big boys" have arranged for no possible competition on the price of cottonseed, and they have set the price uniformly so low, and that means the same price all over Arkansas—not in line with their value—$10 per ton less money than we have been used to, with the meal $8 per ton more money than seed, and it occurs to us who make and handle seed to be an unbearable "hold-up."

I realize fully that I am a small man in the game, but we who sign this letter asking for some relief, or, at any rate, some investigation, whether there be any relief or not, represent 4,000 tons of seed in Cleveland County. I mean that the names that appear on this letter are all gin operators.

Now, for your information, I really owned stock in an oil mill for a few years and was a director in said mill, and became very familiar with the operating cost and with what the products did bring and were to bring to make a fair return, and with the products about the same price as they are to-day over the State we could pay, and did pay, $45 per ton and the price to the shipper to-day unanimously. Every mill in Arkansas is exactly $33 f. o. b. the station for No. 1 prime cottonseed, with certain deductions made for impure or unsound seed. I owned only a small stock in the mill referred to, had no voice in it. The "big boys" got together during the past summer months, bought out and shut down the independent mills, and "junked" the crushing machinery to force the cotton grower and shipper to sell absolutely at their price. I think they shut down and junked about 14 mills in Arkansas and then put the price so low that it is a real punishment to endure it.

Seed products are about as high as I ever saw them and the seed worth less money f. o. b. stations than I have seen them in 15 years, so there is something wrong and it is dealing us people an unusual punishment, and the worst of it reaches the old boy out in the field who ploughs, hoes, and picks it.

I can get by very well with cottonseed or without any, but this fellow who makes the seed needs more and has nothing that he could spare to be taken away from him.

In this letter, Mr. GLOVER, I shall send the clipping from the Gazette, that will indicate a resentment from the ginners and growers of seed in Arkansas and to at least entitle us to an investigation and at whatever early action, and it should be early, if any. I would like to see it in our State papers.

These old "Big boys" who own these mills live away from here and care but little how much they sap this poor, hard-working man here in the South.

Now, Mr. GLOVER, this is intended for your consideration at the very earliest moment, if an investigation can be had, and remember if at any time I can be of service to you, command me.

I. E. MOORE,
E. G. STEVENS,
GOORGANS BROS.,
C. E. BEIYD,
T. H. GLOVER,
J. E. MCMURTREY,
E. F. RAGUR,
Ginners.

Similar letters could be cited from every cotton-growing State.

The Federal Trade Commission claims that the Memphis conference was held July 24, 1928, to get the members of the industry to voluntarily agree to cease and desist from unfair trade practices or unfair competition. If there were any such unfair practice, no complaints had been filed with the commission, as evidenced by the following letter:

OCTOBER 31, 1929.

Hon. WRIGHT PATMAN, M. C.

DEAR SIR: Replying to your letter of the 29th instant I write to inform you that no complaints were issued by nor pending before the commission against any individual, firm, or corporation in the cottonseed-oil mill industry within two years prior to the Memphis conference held on July 24, 1928, and no complaints issued against such concerns now pending. I trust this gives you the desired information.

E. A. MCCULLOCH,
Chairman Federal Trade Commission.

There was only one excuse for the conference and that was to enable the oil mills to set the price the farmers were to receive for cottonseed and to get the Federal Trade Commission to approve it. The purpose was accomplished.

Mr. WASON. Mr. Chairman, I yield five minutes to the gentleman from Oregon [Mr. BUTLER].

The CHAIRMAN. The gentleman from Oregon is recognized for five minutes.

Mr. BUTLER. Mr. Chairman and members of the committee, I do not often become angry; I do not often get mad. But I will ask the Clerk before proceeding further to read a letter which I wrote to the Commissioner of Indian Affairs; then I will proceed with my remarks.

The CHAIRMAN. Without objection, the letter will be read.

The Clerk read as follows:

DECEMBER 11, 1929.

Hon. CHARLES J. RHOADS,
Commissioner of Indian Affairs, Washington, D. C.

DEAR MR. COMMISSIONER: Some time ago I called at your office in connection with the proposition of obtaining some relief for the Indians residing at Celilo, in Wasco County, Oreg., near my home city. At that time you suggested that the matter would be looked into and an attempt made to solve the situation. I have given the matter considerable thought and do not have any suggestions to make other than to follow the practice in other similar situations. By reference to the CONGRESSIONAL RECORD, of December 10, page 420, you will find the following item, which was included in the Interior appropriation bill:

"For the purchase of a village site for the Kootenai Indians, near Bonners Ferry, Idaho, and the construction of homes, tanning house, sewer and water systems, and the purchase of furniture, furnishings, and other supplies and equipment for said Indians, $27,000, to be immediately available."

I also call your attention to the explanation made by Hon. L. C. CRAMTON, chairman of the subcommittee in charge of the bill, which appears on the same page.

This money is not being appropriated from tribal funds but is a direct appropriation out of the Federal Treasury, for the reason that the Kootenai Indians do not have any money, according to my information, but they do have allotments and are, therefore, in a better condition than the Indians who reside the whole year round at Celilo. I am sure that the condition at Celilo is worse than the one described by Mr. CRAMTON as existing at Bonners Ferry.

I expect to present this proposition to the subcommittee in the near future and ask for an appropriation of at least $15,000 and trust that it will have the approval of your department.

With best wishes I am, sincerely yours,

ROBERT R. BUTLER.

Mr. BUTLER. Mr. Chairman and members of the committee, as I said before, I do not often get mad. That letter was addressed to the Commissioner of Indian Affairs on the 11th day of December. There has been no response to it up to the present time. The Commissioner of Indian Affairs, I take it, is a fine gentleman personally, but I know enough about him to know that he knows nothing about Indian affairs. I make that statement advisedly, courageously, and without fear of consequences.

Aside from the gentleman from Oklahoma [Mr. HASTINGS], I believe there is no one on this floor who knows more about Indian character and Indian habits than myself. I represent a district containing more than 60,000 square miles, and in that district are three Indian reservations, one of which is in my home county, the Warm Springs Reservation; a reservation which was known in earlier days as the one which stood by this Government in the early Indian warfare. I wrote that letter because of the necessity of those Indians who live at Celilo, who are starving. They live in huts and hovels. I wish I could show to you all here just how those Indians are living. I love the Indian.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. WASON. Mr. Chairman, I yield to the gentleman two additional minutes.

The CHAIRMAN. The gentleman from Oregon is recognized for two additional minutes.

Mr. BUTLER. I love the Indians. They have been my friends. I have been their friend. Oftentimes I have walked into the court of my county and the judge of that court would ask: "Who represents these Indians?" And I have risen in my place and said: "I will represent them."

I believe the Commissioner of Indian Affairs wants to help the Indians. But he does not know how to do it. I rose in my place to call attention to the fact that he knows nothing about the situation. He does not know the Indians. He knows nothing, in fact, about the Indian character. I want to put that letter in the RECORD.

He said to me the other day, when we both appeared before the Senate Committee on Indian Affairs: "Did I answer your letter?" I said: "Indeed, you did not."

Now, Mr. Chairman, I simply rose to call the attention of this Congress to the fact that I represent, except as to the gentleman from Oklahoma [Mr. HASTINGS], the biggest Indian district in America; and I trust that the administration, of which I have been a supporter, will see to it that the Indians in my section of the country are treated right, and that if the Commissioner of Indian Affairs does not treat those Indians fairly and right, he will be kicked out, and I will help do it. [Applause.]

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. DICKSTEIN].

The CHAIRMAN. The gentleman from New York is recognized for 10 minutes.

Mr. DICKSTEIN. Mr. Chairman and members of the committee, I have a matter which I think ought to interest every Member of this House. It deals with the telephone situation, especially the situation in New York, where within a very short time the telephone company and their subsidiaries will call upon us to put into effect an increase in the telephone rates. The legislature of my State has passed almost unanimously a resolution on the subject, and I ask unanimous consent to insert it as a part of my remarks.

The CHAIRMAN. The gentleman from New York asks unanimous consent to insert in his remarks the matter indicated. Is there objection?

There was no objection.

Mr. DICKSTEIN. This is the resolution:

STATE OF NEW YORK,
IN SENATE,
Albany, January 28, 1930.

(By Mr. Downing)

Whereas the people of the State of New York find themselves again immediately threatened with a drastic increase in telephone rates, in their long series of abuses at the hands of the New York Telephone Co.; and

Whereas the courts of the State and proper regulatory agencies, as constituted by the laws of the State, are frequently deprived of jurisdiction and prevented from taking adequate action for the protection of the people for the reason that Federal judges in the various Federal judicial districts of the State have held it within their power to assume jurisdiction with respect to local public utilities, including the New York Telephone Co., and to restrain local authorities from administering and enforcing State laws and provisions of franchises and contracts to which the community is a party; and

Whereas the people of the localities affected consider such judicial action on the part of such Federal judges to be contrary to the intent and purpose of sound theories of government and an improper encroachment by Federal authorities upon the rights of the State of New York to administer its own affairs according to its own law; and

Whereas there are pending before the Federal Congress measures designed to protect the people of this State by preventing the interference by the Federal courts in the first instance in the regulation of local public utilities and leave the supervision and judicial control of such local utilities in the first instance to the courts and to duly constituted agencies of the locality affected:

Resolved (if the assembly concur), That the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed such legislation as will prevent action by the Federal courts in all cases in respect to public utilities in which local judicial authorities and local regulatory agencies are empowered to prevent the abuse of exorbitant or confiscatory rates by a local public utility until the highest court of the State has passed thereon.

It is further resolved (if the assembly concur), That a copy of this resolution be transmitted to the Clerk of the House of Representatives and the Secretary of the Senate and to each Member of Congress and to each Senator elected from New York State.

By order of the senate.

A. MINER WELLMAN, *Clerk.*

In assembly, January 28, 1930, concurred in without amendment.

By order of the assembly.

FRED W. HAMMOND, *Clerk.*

Mr. DICKSTEIN. Mr. Chairman, I have introduced a bill (H. R. 9712) which I believe will be of interest to the House, to be discussed at this time, due to the imminence of the problem in so far as it affects my home city and State.

It is well known to you gentlemen that in the last few weeks New York City and State has been treated by the New York Telephone Co. to a tremendous increase of telephone rates, affecting the entire territory controlled by that company.

Under the guise of a Federal court decision, which held in substance that the company was entitled to a return of 7 per cent on its investment, the company proceeded to increase rates without any regard to the rights acquired by the public or to the powers of a State public service commission.

The telephone company took the position that since the Federal court held that the rates theretofore approved by the Public Service Commission of the State of New York were inadequate, they—that is, the New York Telephone Co.—could fix rates as they saw fit without regard to any State regulation.

This is not the first time in the history of my State that public utility corporations, though local in their nature and though their activities are limited to the State of New York, have without rime and reason endeavored to foist upon the citizens of my State rates which they believed were proper, with the aid of the Federal courts.

The Federal courts, especially the lower courts of the districts comprising the State of New York, have somehow or other always lent themselves readily and willingly to aid public utility corporations in their attempt to increase rates within the area of the State.

A few years ago it was the Consolidated Gas Co. of New York which was able to obtain exemption from State regulation by the action of the Federal court. Another time the Interborough Rapid Transit Co., a purely local corporation, had the support of the lower courts of the United States in its attempt to increase rates of fare, and only the United States Supreme Court had to be appealed to to overcome the aid which the local Federal court gave this railroad corporation.

Again, the Federal courts helped our electric corporations in their attempts to increase rates.

So all along the line we find this help of the Federal court to enable local utility corporations to increase their rates or charges.

The Federal jurisdiction is, of course, as we all know, due to the provision of the fourteenth amendment of our Constitution, which forbids any State to pass laws depriving a person of his property without due process, and it is under this provision of the Federal Constitution that the courts of the United States have taken the position that they have the right to annul any action by a State regulating body if in the opinion of the court such an action would result in the loss of revenue to utility corporations.

I do not believe that this fourteenth amendment was ever as broad and all-inclusive as the courts, particularly the lower courts of the United States, have interpreted this provision to be.

To be sure, the United States Supreme Court in the recent case involving the Interborough Rapid Transit Co. specifically frowned on this attempt by a utility corporation to come to the Federal court without first exhausting all its remedies in a State court.

I refer you to nothing less than the decision handed down by Mr. Justice McReynolds in an appeal from the District Court of

the United States for the Southern District of New York to the Supreme Court of the United States in the case of John F. Gilchrist and others, constituting the transit commission, against the Interborough Rapid Transit Co. and Manhattan Railway Co. That decision, written by the learned jurist, and decided on April 8, 1929, has a direct bearing on this very question.

The United States Supreme Court held particularly that in order for it to interfere in the affairs of State regulations, the court would like to have the opinion of the State courts before acting itself.

Although the United States Supreme Court is reluctant to act where a public utility has seen fit to go to it before exhausting its remedies in the State courts, our local Federal courts have never seen fit to adopt the same policy.

We therefore find that whether we want to or not, Federal jurisdiction will be invoked by utility corporations, at least in the State of New York.

Now, I for one do not believe that important questions like the fixing of rates by public utilities should be left to the say so of one Federal judge. True, the judge will usually appoint a master to take testimony, and so forth, but then again it is the work of one man to determine the reasonableness of a rate of fare or charge.

Mr. CULKIN. Will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. CULKIN. The gentleman said that the Supreme Court held in the rate case that public utilities could not get relief in the Federal court without going through the State court?

Mr. DICKSTEIN. No.

Mr. CULKIN. What was the effect of that decision?

Mr. DICKSTEIN. Mr. Justice McReynolds, in his opinion in the case of John F. Gilchrist against the Interborough Rapid Transit Co.—that is, the local railroad company——

Mr. CULKIN. That was the rate case?

Mr. DICKSTEIN. Yes. Justice McReynolds said they ought to go to the State court or the State commission to determine these questions.

Mr. CULKIN. That is, the United States Supreme Court said that?

Mr. DICKSTEIN. Yes.

Mr. CULKIN. The gentleman believes that to be a matter of dictum only?

Mr. DICKSTEIN. I do not believe it is only a dictum; I think there was a different situation. You see, the city of New York, fortunately, had a contract with the railroad company under which they agreed to charge a 5-cent fare on the lines of that city, but we have no contract with the utility companies that operate the telephones, but we have a public service commission. In other words, when a company feels it is not getting a proper return upon its property it may apply to the State commission.

They do that; but the moment the State commission attempts to go into the figures and facts to determine the valuation of the property they immediately run to the Federal court and obtain an injunction restraining the State public service commission from functioning, and thereby the matter goes into the Federal court, the Federal court appoints a master, and the master, naturally, reports to the court.

Mr. CULKIN. The gentleman believes that the logical sequence is, first, the public service commission, then the State court, and then the Federal court?

Mr. DICKSTEIN. Exactly.

Mr. CULKIN. May I say in that connection that I quite agree with the gentleman?

Mr. DICKSTEIN. There is no question that every utility, no matter in what city and in what State, should first exhaust their remedies in their own State court or in their own State commission before they apply to the Federal court, thus giving the State which gives the utilities the franchise the right to determine whether or not an increase should be given.

On the other hand, we have in our Federal Government a body of 11 men which is very competent to deal in matters of this kind, and whose very members are particularly trained for this type of work, and who have staffs of accountants and experts able to check up on figures submitted, examining books and records, and determining the question of valuations, which is usually the uppermost question in cases of this type. I refer now to the Federal Interstate Commerce Commission.

If we are to have Federal regulation, why not have regulation by the Interstate Commerce Commission? I therefore propose in my bill that whenever a public utility is dissatisfied with a rate established by a local public service commission and sees fit to go to a Federal court, the matter should immediately and automatically come before the Interstate Commerce Commission instead of a Federal court, and the Interstate Commerce Commission shall then immediately assume jurisdiction.

In this way decisions involving the reasonableness of a rate or a charge will be passed by the Interstate Commerce Commission, which has functioned so well within the 45 years of its existence, and to whom we can very well turn for the protection of the public.

The bill I have introduced simply provides that a utility company must apply to the State commission for an increase of rate upon its commodity if there seems to be justification to their claim.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WOODRUM. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. DICKSTEIN. Under the present system they can go to the State commission and obtain all the relief possible, but they simply do not want to disclose to the State commission the exact figures and their earning power. They feel the State commission might lean toward the public, and at that point they shoot into the Federal court. Under this bill I provide—and that is what I ask my colleagues to pay attention to—that they must go to the State public service commission, and the moment they apply to the Federal court the Interstate Commerce Commission automatically, on its own motion, on the motion of a governor of any State, or on the application of any citizen, may take that case from the local Federal court and this automatically gives the Interstate Commerce Commission full power to deal with the subject. Since the utility does not want to play with the State commission and because they do not want to give us the facts and figures, and if they deem it advisable to run to a Federal judge to obtain an injunction under the provisions of my bill the whole matter automatically reverts to the Interstate Commerce Commission, which consists of 11 members, a commission which has been in existence for over 45 years, and is in a position to check the accounts and valuations of these utilities.

Mr. CULKIN. Will the gentleman yield again?

Mr. DICKSTEIN. Yes.

Mr. CULKIN. The gentleman has a resolution from the Legislature of the State of New York?

Mr. DICKSTEIN. I have.

Mr. CULKIN. What is the suggestion contained in the resolution with reference to jurisdiction?

Mr. DICKSTEIN. The State of New York through its legislature begs for relief from this menace.

Mr. CULKIN. Then it is generic in character?

Mr. DICKSTEIN. They are agreed that the present methods are a menace and appeal to this Congress for relief on this great, important public question.

Mr. CULKIN. It is a fact that when a community gets into the Federal court with a utility company they have no group of cost accountants available like the public service commission has?

Mr. DICKSTEIN. They have not.

Mr. CULKIN. Therefore has not the gentleman sort of given away his case?

Mr. DICKSTEIN. No.

Mr. CULKIN. In providing that they may come to the Federal commission instead of the State commission. Why should they not come through the channel of local jurisdictions, where the facts are and where, you might say, the local color is?

Mr. DICKSTEIN. That is true; but under the present law you can not force the utility to continue to determine and adjudicate their case with the State public service commission.

Mr. CULKIN. Would it not be within the power of Congress to limit the jurisdiction of the Federal judges with reference to this particular matter?

Mr. DICKSTEIN. You could not very well, because of the fourteenth article of the Constitution, relating to property rights.

Mr. CULKIN. I think the gentleman is correct in that. His procedure is undoubtedly the best available, and I agree with him.

Mr. DICKSTEIN. If they do not believe in their own State powers; if they have no faith in the State commission and they feel like coming into court without giving 9,000,000 people of my State or any other State a bill of particulars to find out just exactly where they stand on this so-called valuation; if they feel they want to discard the demands of the public and refuse to give them an opportunity of charging a reasonable rate—the public has no objection to a reasonable rate, but the public is objecting to an exorbitant rate. The public has been mulcted almost year in and year out with one demand upon another by every public utility in big cities and States. As I have illustrated to you in three or four instances, every time the public utility deserted the State commission, refused to give them facts, and applied to the Federal court, the Federal court has come to their rescue.

Under my bill, if they do not like the State public service commission, they will be compelled to go to the Interstate Commerce Commission, and when a utility knows it has to go to some commission it will remain with the State commission and exhaust its remedies within that State.

This does not deprive them, eventually, if we seek to confiscate their property from going to the Federal court and asking for relief.

So I say to you, my dear colleagues, if we are to have Federal regulation why not have regulation by the Interstate Commerce Commission? I therefore propose in my bill that whenever a public utility is dissatisfied with the rate established by a local public-service commission and sees fit to go to the Federal court, the matter shall immediately and automatically come before the Interstate Commerce Commission, and the Interstate Commerce Commission shall then immediately assume jurisdiction over the whole subject matter. In this way decisions involving reasonableness of rates or charges will be passed on by the Interstate Commerce Commission, which has functioned so well within the last 45 years of its existence, and to whom we can very well turn for the protection of the public, not only of my State but the public of the United States.

I hope, therefore, that the Interstate Commerce Committee, to which my bill has been referred to-day, will hold an early hearing and give us an opportunity to discuss this great problem that is confronting my State and will confront your State very soon. [Applause.]

Mr. WASON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. DOWELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 9546) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1931, and for other purposes, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. CLARKE of New York, for two days, on account of important business.

Mr. DOUGLASS of Massachusetts, for four days, on account of important business.

RESIGNATION FROM COMMITTEE ON ELECTIONS NO. 3

The SPEAKER. The Chair lays before the House the following communication:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 10, 1930.

Hon. NICHOLAS LONGWORTH,
Speaker House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: The House conferred upon me the honor of appointing me as a member of Elections Committee No. 3.

It has transpired, however, I can not do any useful work on that committee and I hereby respectfully tender my resignation as a member of Elections Committee No. 3, the same to be effective at once.

Very respectfully,

CHARLES O'CONNOR.

The SPEAKER. Without objection, granted.

ADJOURNMENT

Mr. WASON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 36 minutes p. m.) the House adjourned until to-morrow, Tuesday, February 11, 1930, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following list of committee hearings scheduled for Tuesday, February 11, 1930, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m. and 2 p. m.)

District of Columbia appropriation bill.

(2 p. m.)

Navy Department appropriation bill.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

(10 a. m.)

To amend the World War veterans' act, 1924, as amended (H. R. 8133).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To authorize the Secretary of the Navy to proceed with certain public works at the United States Naval Hospital, Washington, D. C. (H. R. 8866).

COMMITTEE ON THE JUDICIARY—SUBCOMMITTEE NO. 2

(10 a. m.)

For the relief of Charles G. Mettler (H. R. 8393).

COMMITTEE ON INVALID PENSIONS

(10 a. m.)

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 increases of pensions in certain cases (H. R. 8765 and companion bills).

COMMITTEE ON EXPENDITURES IN EXECUTIVE DEPARTMENTS

(10.30 a. m.)

A bill to fix the compensation of the assistant heads of the executive departments (H. R. 8003).

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

To authorize and direct the Secretary of War to execute a lease with Air Nitrates Corporation and American Cyanamid Co. (H. R. 744).

COMMITTEE ON ELECTION OF PRESIDENT, VICE PRESIDENT, AND REPRESENTATIVES IN CONGRESS

(10.30 a. m.)

Proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress (H. J. Res. 9 and 25).

Proposing an amendment to the Constitution of the United States with reference to the election of the President and Vice President (H. J. Res. 216).

COMMITTEE ON FLOOD CONTROL

(10.30 a. m.)

To consider amendments to the Mississippi flood control act, 1928.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

Authorizing the States of Texas and Oklahoma to construct, maintain, and operate a free highway bridge across the Red River at or near United States Highway No. 75 between the towns of Denison, Tex., and Durant, Okla. (H. R. 7967).

Authorizing the States of Texas and Oklahoma to construct, maintain, and operate a free highway bridge across the Red River at or near Ringgold, Tex., and Terral, Okla. (H. R. 7008).

Authorizing the States of Texas and Oklahoma to construct, maintain, and operate a free highway bridge across the Red River at or near United States Highway No. 77 between the towns of Gainesville, Tex., and Marietta, Okla. (H. R. 7968).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SEARS: Committee on Election No. 3. H. Res. 149. A resolution declaring Augustus McClosky not entitled to be seated and declaring Harry M. Wurzbach entitled to seat (Rept. No. 648). Ordered to be printed.

Mr. CARTER of Wyoming: Committee on Irrigation and Reclamation. H. R. 202. A bill granting the consent of Congress to compacts or agreements between the States of Colorado and Wyoming with respect to the division and apportionment of the waters of the North Platte River and other streams in which such States are jointly interested; without amendment (Rept. No. 649). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, bills and resolution were introduced and severally referred as follows:

By Mr. DICKSTEIN: A bill (H. R. 9712) to confer jurisdiction upon the Interstate Commerce Commission to regulate common carriers where a State regulatory body has been enjoined by a court from exercising its functions, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHRISTOPHERSON: A bill (H. R. 9713) to amend section 26, Title II, of the national prohibition act, being section 40 of title 27 of the Code of Laws of the United States

of America, and being section 26 of Title II, of chapter 85 of Part I, volume 41 of the United States Statutes at Large; to the Committee on the Judiciary.

Also, a bill (H. R. 9714) to amend section 22, Title II, of the national prohibition act, being section 34 of title 27 of the Code of Laws of the United States of America, and being section 22 of Title II of chapter 85 of Part I, volume 41 of the United States Statutes at Large; to the Committee on the Judiciary.

By Mr. DAVILA: A bill (H. R. 9715) to postpone the contribution of Porto Rico toward the cost of dredging San Juan Harbor, P. R.; to the Committee on Rivers and Harbors.

By Mr. HADLEY: A bill (H. R. 9716) authorizing the sale of certain lands in the Snoqualmie National Forest to the city of Everett in the State of Washington; to the Committee on the Public Lands.

By Mr. HAUGEN: A bill (H. R. 9717) to aid in the maintenance of engineering experiment stations in connection with the colleges established in the several States under the provisions of an act approved July 2, 1862, and of the acts supplemental thereto; to the Committee on Agriculture.

By Mr. KIESS: A bill (H. R. 9718) allowing the rank, pay, and allowances of a brigadier general, United States Army, or of a rear admiral, United States Navy, to any officer below such rank assigned to duty as coordinator for traffic and chairman Federal Traffic Board; to the Committee on Military Affairs.

By Mr. LEAVITT: A bill (H. R. 9719) to promote the production and sale of Indian products and to create a board and a corporation to assist therein; to the Committee on Indian Affairs.

By Mr. SNELL (by request): A bill (H. R. 9720) to provide that certain laws of the United States shall not apply to Indians and Indian reservations within the State of New York; to the Committee on Indian Affairs.

By Mr. SCHAFER of Wisconsin: A bill (H. R. 9721) to repeal the national prohibition act and to assist the several States to enforce the laws which they have heretofore enacted or shall hereafter enact under the concurrent power granted them in section 2 of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

By Mr. TEMPLE: A bill (H. R. 9722) to provide for the topographic mapping and the measurement of river discharge of the alluvial valley of the lower Mississippi River and such other areas as have an immediate bearing on the solution of flood problems of the Mississippi River Basin; to the Committee on Flood Control.

By Mr. FREE: A bill (H. R. 9723) to amend the act approved March 4, 1929, entitled "An act making it a felony with penalty for certain aliens to enter the United States of America under certain conditions in violation of law"; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 9724) to amend the act entitled "An act making it a felony with penalty for certain aliens to enter the United States of America under certain conditions in violation of law," approved March 4, 1929; to the Committee on Immigration and Naturalization.

By Mr. SUTHERLAND: A bill (H. R. 9725) to amend the Alaska game law by more adequately defining the powers of United States commissioners within the Territory in the enforcement of said act, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H. R. 9726) to amend the Alaska game law; to the Committee on Agriculture.

By Mr. LAGUARDIA: A resolution (H. Res. 150) directing the Secretary of the Treasury to furnish certain information relative to a joint resolution approved March 2, 1929, providing for an investigation of Grover M. Moscowitz; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Commonwealth of Massachusetts, favoring the necessity of restoring to the tariff bill the duties on shoes and leather inserted therein by the House of Representatives; to the Committee on Ways and Means.

Memorial of the Commonwealth of Kentucky, favoring the Norris resolution passed by both Houses of Congress in 1928, providing for public operation of Muscle Shoals; to the Committee on Military Affairs.

By Mr. MARTIN: Memorial of the Commonwealth of Massachusetts, urging the necessity of a protective tariff on shoe and leather importations in order that these domestic industries shall not be eliminated; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ABERNETHY: A bill (H. R. 9727) granting an increase of pension to Jacob Lemuel Hartsfield; to the Committee on Pensions.

By Mr. ADKINS: A bill (H. R. 9728) granting an increase of pension to Mary A. Anderson; to the Committee on Invalid Pensions.

By Mr. BOYLAN: A bill (H. R. 9729) granting an increase of pension to Margaret Palmer; to the Committee on Invalid Pensions.

By Mr. CLANCY: A bill (H. R. 9730) for the relief of Joseph Vigliotti; to the Committee on Claims.

Also, a bill (H. R. 9731) for the relief of Joseph Zebelian; to the Committee on Claims.

By Mr. DALLINGER: A bill (H. R. 9732) for the relief of Robert J. White; to the Committee on Naval Affairs.

By Mr. DYER: A bill (H. R. 9733) granting a pension to Louise E. Nuelle; to the Committee on Invalid Pensions.

By Mr. GUYER: A bill (H. R. 9734) for the relief of James K. Cubbison; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 9735) granting an increase of pension to Louvisa R. Westfall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9736) granting an increase of pension to Perry O. Buck; to the Committee on Pensions.

Also, a bill (H. R. 9737) granting an increase of pension to Sallie Marple; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9738) granting a pension to Nettie B. Protzman; to the Committee on Invalid Pensions.

By Mr. HOFFMAN: A bill (H. R. 9739) authorizing preliminary examination and survey of Shark River, N. J.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 9740) authorizing preliminary examination and survey of east branch of Shrewsbury River, N. J.; to the Committee on Rivers and Harbors.

By Mr. HOPKINS: A bill (H. R. 9741) granting a pension to Mary J. Hasamire; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Indiana: A bill (H. R. 9742) granting a pension to Harry R. Foley; to the Committee on Pensions.

By Mr. KEARNS: A bill (H. R. 9743) granting an increase of pension to Mary M. Potts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9744) granting an increase of pension to Willmine C. Codling; to the Committee on Invalid Pensions.

By Mr. McREYNOLDS: A bill (H. R. 9745) granting a pension to Rebecca King; to the Committee on Invalid Pensions.

By Mr. MOUSER: A bill (H. R. 9746) granting an increase of pension to Catherine B. Strong; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 9747) granting an increase of pension to Lois A. Bentz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9748) granting an increase of pension to Linnie Cooley; to the Committee on Invalid Pensions.

By Mr. SLOAN: A bill (H. R. 9749) for the relief of Fred F. Koslowski; to the Committee on Military Affairs.

By Mr. SNELL: A bill (H. R. 9750) granting an increase of pension to Hattie G. Dyer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9751) granting an increase of pension to Ruth Latrace; to the Committee on Invalid Pensions.

By Mr. WASON: A bill (H. R. 9752) for the relief of John H. Reardon, alias John Wilson; to the Committee on Military Affairs.

By Mr. PORTER: Joint resolution (H. J. Res. 248) authorizing an appropriation for the expenses of the arbitration of the claim of Charles J. Harrah against the Government of Cuba; to the Committee on Foreign Affairs.

PETITIONS, ETC.

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

4348. By Mr. ALDRICH: Petition of A. J. Viti and 40 others of Newport and Jamestown, R. I., urging support of House bill 2963; to the Committee on the Judiciary.

4349. By Mr. ANDREW: Petition signed by A. W. Hurlburt and other residents of Beverly, Mass., urging that Senate bill 476 and House bill 2562 authorizing increases in pensions for Spanish War veterans be favorably acted upon; to the Committee on Pensions.

4350. By Mr. BOHN: Petition of citizens of Harbor Springs, Mich., for passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

4351. By Mr. BOLTON: Petition of citizens of Cleveland, Ohio, asking for favorable action on the so-called Dale-Lehlbach bill, H. R. 1815, and the so-called Kendall-La Follette bill, H. R. 6603; to the Committee on the Civil Service.

4352. By Mr. BOYLAN: Resolution adopted at a meeting of the New York State Chamber of Commerce, calling attention to the deficits of the United States Post Office Department; to the Committee on the Post Office and Post Roads.

4353. Also, letter from M. Lowenstein & Sons (Inc.), New York City, N. Y., opposing Philippine independence; to the Committee on Insular Affairs.

4354. Also, letter from George A. Eyer, of Eyer & Co., 44 Wall Street, New York City, opposing the McNary-Haugen bill with reference to regulation of wild fowl; to the Committee on Agriculture.

4355. Also, letter from the Atlantic Coast Fisheries Co., New York City, N. Y., opposing paragraph 526 of the tariff bill as passed by the Senate; to the Committee on Ways and Means.

4356. By Mr. BROWNE: Petition of citizens of Wisconsin Rapids, Wis., requesting the passage of House bill 2562 providing for increased pensions for Spanish-American War veterans; to the Committee on Pensions.

4357. By Mr. BROWNING: Petition of L. T. McDaniel and other citizens of Hardin County, Tenn., urging the passage of House bill 2562; to the Committee on Pensions.

4358. By Mr. CANFIELD: Petition of Mr. Melvin Starkey and 66 other voters of Ripley County, Ind., urging the passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

4359. By Mr. CHALMERS: Petition signed by residents of Toledo, Ohio, urging the passage of legislation increasing the pensions of all Spanish War veterans; to the Committee on Pensions.

4360. By Mr. CHASE: Petition of certain citizens of Ramey, Clearfield County, twenty-third congressional district of Pennsylvania, urging action during present session on legislation calling for increases in pensions of veterans of the Spanish-American War; to the Committee on Pensions.

4361. Also, petition of Jackson-Crissman-Saylor Post, No. 1600, Veterans of Foreign Wars of the United States, and certain citizens of Bellefonte, twenty-third congressional district of Pennsylvania, urging action during present session on legislation providing for increase in pensions of veterans of the Spanish-American War; to the Committee on Pensions.

4362. By Mr. CHRISTOPHERSON: Petition of 20 residents of Delmont, S. Dak., asking for passage of House bill 2562; to the Committee on Pensions.

4363. By Mr. COCHRAN of Pennsylvania: Petition of numerous residents of Mercer County, Pa., urging the enactment of Senate bill 476 and House bill 2562, providing increased rates of pension for veterans who served during the Spanish War period; to the Committee on Pensions.

4364. Also, petition of numerous citizens of Franklin, Venango County, Pa., urging the enactment of Senate bill 476 and House bill 2562, providing increased pension for veterans of the Spanish War period; to the Committee on Pensions.

4365. By Mr. CONNERY: Memorial of the General Court of Massachusetts asking Congress for sufficient tariff to protect shoes and leather; to the Committee on Ways and Means.

4366. Also, petition of Essex Club of Massachusetts asking Congress for sufficient tariff to protect leather, shoes, and textiles; to the Committee on Ways and Means.

4367. By Mr. DALLINGER: Petition of certain citizens of Woburn praying for the enactment of House bill 2562; to the Committee on Pensions.

4368. By Mr. DEMPSEY: Petition signed by 67 residents of Erie County, N. Y., urging speedy consideration and passage of House bill 2562; to the Committee on Pensions.

4369. By Mr. ELLIS: Petition of Albert F. Easley and 71 other indorsers seeking consideration and passage of Senate bill 476 and House bill 2562, increasing rates of pension for Spanish-American War veterans; to the Committee on Pensions.

4370. By Mr. EVANS of Montana: Petition of citizens of Tarkio, Mont., urging the passage of House bill 2562; to the Committee on Pensions.

4371. By Mr. FITZPATRICK: Petition of the Old Timer Association of the Borough of the Bronx, New York City, N. Y., to amend the Volstead Act and advocating light wines and beer; to the Committee on the Judiciary.

4372. By Mr. FREE: Petition of J. I. Ashby, Et. San Rafael; A. Weber, Velota Road, Redwood City; T. J. Coats, Redwood City; T. J. Maloney, Redwood City; J. P. Maloney, Menlo Park; C. R. Burgers, Menlo Park; J. A. Grieseger, post-office box 129, Palo Alto; I. H. McKnight, Menlo Park; Edward F. Turner, Menlo Park; Phillip Greco, Redwood City; G. W. Geddes, Redwood City; W. S. Lincoln, R. F. D. 1, Redwood City; all of California, urging passage of legislation for the relief of Spanish War veterans; to the Committee on Pensions.

4373. By Mr. GARBER of Oklahoma: Petition of Minneapolis Real Estate Board and Minneapolis Civic and Commerce Association, urging consideration and adoption of project for standardization of upper Mississippi River channel; to the Committee on Rivers and Harbors.

4374. Also, petition of League of Women Voters of Oklahoma urging support of maternity and infancy measures, including Jones-Cooper bill; to the Committee on Interstate and Foreign Commerce.

4375. Also, petition of Alva W. Ladusaw, Tonkawa, Okla., on behalf of handicapped people of the State, urging support of House bill 7138 for renewal of vocational rehabilitation act of 1925; to the Committee on Education.

4376. Also, petition of postmaster, Mutual, Okla., urging support of House bills 109, 209, and 5686; to the Committee on the Civil Service.

4377. Also, petition of the Oklahoma Forest Commission urging support of Senate bill 122; to the Committee on Agriculture.

4378. Also, petition of the International Shipmasters' Association, urging opposition to Senate bill 306; to the Committee on the Merchant Marine and Fisheries.

4379. Also, petition of George T. Miller, rural mail carrier, Mutual, Okla., urging amendment to include optional retirement after 30 years, regardless of age; to the Committee on the Civil Service.

4380. Also, petition of Cortez Oil Co., Tulsa, Okla., urging support tariff on oil; to the Committee on Ways and Means.

4381. Also, petition of Chamber of Commerce, Boise City, Okla., urging support $1 tariff on crude oil and immediate enactment of such legislation; to the Committee on Ways and Means.

4382. Also, petition of David R. Johnson, Norman, Okla., urging retention of permissive features of prohibition act in Treasury Department; to the Committee on the Judiciary.

4383. Also, petition of 127 voters of Woodward, Okla., urging passage of the Civil War bill without delay; to the Committee on Invalid Pensions.

4384. Also, petition of Oklahoma Scrap Paper Co., opposing raising of duty on foreign rags; to the Committee on Ways and Means.

4385. Also, petition of Women's Patriotic Conference, representing 43 organizations, opposing any legislation that would interfere with rigid restrictive immigration policy; to the Committee on Immigration and Naturalization.

4386. Also, letter from C. E. Taylor, Taylor Pharmacy, Ponca City, Okla., urging support of legislation to protect the manufacturers of trade-marked articles; to the Committee on Interstate and Foreign Commerce.

4387. Also, petition of American Legion Auxiliary, Indianapolis, Ind., urging that representatives at conference in London insist upon proportional parity ship for ship before committing Government to any proportional reduction in strength of Navy of the United States; to the Committee on Naval Affairs.

4388. Also, petition of National Conference of Organizations Supporting the Eighteenth Amendment, favoring all proposals presented by the President with reference to prohibition enforcement; to the Committee on the Judiciary.

4389. Also, petition of Farmers Cooperative Grain Dealers' Association of Oklahoma, urging support of House bill 5634; to the Committee on Banking and Currency.

4390. Also, petition of American Sugar Cane League, voicing protest to action of Senate in voting against increased tariff on sugar; to the Committee on Ways and Means.

4391. Also, petition urging support of the Strong bill, H. R. 5634; to the Committee on Banking and Currency.

4392. Also, petition of Muskogee Mill & Elevator Co., Muskogee, Okla., urging support of House bill 5634; to the Committee on Banking and Currency.

4393. By Mr. GLOVER: Petition of citizens of McGehee, Ark., and vicinity, urging the passage of House bill 2562; to the Committee on Pensions.

4394. Also, petition of citizens of De Witt, Ark., opposing any change in the calendar which in any manner endangers the fixity of the Sabbath and opposing any legislation which would include a blank day or any other device by which the existing and immemorially fixed periodicity of the Sabbath would be destroyed, etc.; to the Committee on Foreign Affairs.

4395. By Mr. GUYER: Petition of citizens of Wyandotte County, Kans., urging enactment of legislation granting increased pensions to veterans of the Civil War and their widows; to the Committee on Invalid Pensions.

4396. Also, petition of citizens of Franklin County, Kans., urging enactment of legislation granting increased pensions to veterans of the Civil War and widows of veterans; to the Committe on Invalid Pensions.

4397. Also, petition of citizens of Linn County, Kans., urging enactment of legislation granting increased pensions to veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

4398. Also, petition of citizens of Douglas County, Kans., urging enactment of legislation granting increased pensions to veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

4399. Also, petition of citizens of Johnson County, Kans., urging enactment of legislation granting increased pensions to veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

4400. Also, petition of citizens of Allen County, Kans., urging enactment of legislation granting increased pensions to veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

4401. Also, petition of citizens of Bourbon County, Kans., urging enactment of legislation granting increased pensions to veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

4402. Also, petition of citizens of Wyandotte County, Kans., in support of legislation granting increased pensions to men who served in the armed forces of the United States during the war with Spain, the Philippine insurrection, and the China relief expedition; to the Committee on Pensions.

4403. Also, petition of Overland Lodge, No. 278, International Association of Machinists, Kansas City, Kans., urging an increase of pensions for veterans of the war with Spain, the Philippine insurrection, and the Chinese Boxer relief expedition; to the Committee on Pensions.

4404. Also, petition of citizens of Wyandotte County, Kans., in support of legislation granting increased pensions to men who served in the armed forces of the United States during the war with Spain, the Philippine insurrection, and the China relief expedition; to the Committee on Pensions.

4405. Also, petition of citizens of Wyandotte County, Kans., and Jackson County, Mo., in support of legislation granting increased pensions to men who served in the armed forces of the United States during the war with Spain, the Philippine insurrection, and the China relief expedition; to the Committee on Pensions.

4406. Also, petition of citizens of Franklin County, Kans., in support of legislation granting increased pensions to men who served in the armed forces of the United States during the war with Spain, the Philippine insurrection, and the China relief expedition; to the Committee on Pensions.

4407. Also, petition of citizens of Linn County, Kans., in support of legislation granting increased pensions to men who served in the armed forces of the United States during the war with Spain, the Philippine insurrection, and the China relief expedition; to the Committee on Pensions.

4408. Also, petition of citizens of Bourbon County, Kans., in support of legislation granting increased pensions to men who served in the armed forces of the United States during the war with Spain, the Philippine insurrection, and the China relief expedition; to the Committee on Pensions.

4409. Also, petition of citizens of Johnson County, Kans., in support of legislation granting increased pensions to men who served in the armed forces of the United States during the war with Spain, the Philippine insurrection, and the China relief expedition; to the Committee on Pensions.

4410. By Mr. HILL of Washington: Petition of Dr. V. T. Boaz and 80 other citizens of Manson and Chelan, Wash., asking for speedy consideration and passage of Senate bill 476 and House bill 2562, for the increase of pensions to Spanish War veterans; to the Committee on Pensions.

4411. By Mr. HOPKINS: Petition submitted by A. L. Schroeder, 3616 Seneca Street, St. Joseph, Mo., in behalf of a more equitable rating for our Spanish War veterans, and signed by many citizens of St. Joseph; to the Committee on Pensions.

4412. By Mr. HOOPER: Petition of Clifford D. Burwell and 54 other residents of Quincy, Mich., asking for increase of pension for Spanish War veterans; to the Committee on Pensions.

4413. By Mr. JOHNSON of Texas: Petition of 12 citizens of Limestone County, Tex., favoring House bill 2562 and Senate bill 476, providing for increased rates of pension to Spanish-American War veterans; to the Committee on Pensions.

4414. Also, petition of Hon. C. L. Jester, president chamber of commerce, Corsicana, Tex., favoring a tariff on petroleum oil; to the Committee on Ways and Means.

4415. Also, petition of Hon. R. L. Wheelock, mayor Corsicana, Tex., favoring tariff on petroleum oil; to the Committee on Ways and Means.

4416. Also, petition of A. G. Elliott, president Corsicana National Bank, Corsicana, Tex., favoring tariff on petroleum oil; to the Committee on Ways and Means.

4417. By Mr. JOHNSTON of Missouri: Petition of sundry citizens of Pulaski County, Mo., praying for the passage of legislation granting increased pensions to Spanish War veterans; to the Committee on Pensions.

4418. Also, petition of sundry citizens of Phelps County, Mo., praying for the passage of legislation granting increased pensions to Spanish War veterans; to the Committee on Pensions.

4419. By Mr. KINZER: Petition of S. H. Livingston, of Lancaster, Pa., advocating placing a duty on raw hides and skins; to the Committee on Ways and Means.

4420. By Mr. KORELL: Petition of residents of Portland, Oreg., favoring passage of legislation to increase pensions of the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

4421. By Mr. LAMPERT: Petition signed by citizens of Oshkosh, Wis., requesting immediate and favorable action on House bill 2562, providing for increase of rates in pensions for veterans who served during the war with Spain; to the Committee on Pensions.

4422. By Mrs. McCORMICK of Illinois: Petition of sundry citizens of Chicago, Ill., urging the passage of House bill 2562 for the relief of Spanish-American War veterans and widows of veterans; to the Committee on Pensions.

4423. By Mr. McKEOWN: Petition of Walter S. Taylor and other citizens of Dustin, Okla., urging immediate consideration of the bill providing increased rates of pension for the veterans of the Spanish War period; to the Committee on Pensions.

4424. By Mr. McREYNOLDS: Petition containing 64 names from Chattanooga, Tenn., asking for immediate consideration of House bill 2562 for the relief of Spanish-American War veterans and widows of veterans; to the Committee on Pensions.

4425. By Mr. MICHENER: Petition of sundry citizens of Washtenaw, Wayne, and Jackson Counties, Mich., favoring House bill 2562; to the Committee on Pensions.

4426. By Mr. MOUSER: Petitions of citizens of Cleveland and Columbus, Ohio, and Hancock and Hardin Counties, Ohio, asking favorable action on Senate bill 476 and House bill 2562, known as the Spanish War bill; to the Committee on Pensions.

4427. By Mr. NELSON of Maine: Petition of 62 residents of Belfast, Me., urging increased pensions for Spanish War veterans; to the Committee on Pensions.

4428. By Mr. NIEDRINGHAUS: Petition of 64 citizens of St. Louis, Mo., for the early passage of House bill 2562 and Senate bill 476, providing for the increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

4429. By Mr. SHORT of Missouri: Petition of Stoddard County, Mo., urging increased pensions for Spanish War veterans; to the Committee on Pensions.

4430. By Mr. RAMSPECK: Petition of C. J. Sills and 20 other citizens of Lithonia, Ga., in behalf of Senate bill 476 and House bill 2562, to increase Spanish War pensions; to the Committee on Pensions.

4431. By Mr. REED of New York: Petition of residents of Wellsville, N. Y., in support of House bill 2562; to the Committee on Pensions.

4432. By Mr. ROWBOTTOM: Petition of Charles F. Cox and others, of Evansville, Ind., that Congress enact into law at this session legislation providing for increased rates of pension to men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

4433. By Mr. SHORT of Missouri: Petition of citizens of Gideon, Mo., urging increased pensions for veterans of the Spanish War period; to the Committee on Pensions.

4434. By Mr. SLOAN: Petition of William A. Hagood and 69 others requesting passage of bills of the Seventy-first Congress (S. 476 and H. R. 2562) providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

4435. By Mr. SIMMONS: Petition of 114 citizens of Chadron, Nebr., asking speedy consideration and passage of pending bills providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

4436. Also, petition of 24 members of United Spanish War Veterans Auxiliary, North Platte, Nebr., asking speedy consideration and passage of pending bills providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

4437. By Mr. SWING: Petition of Dr. Hugh Heaton and 40 citizens of La Jolla, Calif., requesting the passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

4438. By Mr. TURPIN: Petition of about 45 citizens of Luzerne County, Pa., petitioning their Senators and Congressman to use every endeavor to secure speedy consideration and passage of Senate bill 476 or House bill 2562; to the Committee on Pensions.

4439. By Mr. UNDERHILL: Petition of the people of Revere, Mass., for legislation in behalf of the Spanish War veteran; to the Committee on Pensions.

4440. By Mr. WHITLEY: Petition of citizens of the thirty-eighth congressional district of New York urging passage of legislation to increase pensions for veterans of the Spanish-American War; to the Committee on Pensions.

4441. By Mr. WOLFENDEN: Petition of Monte S. Montague and other citizens of Chester, Pa., and vicinity seeking enactment of pension legislation providing for increased pensions for Spanish-American War veterans; to the Committee on Pensions.

4442. Also, petition of citizens of Delaware County, Pa., in favor of increased rates of pension for Spanish War veterans; to the Committee on Pensions.