who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

5132. By Mr. HESS: A petition of various citizens of Hamilton County, Ohio, urging early and favorable action on House bill 2562; to the Committee on Pensions.

5133. Also, petition of various citizens of Cincinnati, Ohio, urging the passage of House bill 2562; to the Committee on Pensions.

5134. Also, petition of members of Cincinnatus Council, No. 53, Daughters of America, urging restriction of immigration from other countries of the Western Hemisphere and the registration of aliens, and opposing the consolidation of the patrol service of the Immigration Bureau with the Coast Guard Service; to the Committee on Immigration and Naturalization.

5135. By Mr. HUDSON: Petition of citizens of Flint, Mich., favoring consideration of House bill 2562, providing 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.

5136. By Mr. IRWIN: Petition of Tine Kelling and other citizens of Dupo and East Carondelet, Ill., urging the enactment of Senate bill 476 and House bill 2562 in the Seventy-first Congress; to the Committee on Pensions.

5137. By Mr. KELLY: Petition of citizens of Elizabeth, favoring Rankin bill for disabled veterans; to the Committee on World War Veterans' Legislation.

5138. By Mr. KIEFNER: Petition of George E. Johnson and other citizens of Bollinger County, Mo., urging speedy consideration and passage of Senate bill 476 and House bill 2562 providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish-American War; to the Committee on Pensions.

5139. By Mr. LINDSAY: Petition of 20 citizens of Brooklyn, N. Y., constituents of the third congressional district, praying that Congress do justice to Spanish-American War veterans by granting them increases in pensions as provided for in House bill 2562; to the Committee on Pensions.

5140. Also, petition of United Spanish War Veterans, Borough of Brooklyn, unanimously indorsing Senate bills 188 and 477 and House bills 6612 and 2562, affecting Spanish-American War veterans, and asking the Committee on Pensions to report the same to the House without delay; to the Committee on Pensions.

5141. By Mr. McLAUGHLIN: Petition of George Ricket and 65 other residents of Cadillac, Wexford County, Mich., urging passage of Senate bill 476 and House bill 2562, providing increase of pension for Spanish War soldiers; to the Committee on Pensions.

5142. By Mrs. McCORMICK of Illinois: Petition of citizens of Illinois, urging early consideration and action on House bill 2562, for the relief of Spanish-American War veterans and widows of veterans; to the Committee on Pensions.

5143. By Mr. MEAD: Petition of International Fur Workers' Union, favoring an increase in tariff on China dog and goat skins; to the Committee on Ways and Means.

5144. Also, petition of Eden Grange, No. 1199, in favor of export debenture amendment in the tariff bill, and opposing duty on lumber and shingles; to the Committee on Ways and Means.

5145. By Mr. MURPHY: Petition of the Central Drug, Beall & Steele Drug Co., George H. Wilson, J. C. Cope, Frank Lambert, P. E. Minor, and Charles S. Thatcher, all of Steubenvile, Ohio, urging the passage of the Capper-Kelly bill for the protection of retail merchants against the menace of chain-store monopoly in the handling of drugs, foods, and other commodities; to the Committee on Interstate and Foreign Commerce.

5146. By Mr. O'CONNELL of New York: Petition of the Childrens Village, Dobbs Ferry, N. Y., favoring the passage of the Norbeck-Andresen bill, H. R. 7994, for the protection of the American bald eagle; to the Committee on Agriculture.

5147. Also, petition of E. Regensburg & Sons, New York City, and Masback Hardware Co., New York City, both favoring the passage of the Capper-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5148. Also, petition of the William Kurtz Post, No. 976, American Legion, Castle Point, N. Y., favoring the passage of the Rankin bill; to the Committee on World War Veterans' Legislation.

5149. By Mr. PATMAN: Petition of Ranson D. Martindale and 58 other citizens of Morris and Bowie Counties, in support of Senate bill 476 and House bill 2562, Spanish-American War legislation; to the Committee on Pensions.

5150. By Mr. SELVIG: Petition of Cass Lake Commercial Club, Cass Lake, Minn., urging the enactment of House bill 5410, the purpose of which is to reforest burned-over and cut-over land to raise timber crops; to the Committee on the Public Lands.

5151. Also, petition of Miss A. Swenson and Helen W. Eldridge, urging the prompt enactment of House bill 1410, drainage district relief bill; to the Committee on Irrigation and Reclamation.

5152. Also, petition of W. R. Sawyer, Edward Johnson, Mrs. F. W. Rosel, and Lillian Reichow, urging the prompt enactment of House bill 1410, drainage district relief bill; to the Committee on Irrigation and Reclamation.

5153. Also, petition of I. M. Grahn, Madelin Grahn, Ruth M. Colter, Florence P. Colter, and F. E. Magraw, urging the prompt enactment of House bill 1410, drainage district relief bill; to the Committee on Irrigation and Reclamation.

5154. By Mr. SHOTT of West Virginia: Petition of citizens of McDowell County, W. Va., asking that Congress approve pension legislation for Civil War veterans and widows of veterans as suggested by the National Tribune; to the Committee on Invalid Pensions.

5155. By Mr. SNOW: Petition of Nathan E. Goodridge, of Orono, Me., and 53 others, urging the passage of legislation to increase pensions paid to Spanish War veterans; to the Committee on Pensions.

5156. By Mr. SPEAKS: Petition signed by 65 citizens of Columbus, Ohio, urging favorable and speedy action on Senate bill 476 and House bill 2562 providing increased pension rates for veterans of the Spanish-American War; to the Committee on Pensions.

5157. By Mr. SPROUL of Illinois: Petition of Nicholas A. Reville and 79 other citizens of Chicago, Ill., urging enactment of legislation for the relief of Spanish-American War veterans; to the Committee on Pensions.

5158. By Mr. WAINWRIGHT: Petition of 42 citizens of Rockland County, N. Y., urging the passage of legislation increasing the pensions of veterans and the widows of veterans who served in the Civil War; to the Committee on Invalid Pensions.

5159. Also, petition of 34 citizens of Westchester County, N. Y., urging the passage of House bill 2562 granting an increase of pension to Spanish-American War veterans; to the Committee on Pensions.

5160. By Mr. WHITLEY: Petition of citizens of Rochester, N. Y., urging passage of House bill 2562 providing increased pensions for veterans of the Spanish-American War; to the Committee on Pensions.

SENATE

FRIDAY, *February 28, 1930*

(Legislative day of Monday, January 6, 1930)

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

Mr. FESS obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator yield to me to enable me to make a 10-minute address? I shall not take longer than that, and would like to submit my remarks before a quorum is called.

The PRESIDENT pro tempore. Does the Senator from Ohio yield for that purpose?

Mr. FESS. I yield.

The PRESIDENT pro tempore. The Senator from Tennessee is recognized.

LONDON NAVAL CONFERENCE

Mr. McKELLAR. Mr. President, the text of the British note concerning the London conference specifically called for naval disarmament. The letter begins:

> I have the honor to inform your excellency that the informal conversations on the subject of naval disarmament which have been proceeding in London during the last three months between the Prime Minister and the ambassador of the United States have now reached a stage at which it is possible to say that there is no point outstanding of such serious importance as to prevent an agreement.

Mr. President, so far as I am able to judge from the newspapers, nothing has been farther from the thoughts of the conference, except the American conferees, than naval disarmament.

The following excerpt is taken from the joint statement given out by President Hoover and Premier MacDonald on October 8:

> The exchange of views on naval reduction has brought the two nations so close to agremeent * * *.

And again:

> Success at the coming conference will result in a large decrease in the naval equipment of the world.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

And again:

In views of the security afforded by the peace pact, we have been able to end, we trust forever, all competitive building between ourselves, with the risk of war and the waste of public money involved by agreeing to a parity of fleets category by category.

Mr. President, as I read the newspapers, none of these three principal questions is likely of accomplishment. It seems a foregone conclusion there will not be any naval disarmament.

Likewise, surely there will not be a decrease of naval equipment in the world but a tremendous increase of such naval equipment.

Again, as I read the agreement, it does not provide for a "parity of fleets category by category."

No one will contend that the two battleship fleets are on a parity. Unless the United States has the right to exactly the same tonnage that Great Britain has, and has the right to build the kind and size of ships necessary to her needs and defense, I think no one will contend that our cruiser strength will be equal.

Of course, it is possible, if France agrees, that our submarine fleets and air carrier fleets and destroyers could be made equal. In other words, it does not seem likely that the kind of agreement referred to by President Hoover and Premier MacDonald can possibly come from this conference. There is certainly no naval disarmament and no decrease of naval armament.

Under no circumstances can the conference be called a reduction of arms conference and only by a stretch of the imagination can it be called a limitation of arms conference, because Great Britain has set her cruiser limit so high.

If we are properly advised as to what the proposed cruiser agreement between the United States and Great Britain is, the United States is accepting a slightly—12,000 tons—less cruiser tonnage, but the great trouble with the cruiser limitation agreement is that the United States will not be permitted to build more cruisers of the kind she actually needs, but must build, if she builds at all, such cruisers as the members of the conference permit her to build. In other words, as I understand the proposed agreement, it is that when we have built eighteen 10,000-ton cruisers, we must stop building in that category and any other tonnage permitted us will have to be of smaller kind. This will cost us, according to the experts, something like a billion and a half dollars. And yet they talk about this being a naval reduction conference, when under its very terms as stated in the newspapers it will call for the immediate building of nearly $1,500,000,000 more of naval armaments by the United States, and more by other countries, too.

I doubt if the limit of 339,000 or 327,000 tons, whichever is the limit for the United States, would ever be reached by the United States, because the contract would require the building of such ships as would not accord with our needs. Our lack of naval bases requires that we have larger cruisers.

Of course, under the proposed agreement instead of reducing the cost of navies it would vastly increase that cost, one of the experts having pointed out that it would cost nearly a billion and a half dollars. We would be spending vastly more on our Navy and then would not get what we need.

Some of the papers indicate that the United States is bound by her tentative agreement with Great Britain on cruiser tonnage, and yet other papers state that Great Britain's agreement on cruiser tonnage is entirely dependent on what France demands. In other words, it is an agreement with the United States only in the event that France does not ask too much cruiser tonnage. In still other words, it is an agreement binding the United States, but not binding Great Britain.

The battleship controversy presents an interesting question so far as the newspapers report it. It was said after the United States and Great Britain had agreed upon the cruiser tonnage that the United States demanded either that the *Rodney* be sunk or that the United States be allowed to build a battleship of the *Rodney* class, and that this request was flouted by Great Britain. It is thus evident that Great Britain is not willing to have parity in the battleship category, and the remarkable part about it is that she feels America is bound by her cruiser agreement and has no right to seek to change the battleship agreement of 1922, while on the other hand Great Britain is not bound by her cruiser agreement if France asks more than Great Britain deems proper. It presents rather an interesting situation. Frankly, it seems to me that in so far as cruisers are concerned, that the two Governments should fix the limit of tonnage, with the right of either nation to build the kind of ships it considers in accordance with its needs. Surely America should not be limited to eighteen 10,000-ton cruisers and then be permitted to build cruisers that are neither suitable nor adequate to our defense.

No consideration has apparently been given to the question of freedom of the seas, a question which is absolutely vital to the safety of our commerce in times of war. We have fought two wars on this issue—1812 and the World War. It can not make for peace tacitly to leave Great Britain in command of the seas in times of war. It will be remembered what happened to the price of our cotton in 1914, when Great Britain by order in council declared it contraband. This order was effective because Great Britain had the navy to enforce it. If we had had an adequate navy the order would not have been issued.

There has been no consideration of the question of naval bases. Consideration of this question in the conference is absolutely vital, as it seems to me, to our safety and defense, the more so because Great Britain now has naval bases all around us; one, perhaps two, in Nova Scotia; one in Bermuda; one, perhaps two, near the Panama Canal; and one in Vancouver. If these mean nothing to Great Britain in her attitude toward us, why does she keep them, at an enormous expense? I am told she also expects to build one in India, which, of course, will threaten us in the Philippines. These naval bases at our doors should be abandoned.

There has been no consideration of the question of merchantmen converted in times of war. I am informed that a great number of Great Britain's merchant fleet are built so as to be easily converted in times of war to war vessels, thus giving Great Britain great superiority over the United States in that class of warships. There can be no parity with this question undetermined.

Much has been said in the papers lately about the Mediterranean pact. It is unbelievable that any American would, for a moment, consider entering into any such pact even remotely obligating the United States to protect other nations in the Mediterranean or other seas.

As the newspapers report it, there is no hope for disarmament or for a reduction of armaments. There is practically no hope for a real limitation of armaments. There is no hope for a reduction of naval burdens. There is no hope of the lessening of the likelihood of war and no hope of advancing the cause of peace. There is only a prospect of vastly increasing naval armaments at enormously increased expenditures by the United States, and I believe no possible good can come to the United States from any agreement that might now be made. On the other hand, vast harm may come to our country from any agreement which now seems possible.

A 3-power pact between Great Britain, Japan, and the United States—assuming that France and Italy will not come in—would naturally give offense to both France and Italy and, I believe, would be unwise. No such agreement ought to be even considered. The United States has everything to lose and nothing to gain by a 3-power pact.

I digress here long enough to take issue with my friend the senior Senator from Virginia [Mr. SWANSON] on the subject of a 3-power pact. I do not believe it is possible for any 3-power pact which may be possible in the present state of the conference to provide for a real limitation of armament or for a reduction of armament, and it ought not to be undertaken by this conference of five powers.

Comparatively immaterial agreements like the so-called humanizing of submarine warfare, containing concessions by the United States and practically none by other countries, it seems to me, would handicap the United States in future conferences just as the sinking of our great battleships in 1922 constitutes a handicap in obtaining reduction of armaments in this conference, and therefore corollary agreements should not be entered into. I wonder if the conference is considering President Hoover's humane proposal to prohibit submarines from attacking food ships? I have not heard of any such consideration. It seems to me that that should have been one of the first questions to be determined when the matter of submarines was taken up for consideration.

So far as I can judge, Great Britain, Japan, France, and Italy, instead of seeking a reduction of all armaments, are each laboriously and diligently seeking to increase their armaments or to retain naval superiority over us. Great Britain's refusal to consider the *Rodney* matter and the high limit that she sets upon cruiser tonnage and her unwillingness to regard other nations building the kind of cruisers suitable to other nations' needs indicate her attitude quite fully. On the other hand, France apparently hopes to attain superiority over Great Britain on the submarine issue and manifestly is seeking superiority over Italy in naval armaments. Of course, Japan is holding out for all she can get. In other words, it seems to me that our delegates to the conference are the only ones that are really seeking a reduction or limitation of arms. All others are fighting for increases or superiority.

In view of the high limit set by Great Britain for cruisers, her refusal either to sink the *Rodney* or permit the United States to build one of similar kind, her published refusal to consider her limit already suggested as between her and the United States unless France lessens her demands; in view of the fact that France is not going to agree to anything unless the United States agrees to come to her protection in the Mediterranean; in view of the perfectly apparent desire upon the part of the other four nations either to maintain their superiority or to increase their naval strength; in view of the enormous increase of our own naval construction provided for in the proposed agreement, it seems to me that it is very fortunate that there have been two changes in the French Government which will give all the nations concerned a chance to withdraw gracefully from the conference. I hope President Hoover will advise our delegates to come home.

If we do not need a great navy, let us decide that question ourselves.

Later on a conference may be held which may bring about a real reduction of naval armaments; but in the present state of mind of the conferees representing the other four powers, it is clear there is no possibility of disarmament or of a reduction of armaments, or even a limitation of armaments.

Mr. President, let me say in conclusion, that the news from Great Britain to-day indicates that the present Government there is likely to fall at any time. I regret to say it is holding on by the narrowest of margins. It does seem to me that we ought not to make agreements or even commitments at this time when other nations are in such doubt about their own governments.

Mr. VANDENBERG subsequently said: Mr. President, the able Senator from Tennessee [Mr. McKELLAR] this morning has again given our official representatives at London the benefit of his advice. I sympathize fundamentally with many things he has said. But I emphatically do not sympathize in any degree with premature American pronouncements based upon inadequate, insufficient, and incomplete gossip and information. I think such contributions to the delicate situation are calculated to do far more harm than good. I rise simply for the purpose of reading into the RECORD one paragraph from a significant resolution adopted by the Michigan Department of Veterans of Foreign Wars within the last few days, a paragraph which, in my judgment, substantially expresses the aspirations and the attitudes of the American people. I read:

> We believe that every organized group of American citizens which rests upon patriotic principles and humane ideals voice its support of the mission that President Hoover has sent to London and should loyally await the outcome and leave to President Hoover and our United States Senate the calm judicial consideration of any ultimate agreements that shall emanate from the London conference. We have full faith in the American mission.

Mr. President, I make that language my own. There is no danger that our splendid American mission will neglect to serve American necessities. We may confidently await the outcome and preserve our patience until it is officially the Senate's duty to speak. Indeed, that procedure is the most useful contribution the Senate can make to the situation to-day.

CALL OF THE ROLL

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

The PRESIDENT pro tempore. The Secretary will call the roll.

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

Allen	Fess	Keyes	Simmons
Ashurst	Fletcher	La Follette	Smith
Baird	Frazier	McKellar	Smoot
Barkley	George	McMaster	Steck
Bingham	Glass	McNary	Steiwer
Black	Glenn	Metcalf	Stephens
Blaine	Goff	Moses	Sullivan
Blease	Goldsborough	Norbeck	Swanson
Borah	Gould	Norris	Thomas, Idaho
Bratton	Greene	Nye	Thomas, Okla.
Brock	Grundy	Oddie	Townsend
Brookhart	Hale	Overman	Trammell
Broussard	Harris	Patterson	Tydings
Capper	Harrison	Phipps	Vandenberg
Caraway	Hastings	Pine	Wagner
Connally	Hatfield	Pittman	Walcott
Copeland	Hawes	Ransdell	Walsh, Mass.
Couzens	Hayden	Robinson, Ind.	Walsh, Mont.
Cutting	Heflin	Robsion, Ky.	Waterman
Dale	Johnson	Schall	Watson
Deneen	Jones	Sheppard	Wheeler
Dill	Kean	Shortridge	

Mr. FESS. I wish to announce that my colleague [Mr. McCULLOCH] is necessarily absent. I ask that this announcement may stand for the day.

I also wish to announce that the junior Senator from Rhode Island [Mr. HEBERT] is necessarily absent on official business.

Mr. SHEPPARD. I desire to announce that the junior Senator from Utah [Mr. KING] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

I also desire to announce the necessary absence of the Senator from Arkansas [Mr. ROBINSON] and the Senator from Pennsylvania [Mr. REED], who are delegates from the United States to the Naval Arms Conference meeting in London, England.

Mr. SCHALL. My colleague [Mr. SHIPSTEAD] is unavoidably absent. This announcement may stand for the day.

The PRESIDENT pro tempore. Eighty-seven Senators have answered to their names. There is a quorum present.

CRIME CONDITIONS IN THE DISTRICT OF COLUMBIA

Mr. BLEASE. Mr. President, a few days ago President Hoover made an announcement that he was going to appoint a certain gentleman as a member of the Board of Commissioners of the District of Columbia. A newspaper in the city of Washington, commenting thereon under the headline "No Such Heritage," said:

> The President, in his statement announcing the selection of Major General Crosby to succeed Commissioner Dougherty, said the appointment "will be a guaranty to both the official and unofficial residents of the District and especially to the Nation at large that the Capital of the Nation will be free of organized crime."
>
> It is doubtful that the President intended the inference, which "the Nation at large" will surely read between the lines: That Washington at present is saddled with organized crime.
>
> The phrasing of the President's statement was unfortunate, therefore, not only because of the seeming reflection on conditions in this city, but upon the retiring commissioner in charge of police administration. Whatever may be said of Commissioner Dougherty—and much good can be said—it can not be charged that he is leaving a heritage of organized crime for his successor to clean up.

Mr. President, on yesterday the Public Printer, Mr. Carter, so says the Washington Post, the Washington Herald, and the Washington Star, had something to say in reference to crime in the District of Columbia.

On January 7, 1930, at page 1168 of the CONGRESSIONAL RECORD, and also on January 13, at page 1490; on January 16, at page 1699; on January 30, at page 2660; and on February 6, at page 3158, I made some remarks in reference to conditions in Washington. I also praised the President for saying that he was going to appoint Major General Crosby to the position of District commissioner. I still stand upon that same platform, and hope that the President will not let little citizens' committees, "Ransy Sniffles," many of whom pay no taxes in the District and many of whom have no business except to attend to somebody else's business, threaten him, and cause him to change his course in reference to the appointment referred to.

Now, Mr. President, I want to warn Mr. Carter, the Public Printer. I feel that it is my duty to do so because of certain very threatening letters which I have received, some of them very, very bad letters. I have even been told that I was going to commit suicide. I want to warn Mr. Carter that he may commit suicide, like Jess Smith did, and Senator Brandegee, and poor Scrivener, and Mrs. McPherson, and poor old Montgomery, and others in this city, who have been found to have committed suicide by the grand jury of the District of Columbia.

I want to call the attention of the members of the past grand jury and Mr. Rover and Major Grant, who now seeks to be appointed a brigadier general and to have his salary raised, for saying people told falsehoods when they have shown an abundance and more than an abundance of proof to establish the fact that he is the falsifier and not those of us who made the charges.

I want to ask certain citizens' committees, and particularly the Washington Post, which have been so quick to announce that there was no crime in the city of Washington, if what I said on this floor and what Mr. Carter, the Public Printer says, and what other people are saying is not true, why should the newspapers continue to publish so many news items of crimes committed in the city of Washington?

There was even published the other day a story of a negro doctor who was sent to jail for a year for assaulting seven white girls. Think of that, Mr. President; for assaulting seven white girls in his apartment, and he was sentenced to one year—one long, long year—in jail, while on the same day a poor little negro was sent to jail for a similar period of 12 months for having a quart of liquor in his possession! Yet it is said there is no crime in Washington. Look at the picture

[exhibiting] of these two women here. Look at the picture [exhibiting] of padlocking that is going on here.

I said in one of my speeches that certain apartment houses in the city, which were called very fine places, were brothels and that blind tigers were being run in them, and worse; but, "No," says the Washington press, "there is no such thing." Yet here [exhibiting] is a picture of very recent publication.

Oh, but they said there were no blind tigers. Here are all kinds of reports as to blind tigers and dens. Now, Attorney General Mitchell comes out this morning and says what a horrible thing it would be to search a man's home. I am not surprised at Mitchell at all, from what I know of him and what I have heard of him. A man's home is his castle. True; but when a man makes a blind tiger or a disorderly house out of his home it is no longer his castle, and it has not the right to the protection of a castle. Mitchell ought to have sense enough to know that, unless he came down from the clouds and has never been contaminated by touching or being near any human being but himself.

I believe in the protection of the home. I believe that when a man goes into his house, and locks the door behind him, it should be protected against all intruders; that nobody should be allowed to go in it under any conditions or circumstances, as long as it is an orderly home, as long as it is his home. But when he opens his home in an apartment house, or when he goes into the country or into a city and begins to sell liquor in his home, or begins to allow men and women to congregate there for immoral purposes, he has abandoned it as his castle; he has abandoned it as his home; and it should become subject to the laws just as much as if it were an open store or an open field.

I do not care to disturb the Senator from Utah [Mr. SMOOT], because I think when we get through with this bill he should truly be called a man of steel—not iron, but a man of steel—because I do not see how it has been possible for him to stand here and go through what he has gone through with day after day, and now even going into the night. I hope, for his sake, and for the sake of all of you gentlemen, that it will be over soon. I am not interested in this bill. I stay here when it suits me, and I go out when I get ready, because I do not believe in any tariff except for revenue only. I have had to vote here with my colleagues sometimes on what they called Democracy, but what I call hypocrisy; but I had to do it because I was pledged, when I went into a primary, to vote with my colleagues on certain questions. If I had my way, however, I would have free trade; and that is what this country is coming to. The doctrines of John C. Calhoun are going to come right back; and the very kind of tariff that you are trying to put on the people to-day is going to be one of the main reasons for the people rising in revolt and going back to the old-time doctrine.

For that reason, instead of reading these various quotations in order to show the people of this country whether certain people are liars or not, or whether certain officials in Washington are liars or not, I am going to ask to have them printed in the RECORD; and I do hope they will be read by Mr. Pratt, or Mr. Carter rather. I would not call Pratt "Mr." He does not deserve it. If there ever was an unworthy servant—one who ought to be kicked out, who ought long ago to have been kicked out, as I can show by positive, absolute proof—it is this man Pratt. Just night before last, right down here in this same No. 318 Pennsylvania Avenue, which the police raided not long ago, a man went in there and bought dope, and he has bought it there for the fourth time in the last 30 days. The police do not try to stop it. They go down and make a raid, and then they drop it. Mr. Carter charges in his letter what I charged here two months ago—that when these officers start to make a raid, somebody posts the blind tiger, somebody posts the dope seller, and before the raiding squad reaches that place they have hidden everything.

I do not know Mr. Carter. I never have seen him in my life; but I am glad he has had the manhood to call attention to this fact, and if he wants the proof I will furnish it. I will not call on him at all; I will furnish for him the liquor that was bought at these joints. I will furnish him the dope that was bought at this joint; and I will show that the President of the United States ought to kick Pratt out of his job before some more people are murdered, and $16,000 is paid to hide the evidence under the floor of a dive on Pennsylvania Avenue within the shadow of the Capitol.

I ask that these articles which I send to the desk be printed in the RECORD.

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

The matter referred to is as follows:

[From the Washington Post, Friday, February 28, 1930]

CARTER HURLS CHARGE POLICE SHIELD GAMING—LIQUOR SELLING ALSO HAS PROTECTION, ASSERTS PUBLIC PRINTER—LETTERS ARE SENT TO TWO COMMITTEES—CONGRESSIONAL BODIES TO SCAN MESSAGES HE AND PRATT EXCHANGED—PARTICULAR CASES GIVEN AS EXAMPLES—MAJOR REPEATS HIS RECORD SPEAKS FOR ITSELF AND DEFENDS PICKETING

Charges that gambling and bootlegging have flourished throughout the District "with police protection" and "during all of the administration" of Maj. Henry G. Pratt, superintendent of police, were made yesterday by George H. Carter, Public Printer, in correspondence which he laid before the Senate and House District Committees "for action."

In his letters the Public Printer further asserted: "Police and police court officials have been grossly derelict in prosecution of cases against a certain notorious gambler and bootlegger, and other District officials have been delinquent in granting privileges to enable this gambler to conceal his violations of law."

He insinuated, also, that there are "leaks" in the police department through which defendants are advised in advance as to the nature of evidence to be presented against them.

AFFIDAVITS KNOWN, CLAIM

Declaring that an alleged gambler arrested in a raid near the Government Printing Office recently had been told of the contents of affidavits connecting him with operation of the place, Mr. Carter said in part:

"So far as I know, the only persons outside my office who saw these affidavits were Major Pratt, Capt. Martin Reilly, of the sixth precinct, and Detective Boxwell, of the sixth precinct."

Included in his charges in connection with the same case were that of "gross negligence or indifference in collection of personal taxes." Mr. Carter said he had found that whereas the raided H Street premises were on the tax books in one name, they were occupied by a person of another name, and that "no personal taxes have been paid on the place for at least three years, and no effort has been made by the personal tax board to collect." He asserted that the name on the tax books is an alias for the gambler arrested.

The correspondence, which included letters exchanged between Mr. Carter and Major Pratt, Representative SIMMONS, of Nebraska, chairman of the House Subcommittee on Appropriations, Assistant District Attorney Frank W. Adams, and other District and Federal officials, was not received at the committee offices until late yesterday afternoon, and neither Senator CAPPER, chairman of the Senate committee, nor Representative ZIHLMAN, chairman of the House group, had time to study them yet.

PICKET REQUEST DENIED

In his most recent letter to Major Pratt this week Mr. Carter declared, "Pending a much-needed change in the administration of the District government I had intended not to waste any more time writing to you; but in view of your effort to publish an alibi in the newspapers I feel it my duty to submit further complaint and to deny publicly your untruthful statement that I had requested you to place pickets in the vicinity of the Government Printing Office or anywhere else."

Major Pratt never has said that Mr. Carter had requested the pickets. The first information as to the reason for the pickets was obtained on Tuesday direct from the Government Printing Office itself when five officials of that office stated that the picketing was being done "in response to complaints by Mr. Carter." Mr. Carter was not one of these five, however, and all refused to elaborate upon that statement.

Mr. Carter also in his letter to Major Pratt claimed all credit for having the H Street raid case presented to the grand jury, although that body substantiated the police court in holding that the unsupported affidavits of four Printing Office employees, in view of the fact that no other evidence was secured, was not sufficient to warrant any indictment.

PORTIONS OF LETTER GIVEN

Portions of the letter in which Mr. Carter summarizes events which have convinced him that Major Pratt is "either insincere or incompetent" follow:

"The newspapers are quoting you as having said I requested you to picket certain places suspected of gambling in the vicinity of the Government Printing Office.

"Your statement is utterly untrue. I have never requested or even suggested that the police picket any place suspected of gambling or bootlegging in the vicinity of this office. Your announcement of such picketing can serve no other purpose than to act as a 'tip-off' for gamblers and bootleggers to suspend operations for the present or to place on me the odium of your self-inspired picketing order.

"My only request of you has been and is to enforce the law and to protect the employees of the Government Printing Office from the gamblers and bootleggers who have infested this neighborhood for many

years. That you have failed to do during your administration as superintendent of the Washington police department, except for the few spasmodic responses to requests for law enforcement such as I have recently submitted to you."

EXAMPLES ARE CITED

Mr. Carter then cites several examples of instances which, he declares, convince him of police "stupidity" and "indifference" or incapability in the matter of law enforcement.

In a "conspicuous example of the failure of law enforcement by District officials," he asserts that a raid was conducted with "customary police stupidity or indifference, which afford the chief gamblers time to escape and destroy the evidence." No further efforts were made to apprehend the offenders, he said, and consequently the case was nolle-prossed "for the usual 'lack of sufficient evidence.'" The case was carried to the grand jury at Mr. Carter's insistence, but "again little or no effort was made by the police or the district attorney's office to obtain an indictment."

Taking one particular alleged offender, Mr. Carter declared: "Police records show he has been arrested on numerous occasions for gambling and liquor charges. In every instance, however, he has been left off with either the forfeiture of small sums or a suspended jail sentence.

SPECIAL FAVOR CHARGED

"I believe I am justified, therefore, in asserting that ——— has enjoyed special favor for a number of years."

Mr. Carter also related an instance in which a young man ran into the Government Printing Office one day last week and complained that he had been beaten by men who charged him with tipping off the police on gamblers.

"This occurred while your pickets were on duty, but they seem to have been of more service to the lawbreakers than to a law-abiding citizen," he commented.

The exchange of letters between the Public Printer and the superintendent of police began February 1 with a letter in which Mr. Carter submitted copies of sworn statements concerning the location of alleged gambling and bootlegging places in the vicinity of the Government Printing Office. In a few raids, he asserted, the police "bungled" the case by permitting the operators to escape or destroy all evidence before they gained entrance.

[From the Washington Herald, Friday, February 28, 1930]

CARTER FLAYS PRATT—DEMANDS UNITED STATES GAMING PROBE—PRINTER ASKS CONGRESS TO START INQUIRY—DISTRICT COMMITTEE, MEETING TO-DAY, TO SEE LETTERS TO AND FROM CHIEF OF POLICE

Aroused by the existence of numerous gambling houses near the Government Printing Office, which he charged are allowed to flourish because of police corruption, inefficiency, and stupidity, Public Printer George H. Carter yesterday asked the House and Senate to "take such action as the situation requires."

After making public a number of letters that passed between himself and Chief of Police Henry Pratt, Carter sent copies of the correspondence to Senator CAPPER, chairman of the Senate District Committee, and Representative MCLEOD, acting chairman of the House District Committee. He requested that they investigate "the deplorable conditions."

PRATT "UNPERTURBED"

Senator CAPPER will bring the correspondence and Carter's letter of request to the attention of the District Committee, which is scheduled to meet to-day. It is expected the matter will be referred to the police investigating committee, of which Senator ROBSION is chairman and Senators BLEASE, JONES, COPELAND, and VANDENBERG are members.

Major Pratt said last night he was unperturbed by Carter's request for an investigation. He said:

"The correspondence speaks for itself. The police department is making an honest effort to enforce the gambling and liquor laws, and we shall continue to make war on bookmakers and bootleggers. An arrest was made on a complaint filed by Mr. Carter, but the case was thrown out of court. The police department should not be criticized when the responsibility belongs elsewhere."

BLAMES CITY HEADS

Carter revealed yesterday that he has been writing letters to Pratt for four weeks demanding a clean-up in the vicinity of the big printery at North Capitol and G Streets. He said he is convinced that Pratt has failed in his duty and also blamed the District Commissioners for allowing flagrant conditions to exist.

In the sizzling letter he addressed to Pratt Wednesday, Carter said:

"Pending a much-needed change in the administration of the District government, I had intended not to waste any more time in writing to you, but in view of your effort to publish an alibi in the newspapers I feel it my duty to submit further complaint and to deny publicly your untruthful statement that I had requested you to place pickets in the vicinity of the Government Printing Office or anywhere else.

INSINCERE OR INCOMPETENT

"I am convinced that you are either insincere or incompetent and that proper enforcement of the law can not be secured under present District officials charged with that duty.

"In view of the sworn statements in my possession, copies of which are transmitted herewith, it is amazing to me that the police could not have obtained sufficient evidence long ago to secure conviction of those involved or at least put an end to gambling in the vicinity of the Government Printing Office."

Carter's letters contained addresses of alleged gambling houses, the names of proprietors, and employees of the printery who had patronized the places. The Public Printer excoriated Inspector Thaddeus Bean for turning over to Dectective Boxwell a complaint made against the sleuth and also paid his respects to Captain Riley, of the sixth precinct, for branding an affidavit as "fishy" before investigating the facts in the case.

[From the Washington Star, February 26, 1930]

HOLDS GAMBLING "CHECK" FUTILE—PUBLIC PRINTER SCORES PRATT FOR FAILURE TO CURB WAGER OPERATIONS

Aroused by reports of extensive gambling operations in the vicinity of the Government Printing Office and declaring that he has been unable to obtain help from Maj. Henry G. Pratt, superintendent of police, or the District Commissioners, and further asserting that the new system of picketing such places is simply a "tip-off" to the operators, George H. Carter, Public Printer, declared to-day that "the whole thing needs a thorough investigation."

The head of the Printing Office declared that numerous complaints made by him to Major Pratt to have the gambling establishments located near the Printing Office closed have availed nothing, while a similar complaint made to the District Commissioners has been rewarded with only a formal acknowledgment of the receipt of the letter in which the complaint was made.

Carter denied that he had mentioned specifically the names of the four places now being picketed by police in an effort to learn if there are activities carried on in them that would justify their being run out of business.

FIVE EMPLOYEES ARRESTED

Carter also declared that five employees of the Printing Office had been arrested in a raid on a gambling establishment in the first block of H Street, and that four of those employees had sworn to affidavits that gambling was going on in the place and turned them over to Major Pratt on their own accord. An arrest of an alleged operator was made in this case, but, he added, "it was dragged out for a long time in police court and finally was nolle-prossed. Presented to the grand jury later the jury failed to return an indictment against the man."

GROSS LAXITY CHARGED

"In the face of such things I feel there has been a gross laxity on the part of the District government in the enforcement of the law," Carter asserted. "There is something wrong with the administration of justice here and the whole thing needs a thorough investigation."

Carter contended that the establishment where the Printing Office employees were arrested was operating as a cigar store, with an elaborate gambling layout located in the rear.

The five employees were suspended from duty after the raid, he said, but the four who swore to the affidavits regarding the nature of the business conducted in the establishment were restored to good standing following their "manly confessions."

The head of the Printing Office said that his efforts to stamp out gambling in the Printing Office during the eight years since he became head have been successful, but said that when he entered the Printing Office he found much evidence of gambling, and between 50 and 60 employees were discharged. He also said that a horse-racing handbook was being operated within the office, with employees serving as runners for outside gambling interests.

Sergt. O. J. Letterman and his vice squad, for which Carter has only praise, late yesterday raided the establishment in the 1300 block of I Street, where the first of the police pickets was assigned 24 hours earlier. but found no contraband.

Carter described the picketing in this instance as a "stupid procedure."

The squad was forced to cut its way through five doors to gain access to the place, where an elaborate electrically operated protective system was encountered. Harry W. Wood, 26, of 2125 G Street, was arrested on charges of maintaining a nuisance, while several others found in the place were questioned and permitted to leave.

The picket program was extended to four other places late yesterday afternoon when officers of the sixth precinct were placed on duty in front of a fruit store, a cigar store, and a barber shop on H Street near the Printing Office and at a cigar store a block away on G Street.

[From the Washington Post, February 25, 1930]

POLICE PICKET PLACE TO GET RUM EVIDENCE—CALLERS ASKED TO GIVE NAMES, ADDRESSES AS THEY ENTER

Gentlemen and ladies paying social calls at an address on I Street NW. near Thirteenth Street, yesterday were surprised to discover that the place apparently had added a uniformed doorman to its list of accessories for the comfort of vistors.

On second glance, however, it developed that the "doorman" contributed little if anything to the comfort or peace of mind of callers, for he was one of a squad of policemen from the first precinct detailed by Captain Burke, under direct orders from Maj. Henry G. Pratt, superintendent of police.

The police, it appears, are under the impression that the premises are being used to house a dispensary for illicit beverages, for Major Pratt said last night that in response to complaints received, his minions would continue to picket the address from now on, or at least until sufficient evidence may be obtained to justify a raid.

As each caller presented himself at the door he was stopped by the policeman, who demanded his name, address, occupation, and took his general pedigree. Some few seemed discouraged and went in quest of other locations, but the majority gave the desired information and passed on through the door.

"Who was that?" the policeman was asked by a photographer who had just "shot" the officer in the course of his questionnaire.

"He said his name was Rudy Vallee," the policeman replied, "but I don't believe him. Rudy Vallee is thinner than he is."

And so it went, until at last the dawn. And still the policeman stood his lonely picket vigil, questioning all and sundry alike quite courteously.

GIRL FIGHTS ROBBER, SAVES FIRM'S $235—BATTLES COURAGEOUSLY AS MAN GRABS BUNDLE; HE ELUDES PURSUIT—SEVERAL JOIN IN RACE

Battling courageously with a negro robber in the real-estate office of G. B. Likens at 1519 M Street NW. shortly before 1 o'clock yesterday, Miss Harriet E. Garber, of 415 Shepherd Street NW., saved $235 of her employer's funds. Fleeing from the office, the negro bested Mr. Likens and several citizens in a foot race and escaped.

As Miss Garber was preparing to take the money to a bank to deposit the negro entered. Sighting the money on the young woman's desk, the intruder grabbed the bundle and Miss Garber immediately began grappling with him. The courageous young woman succeeded in obtaining possession of the money as Mr. Likens, who was in an adjoining office, heard the scuffling and entered.

With a shout the real-estate man pursued the man into the street and was joined in the foot race by his son, E. O. Likens, and several citizens. The fugitive escaped pursuit on Fourteenth Street near N Street.

NINETY-SIX GALLONS OF LIQUOR SEIZED AFTER CAR CHASE

Seizure of an automobile laden with 96 gallons of liquor when it was hastily abandoned by its lone occupant on the Bladensburg Road at Douglas Avenue NE. ended an exciting chase about 9 o'clock last night by Sergt. George M. Little and his squad.

Acting on a tip that a liquor runner was conveying a sizable cargo of rum from near-by Maryland, the police posted themselves at the District line on the Bladensburg Road in an automobile. About the appointed hour the liquor machine sped by. At Douglas Avenue several other cars partially blocked the road and the liquor runner jammed on the brakes and made good his escape. The seized liquor and the car were taken to the sixth precinct station.

PAIR OF FORMER GLASSMAN GARAGES WILL BE PADLOCKED—OWNERS OF PLACE CITED IN RUM INDICTMENTS PLEAD IN VAIN—DEFENSE REJECTED IN STAFFORD RULING—JUSTICE STATES CHECK COULD HAVE SHOWN ALLEGED LIQUOR VIOLATIONS

Justice Wendell P. Stafford in open court yesterday indicated that he would sign an order padlocking two garages formerly operated by Herbert Glassman at 2101 Fourteenth Street NW. and 1309 L Street NW. within a week under the terms of the national prohibition act. Hearing on the Government's motion for padlock injunction has been on trial for more than a week.

Glassman, his brother, David Glassman, and 10 other men are now under indictment on charges of conspiracy to violate the prohibition law at the two garages. The two Glassmans have filed pleas in abatement to the indictment, while the others have filed demurrers.

PERSONAL INJUNCTION LOOMS

Justice Stafford also indicated that at the time he signs the order padlocking the garages, which will remain effective for one year, he will sign personal injunctions restraining the Glassmans and their codefendants on the conspiracy count from violating the prohibition law anywhere in the District of Columbia. Each of the 12 men is now under a temporary injunction issued by the court at the time of the institution of the proceedings. As in the case of the buildings the permanent injunction will be in effect for one year from the date of the signing.

Francis W. Hill, owner of one of the garages, and Henry W. Sherby, owner of the other, through their attorneys, vigorously opposed the Government's petition for padlock. Each pointed out that he had offered to cooperate with the law authorities and that he had been promised he would be notified in ample time to protect himself from loss of revenue through padlock.

DEFENSE IS REFUSED

Justice Stafford refused to accept that as a defense, declaring: "A watch of one week would have disclosed that great truck loads of whisky were being brought into the garages at all hours of the night. This was not a case of a few bottles of whisky being found on the premises. When landlords learn they are liable for failure to make thorough investigations after reasonable cause to believe the law has been violated they will not trust to an inquiry by an agent (real-estate agent) who accepts the word of the lessee that there are no law violations."

United States Attorney Leo A. Rover and Assistant United States Attorney Harold W. Orcutt appeared for the Government.

[From the Washington Star, February 24, 1930]

GLASSMAN GARAGES WILL BE PADLOCKED—JUDGE STAFFORD RULES NUISANCE EXISTED WHICH OWNERS COULD HAVE SEEN

Justice Stafford, of the District Supreme Court, to-day ruled that there existed a nuisance within the meaning of the national prohibition act at the two garages conducted by Herbert Glassman at 2101 Fourteenth Street and 1309 L Street, and said he would order the padlocking of both places for one year.

The court held that Francis W. Hill and Henry Sherby, owners of the two properties, even if they did not have actual knowledge of the use being made of the properties, were liable under the law when they had reasonable cause to believe that the law was being violated and did not take the trouble to make a personal investigation.

"A watch of one week," said the court, "would have disclosed that great truck loads of whisky were being brought into the garages at all hours of the night. This was not a case of a few bottles of whisky being found in a premises. When landlords learn they are liable for failure to make thorough investigation after reasonable cause to believe the law has been violated they will not trust to an inquiry by an agent who accepts the word of the lessee that there are no law violations."

Injunctions will be granted against Herbert Glassman, the proprietor, and his brother, David Glassman, and 13 other defendants who are said to have been employed at the two garages.

United States Attorney Leo A. Rover and Assistant United States Attorney Harold W. Orcutt represented the Government, while Attorney Alvin L. Newmyer appeared for the Glassmans and Henry Sherby and Attorney Francis W. Hill, jr., for his father.

GIRL SNATCHES $235 FROM THIEF'S HAND—SCREAMS FRIGHTEN MAN WHO HAD TAKEN MONEY FROM OFFICE COUNTER

Held up and robbed of $235 by a colored man to-day in the office of G. B. Likens, real-estate operator, 1519 M Street, where she is employed as a bookkeeper, Miss Harriet Garver, 23, of 415 Shepherd Street, snatched the money from the bandit's hands and frightened him away with her screams.

The thief, said by police to have attempted other holdups of a similar nature, entered the real-estate office, where the young woman was preparing bank-deposit slips. He inquired concerning a man whom he said he believed lived in the combination apartment and office building.

Informed by the girl that no such man lived on the premises, he snatched the money that lay on the desk beside her. Miss Garver quickly recovered the money from his hands and screamed for assistance. Her employer, Mr. Likens, engaged in a back room of the office, chased the man from the building and to Fourteenth and N Streets, where the bandit escaped in the maze of traffic.

[From the Evening Star, Washington, D. C., Tuesday, February 18, 1930]

EIGHT PERSONS HELD IN GAMBLING CASE—FAKE MESSAGE TO POLICE ALLEGED SHOOTING AFFRAY—SEVEN IN CUSTODY LISTED AS WITNESSES

Responding to a fake telephone report, blamed on a disgruntled visitor, that a shooting was in progress at 1427 P Street this morning, headquarters detectives and police of No. 2 precinct made their way into what they described as a gambling establishment and arrested William Arthur Shannon, 29 years old, of the 2400 block of Thirteenth Street, on a charge of permitting gaming. Seven other persons on the premises at the time were taken to headquarters and booked as witnesses.

Detectives H. E. Ogle and C. J. P. Weber said they found a large table in the rear of the store which was equipped for dice games and a number of slips, indicating that the place served as an agency for several numbers games. When the officers arrived they forced their way into the rear room through a heavily bolted door.

[From the Washington Post, February 20, 1930]

ONE HUNDRED AND FOURTEEN GALLONS SEIZED IN WILD RUM CHASE—BALTIMORE MAN ARRESTED AS HE FLEES THROUGH STREETS OF CAPITAL—AUTO STRIKES ANOTHER

A cargo of 228 half-gallon jars of liquor, bound from Baltimore to Washington, was intercepted last night by Sergt. George Little, of the

sixth precinct, and Louis Mazer, 25 years old, of Baltimore, was arrested on charges of transportation, possession, and reckless driving, following a furious race through traffic-filled streets.

The rum car, running at about 40 miles an hour, sped by the police car in front of the Washington Seminary, Takoma Park. As the driver observed that he was being pursued, the speed of his auto increased. At Cedar Street and Piney Branch Road the liquor auto passed a stop sign and sideswiped another car without stopping.

After failing to heed a stop sign at Allison Street and Georgia Avenue and barely missing a street car as he turned onto the avenue, the fleeing driver came to a halt at Whittier Street. When Sergeant Little approached, he greeted him with, "I know when I've had enough."

Mazer was held at the sixth precinct station for $2,500 bond last night.

R. J. Cox and J. A. Mostyn, of Sergt. Oscar Letterman's squad, last night obtained 15 half-gallon jars of liquor on I Street near First NE. George L. Pendleton, his wife, Pearl, and Mary Jackson, all colored, were arrested on charges of possession.

TWENTY-EIGHT TAKEN IN FOUR RAIDS IN DISTRICT—ALLEGED WOMAN POSSESSOR CUTS DETECTIVE'S COAT DURING ARREST—MAN JUMPS TO STREET

Slipping quietly into an alleged gambling place on New York Avenue, near Thirteenth Street NW., Sergt. Oscar J. Letterman's squad spent a busy 45 minutes early last night arresting 21 men and seizing a quantity of so-called racing slips.

Sam Bregman, 25 years old, living on Shepherd Street, near Twelfth Street NW., was arrested on a charge of permitting gaming. Twenty others found in the place were merely booked as witnesses. One man is said to have gained his freedom by jumping from a second-story window.

The raiders also visited an "oasis" on Massachusetts Avenue NE., near Second, where they arrested Anna March, colored, for alleged possession of a small amount of alleged liquor, and assault. The woman is said to have grappled with Detective Mostyn and ripped his coat with a long knife. She was disarmed with difficulty, police said.

Two other raids, one on I Street, near North Capitol, and the other on R Street, near Second Street NW., netted six prisoners and 30 quarts of liquor. Those arrested were Mary Jackson, Pearl Pendleton, George Pendleton, Helen Parmes, Sylvester Parmes, and Susie Lewis.

[From the Washington Post, Wednesday, February 19, 1930]

POLICE CAPTURE 14 IN "NUMBERS" RAID; EQUIPMENT SEIZED—DESCEND ON HOUSE NEAR FIRST STREET, REPUTED SEAT OF EXTENSIVE GAME—BUSINESS SAID TO BE $2,000 PER DAY HERE—TWELVE HELD ON GAMBLING CHARGE AND TWO ARE BOOKED AS WITNESSES

The reputed headquarters of one of the Capital's largest "numbers" game operators was raided shortly before noon yesterday by members of the police vice squad. Fourteen men were taken in custody and a patrol-wagon load of equipment seized in the invasion of a house in the rear of H Street NW. near First Street.

Sergt. Oscar J. Letterman and Detectives Richard J. Cox and James Mostyn, who conducted the raid, reported that 12 of the prisoners were found busily engaged at adding machines, totaling receipts taken in during the last two days.

EQUIPMENT IS TAKEN

Operations of the alleged ring were city wide, and the business totaled $2,000 a day, according to the raiders.

The equipment seized consisted of the dozen adding machines, hundreds of alleged numbers slips, estimated to represent play totaling $500, two trunk loads of blank slips, and other paraphernalia.

Charges of setting up a gaming table in violation of section 865 of the District Code were lodged against the men found at the adding machines. They were liberated from the first precinct under $2,000 bail each. They described themselves as:

NAMES OF PRISONERS

Meyer Shapiro, 20, North Capitol and O Streets; Maurice Clarke, 27, Twelfth and I Streets NE.; Edward J. Rogers, 37, Tenth and K Streets NE.; T. Graham McBroom, 29, and W. Carlton King, 26, of Fifteenth and D Streets NE.; Francis Holford, 21, and Ralph M. Holford, 45, of Sixth and A Streets NE.; Elmer Johnson, 34, of the Tuxedo Hall Apartments; George Facoler, 37 of Ninth Street and Pennsylvania Avenue NW.; Edward Johnston, 23, of Sixteenth and Monroe Streets NW.; Elmer B. Clayton, 32, of Fifteenth and D Streets NE.; and William Skinner, 26, of Twenty-second and G Streets NW.

The raiders also booked two colored men, Paul Christian, 19, of Myrtle and North Capitol Streets, and Robert Tony, 45, of the H Street address, as Government witnesses.

SECOND ESCAPE IN YEAR MADE BY COLORED YOUTH

Executing his second escape from a penal institution here within a year, Elmer Olden, colored, 16 years old, of Cullinane Court SW., slipped away yesterday from the National Training School, where he was sent last month on a 19-month sentence as leader of a gang of colored youths known as the "Forty Thieves," which perpetrated a series of housebreakings, petit thieveries, and minor crimes in the southwest section.

His previous escape was made from the Blue Plains Industrial Home School, where he was serving a sentence upon conviction of assault charges.

TESTIMONY OF GIRLS SENDS MAN TO JAIL—SENTENCE OF 15 MONTHS GIVEN ON THREE CHARGES OF ASSAULT—COURT ROOM IS PACKED

Durant Montodelouner, alias Clayton Franey, who claims to be a Filipino but whom police booked as a negro, was sentenced yesterday by Judge John P. McMahon in police court to serve 15 months in jail on three charges of assault and one charge of practicing a healing art without a license.

Montodelouner is alleged to have enticed several young white women to his quarters on Louisiana Avenue NW., near Fifth Street, on the pretext of employing them. He is said to have represented that he was the agent of a million-dollar concern and to have insisted that applicants observe various rules in seeking employment.

The court room was packed and jammed during the recital of the testimony, standing room being at a premium.

Some of the girl victims told the court that the man had taken their measurements in order to determine their fitness for the position that he is alleged to have promised. Others testified that when ill they had called "the doctor," referring to the man on trial, and that he had visited at their homes and administered medicine.

One woman told the court she had called on the man at regular intervals for almost a year, but that as yet she had not been employed.

Although approximately 20 young women, whose ages are in the neighborhood of 20 years, are said to have complained, only 4 of the group appeared yesterday as witnesses against him.

The man was arrested about a week ago when the police, following numerous complaints, raided his establishment. This is said to have revealed the man had a previous criminal record and that the company he is alleged to have worked for has been out of business for 15 years.

THIRTY-FOUR TRUE BILLS FILED BY GRAND JURY HERE—CHARGES AGAINST 10 IGNORED BY INQUISITORIAL BODY YESTERDAY—GAMING COUNT DROPPED

While returning 34 indictments yesterday covering various charges, the District of Columbia grand jury ignored charges against 10 persons

Charges of violating the Jones-Stalker Act were ignored in three instances, although seven persons were charged with violating the law. Those against whom the Jones-Stalker charges were ignored are Martha Brown, John Keys, and Giles Brown. Those charged with violating the law are Carson P. Stant, Henry F. Rheims, Percy Robert Kelser, Walter Drady Ward, Willie Olin Bell, and Maggie Bell.

Bell is charged with four sales of whisky at the Mades Hotel, formerly the haunt of socially prominent Washingtonians. The hostelry now faces a padlock injunction under the national prohibition act.

Charges of setting up a gaming table preferred by the police several weeks ago against Louis Hurwitz and Joseph Fitzgerald were also ignored by the inquisitorial body. Hurwitz and Fitzgerald were arrested at 25 H Street NW., opposite the Government Printing Office. A number of employees of the Printing Office who were said to have been present when the raid was staged appeared before the grand jury as witnesses.

Others against whom charges were ignored are Richard Phifer, assault with a dangerous weapon; George E. R. Shafer, robbery; and Earl Sinkfield and Louis Jackson, housebreaking and larceny.

DRUNK QUIZ DROPS NALLS FROM POLICE FORCE—WITNESS IN BUSCH MURDER CASE ALSO GUILTY OF INSUBORDINATION

Pvt. Raymond F. Nalls, of the tenth precinct, who was an important Government witness in the Policeman Leo Busch murder trial, was dropped from the police force yesterday when the District Commissioners approved the findings of the police trial board, which had convicted him of intoxication and insubordination.

Nalls, who was born June 20, 1894, was appointed to the force on May 5, 1917, but resigned in 1918. He was reappointed in 1921 and served until January 5, when he was suspended on the charges that caused his dismissal.

The departmental trial occurred on January 15. Testimony revealed that Nalls had dropped his service revolver in a taxicab, which was turned over to police. After a check-up of the weapon's number of the record of the gun's assignment, police inspectors, it was testified, went to his room at 605 Sixth Street NW. and found him under the influence of liquor and their questions were met with refusals to answer.

[From the Evening Star, Washington, D. C., Tuesday, February 18, 1930]

PSEUDO DOCTOR IS GIVEN YEAR IN JAIL FOR ASSAULTING GIRLS—MAN, SAID TO BE OF NEGRE RACE, POSED AS FILIPINO IN "EXAMINING" APPLICANTS FOR JOBS WITH DEFUNCT FIRM

Clayton Franey, 607 Louisiana Avenue, said to be a member of the Negro race, who posed as Durant H. Montodelouner, a Filipino, and representative of a firm in St. Petersburg, Fla., was sent to jail at police court to-day for a year on three charges of assault on white girls who applied to him for work. He was given one additional 90 days for practicing medicine without a license.

Franey had certain rules which a girl had to observe when he employed her, it was charged. If they were late they would be punished by having to stand in a corner for an hour with hands over head. Similar penalties also were provided for failing to notify Franey when they were ill, using cosmetics, bringing outsiders into the office, and failing to obey their future employer.

Franey was arrested last week when Detective Sergts. H. E. Ogle, Robert A. Saunders, and Charles Weber raided his "office" on Louisiana Avenue and exposed Franey as a fake and an ex-convict and showed that the firm by which he said he was employed in St. Petersburg had been defunct for 15 years.

Prior to this, police had received complaints from 20 young girls, residents of the city and near-by Maryland and Virginia, that the man had assaulted them when they made various trips to his office to receive medical examination preparatory to taking a position with the alleged firm.

Vira V. Mortimer, of Aurora Hills, Va.; Zona M. Warner and Naomi Aleshire, both of Takoma Park, Md., and Mabel T. Silcott, 3000 R Street, appeared in court to-day and testified against Franey.

They told stories of how the man had given them various examinations, such as blood tests, and demanded that they return time and again to be sure they were fit to take the desired positions.

Several of the girls, all of whom were around 20 years of age, told how Franey and his alleged assistant, W. L. Biglow, of Takoma Park, Md., had taken complete measurements of their persons, which were supposed to have been placed on record.

The girls said they were introduced to the men at a home in Takoma Park, where he was believed to be a former resident of the Philippines.

[From the Evening Star, Washington, D. C., Tuesday, February 18, 1930]

TWELVE MEN ARRESTED IN H STREET RAID—LARGE QUANTITY OF GAMBLING PARAPHERNALIA CONFISCATED BY POLICE SQUAD

In one of the largest raids ever staged on alleged violators of policy game laws, 12 men were arrested on charges of setting up a gaming table, a truck load of gambling slips and other paraphernalia was confiscated and 12 adding machines seized, when Sergt. O. J. Letterman and his squad swooped down on 113 H Street to-day.

Seated at five tables, all of the men arrested were operating adding machines, police say, and tabulating receipts, expenditures, and other records of policy games. The room in which the men were working, the police reported, was recently rented from Robert M. Toney, colored, who subleased the premises to them, and for his knowledge of the case was held under $100 bond as a United States witness.

ENTERED WITH HANDBAGS

In an affidavit made out before Assistant United States Attorney Frank Adams and Renah Camalier, Toney declared that he subleased the second floor recently after making arrangements with Maurice Clarke, 28 years old, of 914 Twelfth Street NE.

During their occupation of the premises the men arrested, Toney said, have carried handbags in and out of the building at intervals every day. On occasions slips, which were later identified as gambling paraphernalia, dropped out of these handbags, he said.

Sergeant Letterman, Detectives R. J. Cox, and J. A. Moyston are said to have gained entrance to the room where the men were working after they trailed James P. Christian, 24 years old, colored, 33 Myrtle Street NE., who admits he is a runner to the premises. Christian entered the workroom, leaving the door unlatched, thus permitting Letterman and his squad to enter.

HELD AS WITNESS

Christian informed police that he was only recently employed and gave the name of a man well known in sporting circles as his employer. The man named was not at the premises when the raid was effected and has not been apprehended. Christian was also held as a United States witness under $100 bond.

The men arrested and charged with setting up a gaming table, a felony, according to the District Code, were: Meyer Shapiro, 20 years old, 1400 North Capitol Street; Francis Holford, 21 years old, 606 A Street NE.; Ralph Milton Holford, 45 years old, 606 A Street NE.; Elmer Shepherd Johnson, 34 years old, of Tudor Hall Apartments; George Facoler, 37 years old, 906 Pennsylvania Avenue; Edward Johnston, 23 years old, 3500 Sixteenth Street; Elmer Bryant Clayton, 32 years old, 1507 D Street NE.; William Skinner, 26 years old, 707 Twenty-second Street; William Carlton King, 26 years old, 1507 D Street NE.; Thomas Graham McBroom, 29 years old, 1507 D Street NE.; Edward John Rogers, 37 years old, 1034 Tenth Street NE; and Maurice Clarke, 28 years old, of 914 Twelfth Street NE.

[From the Washington Post of February 16, 1930]

GAMING RAID NETS 30 AS POLICEMEN VISIT HOTEL HERE—F STREET ESTABLISHMENT IS SAID TO HAVE YIELDED FULL EQUIPMENT—FIVE PERSONS TO FACE CHARGES OF GAMBLING—TEN OTHERS ARE NOTIFIED TO APPEAR AS WITNESSES; FIFTEEN RELEASED

Staging a raid on an alleged gambling establishment in the Commercial Hotel, rendezvous of theatrical folk on F Street NW. near Ninth Street, the police vice squad yesterday succeeded in corraling 30 men and seized a quantity of alleged gambling equipment.

Equipped with roulette wheels, card tables, and equipment for racehorse betting, the raiders stated, the establishment was located on the fourth floor. Heavy iron doors prevent entrance to the floor except by elevator, according to police.

LETTERMAN LED RAID

Five of the captives were registered at the first precinct on charges of setting up a gaming table. Ten others were summoned to appear as Government witnesses and the others were released.

Sergt. Oscar J. Letterman with Detectives Richard J. Cox and James Mostyn quietly slipped into the hotel elevator and commanded the operator to take them to the fourth floor. Sergeant Letterman declared that an "undercover" policeman gained entrance to the establishment and had been patronizing it for a week.

Emerging at the fourth floor, Sergeant Letterman said, a signal had apparently been given, for occupants of the establishment fled from the triple-door place to other rooms on the floor.

HUNDREDS SEE ARRESTS

Hundreds of persons on crowded F Street watched the police load the prisoners and seized equipment into two patrol wagons. At the police station the men accused of violating the antigambling law described themselves as:

Leo Cohen, 34 years old, a cripple, of Twelfth and Holbrook Streets NE.; Louis Lehrfeld, 38; Harry Wilson, 52; Joseph Patrick Mack, 46; and Charles A. Jones, 40, all of whom said they lived at the hotel.

RUM FOUND IN CAFÉ BEFORE DOORS OPEN—PROPRIETOR FREED IN $500 BOND ON CHARGE OF POSSESSION

Third Precinct Detectives William Burke and S. F. Gravely, armed with a search warrant, visited the Valentino Restaurant, 1129 Seventeenth Street NW., about noon yesterday, and, upon seeking admittance, were informed that the place never opens for business until midafternoon.

However, the officers declared that it was not so much the fact that the place was not ready for business as the finding of 115 gallons of alleged wine and about 6 gallons of alleged red liquor, that made them persona non grata at that hour.

Cajo Prosperi, white, giving his age as 45, and the proprietor of the establishment, was locked up on a charge of possession. He was later released on $500 bond.

[From the Washington Post, February 13, 1930]

GIRL AND SEVEN MEN SEIZED IN RUM AND GAMING RAIDS

A young woman and seven men were arrested in a series of liquor and gambling raids yesterday by members of the police vice squad.

The woman, Miss Lillian Elizabeth Wallace, 21 years old, was arrested on charges of possessing 5 quarts of liquor and maintaining a disorderly house, and three men, Fred Taggert, 24; Stanley Gray, 24; and Harvey Schult, 25, were arrested on possession charges when Sergt. Oscar J. Letterman and Detective Richard J. Cox and James Mostyn invaded a house on Randolph Street NW., near North Capitol Street.

Miss Wallace, police said, was found by the raiders asleep in her bedroom and arrested. A man, who was also in the room, escaped through a window, the raiders reported.

John Edward Miller, 25 years old, was arrested on a warrant charging violation of 865–B of the District Code, which concerns gambling, at a cigar store on E Street NW., near Twelfth Street. The raiders reported that a crowd of persons were in the store at the time the warrant was served. Miller was liberated under $2,000 bail at the first precinct.

In a poolroom on North Capitol Street, near F Street, the raiders arrested Toy Crawford, colored, 33, alleged proprietor of the room, and charged with possession of 2 quarts of liquor and permitting gaming. Police said that Frank Gleason, colored, 24, and Beverly Jamison, colored, 36, were arrested in the place when found engaged in "shooting craps."

[From the Washington News, February 12, 1930]

MADES HOTEL MURDER WITNESS IS DEAD

Joseph Rivers, 56, a painter and a witness in the murder of William W. Sykes, died early to-day from poisoning.

Rivers was found near his home at 300 Pennsylvania Avenue last night partially blind. He was taken to Gallinger Hospital, where he died. Police investigated the man's death and said it was due to drinking canned heat. An autopsy was to be held to-day.

Sykes was found dead in the rear of the Mades Hotel, 300 Pennsylvania Avenue NW., beaten over the head on May 13, 1929. Rivers was one of the six men arrested in connection with the man's death.

MERCHANT IS FOUND BEATEN AND ROBBED—A. D. ROSENBERG DISCOVERED UNCONSCIOUS BEHIND COUNTER OF SHOP AT 3136 M STREET

Found beaten on the head in his dry-goods store at 3136 M Street NW. this morning, A. D. Rosenberg, 52, was still unconscious at Emergency

Hospital at 12.30 p. m. His condition is serious. The assault occurred just half a block from Wisconsin Avenue, Georgetown's busiest thoroughfare.

Rosenberg was found behind the counter in his shop by Henry H. Weissner, of 3532 T Street NW., a customer. Weissner summoned a taxi and with the aid of the driver, Leonard Lawson, and James Jackson, colored, took Rosenberg to the hospital.

Lieut. Ed Kelly, chief of the homicide squad, and Fred Sandburg, fingerprint expert of the detective bureau, went to the store as soon as the attack was reported to police. Rosenberg had evidently been slugged with a blunt instrument. His clothing was torn and a watch had been torn off the chain.

[From the Washington Times, Wednesday, February 12, 1930]

CONGRESS TOLD THERE ARE 700 SPEAK-EASIES IN DISTRICT—GANG RULE IS PREDICTED FOR DISTRICT OF COLUMBIA—LIQUOR ACT DECLARED MENACE

Washington is vice ridden and unless a radical change in the prohibition laws is made the city will be in the hands of gangster, racketeers, and leaders of the underworld, Walter W. Liggett, of Chevy Chase, Md., prominent magazine writer, told the House Judiciary Committee to-day.

Not only is the city infested with speak-easies and bootleggers, the writer declared, but the police department is corrupt and turns its head away from flagrant violations.

Introduced by Representative SABATH, Liggett detailed the results of a 7 months' study of prohibition.

SEVEN HUNDRED SPEAK-EASIES RUNNING

"Gentlemen, there are 700 speak-easies in Washington, operating day and night," he said.

"There are 4,000 bootleggers in the National Capital. I think I can prove that 1,600,000 gallons of liquor are consumed each year here. There are 6,000,000 gallons of home brew made. I proved this by checking up on the sales of malt and other such products by wholesale groceries and other stores.

"Arrests for drunkenness are increasing, as well as other crimes in Washington. Arrests for drunkenness alone have trebled since prohibition."

Liggett then turned to Boston, where he recently conducted investigations.

"Before prohibition there were 1,000 open saloons in Boston. Now there are 4,000 open speak-easies and 15,000 purveyors of liquor. They carry on with police corruption. This corruption has touched higher ups, even ex-governors, ex-secretaries of governors, and commissioners of safety who have sold confiscated booze. I presented these facts to a grand jury, and I think the grand jury will return indictments."

PAIR ROBS SEVEN TAXIS IN THREE DAYS

Continuing on their raids on taxicab drivers in the northwest section of the city, two colored desperadoes last night added four more robberies to their toll, making a total of seven in the past three days.

The pair armed with a small rifle, robbed three men of $26, while their fourth quarry left them empty handed after he had secreted his money.

The plan of attack was to have a cab driver take them to some designated spot, where a secreted rifle in the pants leg of one of the men would be brought into play.

Francis Golden, 1300 block Delaware Avenue SW., was the first to be held up, although the thugs got no money. About a half hour later George W. Lattishaw, colored, 1100 block Fifth Street NW., was robbed of $5.60 after he had taken the pair to Sixth and Fairmont Streets NW.

The pair took $1.40 from McDonald Newborn, colored, 400 block Twenty-fourth Street NE., shortly before 1 a. m., and a few minutes later Charles Johnson, of the 100 block S Street NW., was robbed of $19 after he had taken the pair for a trip.

Police promise an arrest to-night, when special squads will be on watch.

HAMMER FELLS STORE OWNER

Robbery was believed the motive for an attack to-day on Charles Rosenberg, 52, of the 2100 block K Street NW., who was found unconscious in his haberdashery store in the 3100 block of M Street NW., by Henry Wisener and William Brodoskey.

Rosenberg, apparently beaten over the head with a hammer, was rushed to Emergency Hospital. Detectives and fingerprint men went to the scene, but as yet no clue has been found as to the identity of the assailant.

Examination revealed that Rosenberg was suffering from a possible fracture of the skull and severe lacerations.

Police had not reported whether the cash drawer of the store had been robbed, and employees of the establishment declared they knew "nothing whatever" about the affair.

HELD FOR JURY AFTER FIGHT

Robert Harrison, colored, was held for the grand jury to-day, charged with assault with a dangerous weapon in connection with the fight at 54 Patterson Street NE., Monday night, in which Policeman John H. Foster was severely beaten and James and Bernice Henderson, colored, were shot by Foster.

Dorothy Harrison, his wife, and Rebecca Reed demanded jury trial on simple assault charges in connection with the same case when arraigned in police court through their lawyer Michael J. Lane.

The charge of assault with intent to kill was changed to assault with a deadly weapon by Assistant United States Attorney John R. Fitzpatrick in the cases of Harrison and the Hendersons, who are still in Freedmen's Hospital.

MOTHER GUILTY IN DRY CASE

Tessie Richards, middle-aged white woman and the mother of two children, was convicted on charges of illegal possession of intoxicating liquor by a jury before Justice Peyton Gordon late yesterday afternoon. Sentence was withheld when counsel for the woman announced that a motion for a new trial would be filed.

The woman was indicted on counts of possession and sale as the result of a raid by the vice squad October 25, 1928, prior to passage of the Jones law. The present trial was under the Volstead Act. The jury found her guilty on the possession charge only.

Special Agent Morton A. Anderson testified that he had purchased liquor at the establishment conducted by the Richards woman and it was on the strength of that "buy" that the raid was made, resulting in her arrest.

MAN BEATEN, ROBBED IN GEORGETOWN STORE

Robbed of his wallet, containing an unknown amount of money and his watch, Charles Rosenberg, 52, 2100 block K Street NW., was found beaten into unconsciousness in his haberdashery, 3100 block M Street NW. to-day.

He was found by Henry Wisner and William Brodoskey, Patrolman Morgan, seventh precinct, was summoned and the wounded man taken to Emergency Hospital, where he regained consciousness several hours later.

No check up has yet been made of the store to determine further losses, if any. Rosenberg informed his family before leaving home that he was to meet some one at the store on business, but did not reveal the name. He had not recovered sufficiently to give any details concerning the assault.

MAN HELD CHARGED WITH BUYING LIQUOR

What is said by police to be the first arrest in the District for buying liquor, under a recently determined stricter interpretation of the prohibition law, was made this afternoon by second precinct officers.

Joseph Carley, a printer, of the 3700 block Kanawha Street NW., was placed in a cell charged with buying a half pint. With Carley was arrested Archibald Harrington, of the 1200 block Tenth Street NW., who sold him the liquor, police say, at a house in the 1100 block of Vermont Avenue NW.

Policeman J. E. Lowrey, who made the arrests, said the raid on the Vermont Avenue house was without a warrant. It resulted from complaints made by neighbors, he said.

Carley was charged with buying liquor, Harrington with selling, and both in addition with possession. Both men arranged for release on bond, but were held for more than two hours after arrest.

[From the Washington Post, February 11, 1930]

MEN AND WOMEN TURN ON HIM DURING MÊLÉE—PAIR OF ALLEGED ASSAILANTS TAKEN TO HOSPITAL; THEIR CONDITION IS HELD SERIOUS—PATROLMAN WAS TRYING TO ARREST FIVE WHO WERE FIGHTING IN OYSTER SHOP

Assaulted by three colored men and two colored women in a Patterson Street oyster shop near North Capitol Street shortly after 5 o'clock yesterday afternoon, Policeman John H. Foster suffered a terrific beating in a melee in which two of his alleged attackers received injuries that may prove fatal.

The policeman required eight stitches in his scalp at Sibley Hospital. The two alleged assailants, both held under guard at Freedmen's Hospital, are James Henderson, colored, 28 years old, suffering from a possibly fatal bullet wound in his abdomen, and his wife, Bernice Henderson, colored, 21 years old, suffering from flowing blood injuries beneath the scalp. Both live at a residence next to the Patterson Street lunchroom.

The policeman, battered and bruised from the fight, was too dazed to make more than an incomplete report of the affair, according to Capt. Ogden T. Davis of the second precinct.

FIGHT WAS REPORTED

Policeman Foster, walking his beat at Patterson and North Capitol Streets, was accosted by an unidentified colored man, who reported a

fight was in progress at the oyster shop nearby, and immediately responded, according to the reconstructed story.

Finding three colored men and two colored women engaged in a brawl, the policeman attempted to take charge of the situation.

The five suddenly made an onslaught against him, tore away his stick and his pistol, and rained him with blows.

KNOCKED DOWN BY CLUB

A moment later he was knocked dazed to the floor from his own club, wielded by an unidentified attacker. In some manner he retrieved his pistol and fired in an attempt to ward off the blows that continued to shower his head and body. He lapsed into unconsciousness and awakened a short time later at Sibley Hospital, failing to remember in what manner he arrived there. He reached the precinct station a short time later with his pistol and his nightstick missing.

Henderson, although possibly mortally wounded, drove his own automobile to Freedmen's Hospital with his wife. They were placed under arrest there.

UNITED STATES CASHIER HELD IN EMBEZZLEMENT—PRINTING OFFICE EMPLOYEE MAKES BOND OF $1,000 AFTER ARREST

Lawrence M. Hurdle, former cashier in the office of the Superintendent of Documents, a division of the Government Printing Office, was arraigned yesterday before United States Commissioner Needham C. Turnage on a charge of embezzlement and ordered held under $1,000 bond for a hearing Friday. Hurdle pleaded not guilty.

Hurdle is specifically charged with embezzling $600, although discrepancies in his accounts are said to total $2,167.12. Much of this, it is believed by Assistant United States Attorney William A. Gallagher, who swore to the warrant, may be due to disallowances by the General Accounting Office.

Action against Hurdle was instigated by George H. Carter, Public Printer; James W. Wallace, superintendent of accounts; and Alton P. Tisdel, superintendent of public documents. Hurdle was arrested yesterday and was immediately taken before the commissioner. He made bond.

DRUG STORE IS LOOTED

Merchandise valued at $120 was stolen from a drug store at 1816 New Hampshire Avenue, Sunday night, police learned yesterday from Oscar H. Basseches, owner of the store. Entrance was gained by breaking glass in the front door.

[From the Washington Herald, February 11, 1930]

CHARITY SWINDLE CHARGED TO PAIR—FALSE CREDENTIALS USED FOR COMMUNITY FUND PLEA, SAY POLICE; LOSS RUNS LARGE

Hundreds of Washingtonians have been swindled out of thousands of dollars by charity racketeers operating with false credentials as solicitors for the community chest fund, according to police.

This disclosure was made last night by police after a man and his were taken into custody several days ago by Headquarters Detective Sergts. Frank Varney and Hubert Brodie.

The investigation came as a result of the arrest Saturday of Joseph Gilbert McCusty, alias McCarthy, 32, of 1300 block Eleventh Street NW. McCusty, according to police, was trapped with marked money when he returned to collect a fake bill from a woman in northwest Washington.

SUSPECT'S WIFE HELD

The arrest of McCusty's wife, Mrs. Blanche McCusty, alias McCarthy, 21, of the Eleventh Street address, followed. Yesterday, police said, McCusty told them he had made a house-to-house canvass in southeast Washington and had obtained an undetermined amount of money soliciting funds for the community chest. Police said he admitted getting donations from the following:

Luther E. Lewis, 1800 block A Street SE.; Francis Bradley, 1300 block of Lawrence Street NE.; Lewis Zahreck, a northeast merchant; Israel Reiskin, 1300 block of B Street NE.; and Miss Jennie Wilson, 100 block Thirteenth Street NE.

For the most part the donations obtained from these people were small and the amount obtained was pocketed, police said.

Brodie and Varney said they found credentials as community chest collectors in the McCustys' possession.

OPPONENT SHOT BY POLICEMAN BATTLING FIVE—OFFICER FIRED TO SAVE OWN LIFE, HE SAYS OF HOUSE FIGHT

A battle fought in a small room of a house in the first block of Patterson Street NE. yesterday evening between a lone policeman and five colored persons ended when the bluecoat drew his revolver and shot one man.

The policeman—John H. Foster, 27, of the second precinct—was treated at Sibley Hospital for lacerations on the back of his head.

James Henderson, colored, of the Patterson Street address, who fell before the policeman's gunfire, is in Freedmen's Hospital in a critical condition with a bullet in his abdomen.

His wife, Bernice Henderson, is under treatment at the hospital for severe lacerations about the head.

According to Foster, he was directing traffic at Florida Avenue and North Capitol Street, when a colored man approached and said he had been robbed by a woman at the Patterson Street address. Foster accompanied the man to the house and a fight started.

According to Foster, three men and two women beat him to the floor. His own nightstick was taken away from him and used as a weapon.

Believing he was about to be beaten to death, Foster said, he drew his gun and fired.

SAFE OF GROCERY IS ROBBED OF $300

Approximately $300 was taken Sunday night by a cracksman who picked the lock of the safe of a grocery store in the 200 block of Rhode Island Avenue NE.

J. A. Carter, manager of the store, and George A. Viverette, butcher, discovered the robbery when they opened yesterday morning. The store had been closed at 11 p. m. Saturday.

FEDERAL CASHIER HELD IN $600 LOSS

Lawrence M. Hurdle, cashier in the office of the Superintendent of Documents, was arrested yesterday on a commissioner's warrant, charged with the embezzlement of $600 of Government funds.

He entered a plea of not guilty and demanded a preliminary hearing. Hurdle will be given one Friday. He was released on $1,000 bond by Commissioner Needham C. Turnage.

Assistant United States Attorney William A. Gallagher swore to the warrant on which Hurdle was arrested.

Gallagher announced that the warrant was sworn to on information and belief, the original complaint coming from the office of the Public Printer.

The alleged embezzlement occurred on different dates between July 1, 1928, and January 31, 1929, according to the warrant, and were carried on by means of fictitious vouchers.

FORGERIES FOR DRUGS CHARGED TO SUSPECT

Charged with forging several small narcotic prescriptions, Owen Morris was held for the grand jury yesterday under $2,000 bond set by United States Commissioner Needham C. Turnage.

S. B. Phillips, Federal narcotic agent, swore to a warrant accusing Morris of forging the names of Dr. Arnold McNitt and Dr. A. D. Tyree to drug prescriptions during the week of December 3.

BANDITS BEAT UP CLERK, TAKE $100 FROM POCKETS

Burglars yesterday morning entered a store in the 1200 block Seventh Street NW., dragged Joseph Hirshman, 62, clerk, to a room on the second floor, and fled with $100 taken from his pockets after slugging him into unconsciousness with a blackjack.

He was found an hour later by Ernest Fields, porter, who notified police. Hirshman was removed to Emergency Hospital and treated for a possible skull fracture.

CLOTHING STORE ROBBED

Joseph Bernstein yesterday reported that thieves hurled a brick through a display window of his store in the 1200 block Seventh Street NW. and took clothing valued at $11.

[From the Washington Times, Monday, February 10, 1930]

SEVEN SHOTS FIRED AT MCPHERSON WITNESS IN TWO ATTACKS—CONDUCTOR ESCAPES UNHURT

Joseph H. Lewark, 2200 block Minnesota Avenue SE., street-car conductor, one of the key witnesses in the famous McPherson case, was twice fired upon early yesterday while his car was in the Soldiers' Home section.

A few moments after the shooting is reported to have occurred police of the tenth precinct received telephone calls from citizens of the section informing them of the gun play.

A formal report of the affair was filed last night by the Washington Railway & Electric Co. on the basis of statements made by Lewark and by the motorman of the car, Melvin G. Sanders, 500 block Fourth Street SE.

SHOTS CAME FROM AUTO

The report of the company declares that the shots were fired by unidentified occupants of a large cream-colored touring car. Two shots were fired at the conductor while the street car was in motion at New Hampshire and Georgia Avenues NW., and five more shots were fired at Lewark while he was outside the street car at the end of the line at Soldiers' Home. None of the shots struck their mark.

Yesterday afternoon L. G. Parker, tenth precinct policeman, discovered a cream-colored touring car answering Lewark's description abandoned at Eighth and Randolph Streets NW., about six blocks from the scene of the shooting.

CAR STOLEN

Both tires on the left side of the machine were flat. The machine proved to have been reported stolen at 1.40 o'clock yesterday morning by Rufus R. Hewey, 1600 block Nineteenth Street NW. The shooting was reported about 1 o'clock.

Lewark's statement declared that as his car was proceeding along Georgia Avenue at New Hampshire he noticed a big, cream-colored touring car, with top and side curtains up, parked. He said that he paid no particular attention to the car until two shots rang out and the machine sped away along New Hampshire Avenue.

"I thought it was just backfiring," the conductor continued, "until after we turned down Upshur Street and again crossed New Hampshire Avenue, where we found the automobile waiting again.

"The car followed us out to the end of the line, and there, as I stepped from the street car to switch the pole, there were five more shots, two first and then three more.

"I saw the flashes and then the automobile again sped away. A few seconds later a mounted policeman who had heard the shots came through the Soldiers' Home grounds, and we told him what had happened."

Reports of the gun play were confirmed by several citizens of the section. Among those who said they heard the shooting were Mrs. W. T. Sanford, 4000 block New Hampshire Avenue NW.; Mrs. E. R. Graves, 4100 block New Hampshire Avenue NW.; and F. S. Benham, 4100 block Fifth Street NW.

The report of the traction company said that no damage was done to the street car. The report of the motorman and conductor was turned in when they went on duty yesterday afternoon.

The testimony of Lewark was considered of chief importance among that of more than 900 persons questioned by the Department of Justice in the investigation of the death of Mrs. Virginia McPherson, who was strangled to death in her Park Lane apartment supposedly early the morning of September 13, 1929.

It was largely the story told by Lewark, it is believed, that was responsible for the decision of Special Prosecutor John Laskey to hold a second grand jury hearing on the case.

IDENTIFIED M'PHERSON

Lewark told of taking a man, whom he positively identified as Robert A. McPherson, jr., husband of the slain woman, down town on the street car a few minutes past midnight on the morning of September 13, the night of Virginia McPherson's strange death. The man alighted at Ninth Street and New York Avenue NW., Lewark said. The motorman said that he was positive of the date as it was his birthday, and also said he was certain of the identification of his passenger as he knew McPherson personally.

The grand jury, however, apparently did not attach enough importance to Lewark's testimony, which was borne out by the motorman of the car, to justify indictment of McPherson, who introduced many alibi witnesses, whose stories contradicted that of the conductor.

COP JAILED IN PARTY THEFT

An air of mystery to-day was thrown about the arrest last night of Policeman William D. Davis, of the traffic bureau, and two companions, said by police to be Philadelphia gangsters.

Davis and his friends, who gave their names as Edward Johnson and Raymond Conrad, were held incommunicado at the second precinct station while Inspector Albert J. Headley was investigating the circumstances of their arrest.

ROBBERY IS CHARGED

To-day they were charged with holding up two women in an apartment in the 1300 block of Rhode Island Avenue and robbing them of $50. They will be given a hearing in the United States attorney's office at the police court, and if evidence warrants, haled into the United States branch of police court for a preliminary hearing.

Headley, who is said to have assumed charge of the case after the two victims identified the trio as the men who robbed them, is keeping his information secret. He said he would tell everything he knows about the case to the district attorney and be guided by his instructions as to his future course in the matter.

Davis was suspended to-day on Headley's recommendation.

SUICIDE FOUND HANGING

Ill health and lack of work were ascribed by police and friends as the reasons for the suicide of Charles B. Klupp, 49, a waiter, whose lifeless body was found hanging from a wall hook in his room in the 1000 block Ninth Street NW. last night.

Klupp was being supported by the waiters' union since he was retired due to a foot injury. Shortly after supper last night Paul H. Peterson, 1300 block Irving Street NW., went to the small bedroom of the man with the weekly allowance from the union. He found the lifeless form.

Quickly cutting the body down, Peterson called the union and then police. Emergency Hospital physicians pronounced the man dead and announced that he had been found a scant few minutes after he had tied the noose around his neck and kicked a chair out from under himself.

He had been a resident of Washington for more than 35 years, coming to the city as a youth from Bavaria.

[From the News, Washington, D. C., Monday, February 10, 1930]

STREET CAR ROBBED OF $939 IN RECEIPTS BY BANDIT TRIO—FLEE IN STOLEN CAR AFTER BINDING ITS DRIVER IN WOODS—SUNDAY RECEIPTS AND EMPLOYEES' CHRISTMAS SAVINGS FUND IN LOOT; HAD BEEN DRINKING—TALKED OF HIJACK PLOT—MONTGOMERY POLICE FURNISHED LICENSE TAGS OF CAR BY VICTIMS FOR THEIR INVESTIGATION

Three young white men, acting in the style of true desperadoes, early to-day held up a taxi driver, took his auto from him at the point of a pistol, tied the driver in the woods in near-by Maryland, and then held up a Capital Traction Co. street car and escaped with $939.13.

The street-car holdup took place at Connecticut Avenue and Shepherd Street, Chevy Chase, Md., when Conductor C. I. Johnson and Motorman P. D. Mangain were returning Sunday's receipts from the Chevy Chase Lake car barn to the down-town office of the company.

THREATEN HACKER

Shortly after 4.30 a. m. two men hired the cab driven by Wilbur A. Jordan, colored, of 733 Girard Street NW.

The pair instructed Jordan to drive to Chevy Chase Circle. Upon arriving there, one of the men reached forward and placed a gun behind Jordan's head and instructed him to drive out the Bethesda-Silver Spring Road.

About a mile from the District line they picked up the third desperado, who apparently was waiting for them.

For more than an hour the three kept Jordan waiting in his car along the side of the road. They told him they were expecting to hijack a load of whisky.

About 6.30 a. m. they ordered Jordan from the car, told him to keep his head up and walk straight ahead and took him over in a dense woods off the side of the road near the Calhoun farm.

TIED TO TREE

There they gagged him and tied him to a tree.

The three then took the car and drove to Connecticut Avenue and Shepherd Street, where they held up the street car shortly before 7.30 a. m.

The trio then escaped in the stolen car, a blue Peerless sedan, bearing District license tag No. H-535.

Montgomery County police of the Bethesda substation were notified of the street-car holdup. Just as they were investigating, Jordan came into the station and reported the theft of his auto. He had been released by Richard Ellis, colored, who saw him tied to the tree while he was taking a short cut to work at 5908 Connecticut Avenue NW.

The street-car men noticed the license plates on the auto used in the holdup and reported them the same as those on Jordan's car.

SUNDAY'S RECEIPTS

The street-car crew had been in the habit of carrying the Sunday receipts from the car barn to the main office for months. Of the sum taken, $82 was part of a Christmas-savings fund of the employees.

The money was carried in a leather mail pouch. Of the amount, $300 was in silver and the rest in bills. There was $140 in dimes, $60 in halves, $50 in quarters, and $40 in nickels.

HAD BEEN DRINKING

Jordan said when he picked the men up he thought they were a couple of college boys going home from a late party. They treated him very courteously up until the time they ordered him into the woods, and when the leader of the trio pulled the gun on Jordan, he remarked:

"You didn't expect this, did you?"

Jordan said the conversation of the men while they were waiting at the side of the road was devoted mostly to a discussion of bad whisky they had been drinking.

[From the Washington Post, February 10, 1930]

THIEVES STEAL $90 AT SERVICE STATION—STORE AND VENDING DEVICES ARE ALSO AFFECTED BY ROBBERIES

Approximately $90 was stolen from the cash register of the Gulf Gas Co. at 3301 M Street NW. about 1 o'clock yesterday afternoon, police were informed by Owen Gamble, manager of the company.

The service station was open at the time of the theft. Mr. Gamble told police that he missed the money when he went to the cash register to make change. The manager was unable to place suspicion on any particular person.

The show window of a store at 414 R Street NW. was broken over the week-end and a large amount of meat and cigarettes were stolen, police were told by Morris Goldstein, proprietor of the store.

Two peanut slot machines, valued at $34, were stolen from the front of a store at 406 I Street SE., according to a report given police by Roy M. Weisberg, proprietor of the store.

HOLDUP MEN USE RIFLE TO ROB TAXI MAN OF $13

Two negroes last night held up Herman Stein, a taxi driver living at 634 Lamont Street NW. and robbed him at the point of a rifle of $13. They made their escape.

Stein said that the pair hired him to drive to an address on upper Ninth Street NW. He said that when he arrived at that point the men threatened to shoot him if he failed to hand over his money. Stein believes the men must have had the rifle concealed in a trouser leg until they wished to use it.

[From the Washington Times, February 10, 1930]

CASHIER CHARGED WITH STEALING UNITED STATES FUNDS

Lawrence M. Hurdle, cashier in the office of the Superintendent of Documents, was to-day arrested on a commissioner's warrant, charged with the embezzlement of $600 of Government funds.

He entered a plea of not guilty and demanded a preliminary hearing. Hurdle will be given one Friday. He was released on $1,000 bond by Commissioner Neeham C. Turnage.

Assistant United States Attorney William A. Gallagher swore to the warrant on which Hurdle was arrested.

Gallagher announced that the warrant was sworn to on information and belief, the original complaint coming from the office of the Public Printer.

The alleged embezzlement occurred on different dates between July 1, 1928, and January 31, 1929, according to the warrant, and were carried on by means of fictitious vouchers.

EZELL, FORMER COP, AGAIN TRIES TO DIE

Claude Ezell, 28, an ex-policeman, dropped from the force last May for a minor dereliction of duty, tried to hang himself in his apartment, 200 block Pennsylvania Avenue NW., late this afternoon.

The rescue squad broke in the door and found him with a belt tied to the gas jet and around his neck. They are still working over the man.

This is the second time that Ezell has attempted to take his life within a month.

SEVEN SHOTS MISS MCPHERSON WITNESS

Joseph H. Lewark, 2200 block Minnesota Avenue SE., street-car conductor, one of the key witnesses in the famous McPherson case, was twice fired upon early yesterday while his car was in the Soldiers' Home section.

A few moments after the shooting is reported to have occurred, police of the tenth precinct received telephone calls from citizens of the section informing them of the gun play.

A formal report of the affair was filed last night by the Washington Railway & Electric Co., on the basis of statements made by Lewark and by the motorman of the car, Melvin G. Sanders, 500 block Fourth Street SE.

The report of the company declares that the shots were fired by unidentified occupants of a large, cream-colored touring car. Two shots were fired at the conductor while the street car was in motion at New Hampshire and Georgia Avenues NW., and five more shots were fired at Lewark while he was outside the street car at the end of the line at Soldiers' Home. None of the shots struck their mark.

Yesterday afternoon L. G. Parker, tenth precinct policeman, discovered a cream-colored touring car, answering Lewark's description, abandoned at Eighth and Randolph Streets NW., about six blocks from the scene of the shooting.

COURT HOLDS OFFICER ON ROBBERY CHARGE

Policeman W. B. Davis, suspended traffic officer, was arraigned before Judge John P. McMahon in police court to-day, charged with robbery, assault, and illegal possession of liquor, as the result of sensational charges made by three women. Two companions, Raymond Conrad and Edward A. Johnson, were also charged with robbery, and the latter was held for the grand jury on an old charge of illegal transportation.

PLEAD NOT GUILTY

Through their lawyers, they pleaded not guilty, and were held on separate bonds, ranging from $2,500 to $4,000. The bond was supplied for Davis by I. B. Jones, but the others have not yet obtained bail.

Davis was arrested when Marion Jacobs, 1300 block Rhode Island Avenue NW., called police of the second precinct late last night. Miss Jacobs testified in court to-day that Davis and his two friends came to her house, gained entrance, and pushed a revolver into her ribs, taking $50 out of her hand.

"I am a rodman from Philadelphia. I was sent here to get some one. I don't know if it was a man or a woman, but I want to get my $200 and get it over with," the Jacobs woman testified Davis told her. She also said that when she asked him a question he knocked her backwards over a chair.

Policemen C. Evans and J. A. Hunt arrived and put the three men under arrest. According to Miss Jacobs, Davis said, "He's only a policeman. Kill him. One police officer doesn't mean anything."

The three were taken to the second precinct and locked up. Inspector A. J. Headley and Sergt. J. T. Wittstatt, of the second precinct, who investigated, said Davis appeared to have been drinking. A gill of alleged intoxicating liquor is alleged to have been found on his person.

Mary Burton, Gloria Gorden, and Marie Rego were at the apartment when the alleged robbery occurred. The Burton woman was not at court to-day because of sickness.

Assistant District Attorney Charles R. Murray refused at first to make out papers for the robbery, due to the fact that no money had been found when the defendants were searched. High police officials, however, contended that Davis had not been searched until he reached the second precinct.

They demanded that the matter be sent to the grand jury for a thorough investigation, it is understood. Inspector Headley said, "We won't tolerate such a policeman on the force, and we're going to show the public what we do with them."

All three defendants pleaded not guilty.

AUTO LOOTED OF CLOTHES

Wearing apparel worth $15, yesterday was reported stolen from an automobile belonging to Earl Genies, 800 block New Hampshire Avenue NW., which was parked at Seventh and O Streets NW.

ARMED BANDITS ROB MOTORMAN OF $1,436 ON CHEVY CHASE CAR

Threatening death, two unidentified white men early to-day held up the crew of a street car at Connecticut Avenue and Thornapple Street, Chevy Chase, Md., and robbed the motorman of a sack containing $1,436.51 that he was taking to an armored car at Rock Creek Bridge.

After holding the motorman and conductor under revolvers, the two bandits left the car at Aspen Street where a third man was waiting with an automobile they had stolen earlier in the morning. The three boarded the machine and went down Connecticut Avenue at about 60 miles an hour.

Shortly after P. Mangum, motorman, and C. I. Johnson, conductor, had reported the holdup to the crew of a car bound for the barn at Chevy Chase Lake, Richard Ellis and Preston Davis, 5900 block Connecticut Avenue, discovered Wilbur C. Jordan, colored, bound to a tree in a copse of woods near the scene of the holdup. Jordan, after being freed, told police that he had been approached about 4.30 o'clock this morning by two young white men who directed him to drive them from Sixth Street SW. to Chevy Chase Circle.

MADE HIM TAKE DRINK

Arriving at the circle at about 5.15 Jordan said that the two men stuck guns in his back and held him prisoner until about 6 o'clock when a third man put in his appearance. The third man, according to Jordan, seemed to be the leader of the bandits, as it was he who suggested taking the chauffeur to the woods and tying him up. When they reached the woods, Jordan said one of the men held a gun on him and the other forced him to drink about a gill of liquor.

BANDITS NERVOUS

The two bandits who robbed the car, according to the trainmen, got on the car at the lake and when nearing Thornapple Street nervously covered them with the revolvers and demanded that they keep quiet under pain of death.

G. A. Strange and F. R. Cleveland, of Leland Street, passengers on the car, were not molested, but told to keep quiet while the robbery was being staged.

Both men appeared very nervous, the car crew stated, and can be readily identified as they made no attempt to don masks or disguise themselves. The machine which was taken from Jordan bears District tags No. H-535.

J. S. McAuliffe and J. B. Oldfield, of the Maryland State police, investigated the robbery and notified Washington authorities to be on the lookout for the bandits. The men are said to be about 25 years old, of medium height, and both were dressed in dark clothes.

BANDIT ATTACKS AGED WORKER, KNOCKING HIM UNCONSCIOUS; GETS $10

Attacked while at work about 8 o'clock this morning in the Capital 5 and 10 cent store, 1200 block Seventh Street NW., by a colored man, Joseph Hirshman, 62, 4800 block Georgia Avenue NW., was knocked unconscious by a blunt instrument.

He was found slumped down the floor by Ernest Fields, colored, 600 block M Street NW., when he called for trash. Fields summoned the man's brother-in-law and the pair then took him to Emergency Hospital, where a deep laceration was treated. His condition was said to be not serious.

About $10 in bills and a quantity of change was stolen by the marauder.

[From the Washington Post, Saturday, February 8, 1930]

THIRTY-SIX TRAPPED IN DOWNTOWN GAMING RAID—HEAVY DOORS SMASHED WITH SLEDGE HAMMERS—SCORES OF PASSERSBY SEE VICE SQUAD BATTER WAY INTO THIRD FLOOR OF BUILDING—THIRTY-FIVE FREED AS WITNESSES AFTER BEING CARRIED AWAY IN PAIR OF PATROL WAGONS

In the heart of the downtown section members of the police vice squad late yesterday staged a spectacular raid on a third-floor, elaborately equipped, reputed gambling establishment in a building at Ninth and G Streets NW., trapped 36 men and seized a large quantity of alleged racing slips and gambling paraphernalia.

Sergt. Oscar J. Letterman and Detectives Richard J. Cox and James Mostyn were forced to resort to sledge hammers to batter in a heavily reinforced and electrically operated door that led to the third floor of the building. The raiders worked frantically for half an hour while scores of passersby watched them before they were able to batter in the door.

The raiders encountered another such door on the second floor of the building, it was reported, but before they could again bring the sledge hammers into play, the occupants of the third floor establishment raised the "white flag" and the doors were opened.

Two patrol wagon loads of prisoners and equipment were taken to the first precinct. After questioning, 35 of the men were liberated as Government witnesses. The other prisoner, Louis Schwartz, 25 years old, of Thirteenth Street NW., near N Street, was booked on a charge of violating section 865-B of the District Code by setting up a gaming table.

RAIDERS ARREST EIGHT IN GAMBLING DRIVE—ONE CHINESE AMONG THE PRISONERS—BAIL FOR MOST OF THE ACCUSED IS FIXED AT $2,000

Four houses have been stripped of gambling equipment in a new drive by Sergt. Oscar J. Letterman. Eight men, one a Chinese, were arrested.

Letterman led his squad to 1209 E Street NW. late yesterday, seized racing slips, and arrested Frank Claybourne, William Madden, Thomas Boucher, and Richard Dean.

One block away, at 1313 E Street NW., police arrested John Dawson, 36, while the place was running in full blast.

A Chinese, Raymond Soo, 29, and John Carroll, 36, were taken in a raid at 311 Pennsylvania Avenue NW. and were charged with permitting gaming. A similar raid at 218½ Ninth Street NW. brought Joseph Blanken, of 1205 Alabama Avenue SE., into custody.

CHINESE FACE GRAND JURY

Lee Gong and Lee Wem Hing, Chinese, caught in a sensational dope raid by Federal narcotic officers last January 15, were held for the grand jury in $10,000 bond by Commissioner Needham C. Turnage after a hearing before him late yesterday afternoon.

The case against the Chinese is the first of its kind to be lodged against a defendant in a narcotic case in this jurisdiction. At the time of their arrest in the raid 4 pounds of smoking opium were found in their possession in an opium den in the 300 block, Pennsylvania Avenue. Opium for smoking purposes is not only forbidden to be owned in this country, but its importation is also forbidden. They are held on a charge under the revenue act of having excisable goods in their possession.

Although narcotic and revenue officers who participated in the raid were noncommittal as to whether charges under the Harrison Narcotic Act would be pressed, it is believed that charges under that act will also be prosecuted.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS (S. DOC. NO. 89)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a draft of proposed legislation affecting existing appropriations of the National Advisory Committee for Aeronautics for the fiscal year ending June 30, 1930, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPLEMENTAL ESTIMATES, OFFICE OF THE SUPERVISING ARCHITECT (S. DOC. NO. 90)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting supplemental estimates of appropriations for the Treasury Department, fiscal year 1930—salaries, office of Supervising Architect, and general expenses of public buildings—in the total amount of $71,435, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

BALANCE SHEETS OF DISTRICT PUBLIC UTILITIES

The VICE PRESIDENT laid before the Senate three communications from the president of the Washington Railway & Electric Co., the Potomac Electric Power Co., and the Washington Interurban Railroad Co., transmitting, pursuant to direction of the Public Utilities Commission of the District, balance sheets of the foregoing companies as of December 31, 1929, which, with the accompanying papers, were referred to the Committee on the District of Columbia.

RIGHTS OF BULGARIAN MINORITIES IN YUGOSLAVIA

The VICE PRESIDENT laid before the Senate a communication from the vice president of the Macedonian Political Organization of the United States of America and Canada, of New York, N. Y., transmitting a copy of a petition presented to the secretary-general of the League of Nations by representatives of the Macedonian population residing within the borders of Yugoslavia, praying the League of Nations to protect the rights of national Bulgarian minorities in that country in accordance with the provisions of the treaty signed at St. Germain-en-laye on September 10, 1919, which was referred to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate petitions of sundry citizens of El Dorado, Kans., praying for the imposition of an adequate tariff duty on crude oil importations and a compensating duty on refined products, which were ordered to lie on the table.

Mr. JONES presented a petition of sundry citizens of Seattle, Wash., praying for the passage of the so-called Brookhart bill, relative to interstate commerce and trade in motion-picture films, which was referred to the Committee on Interstate Commerce.

Mr. BLAINE presented a resolution adopted by the Common Council of the city of Green Bay, Wis., favoring the passage of House Joint Resolution 167, directing the President to proclaim October 11 of each year as General Pulaski's memorial day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, Revolutionary War hero, which was referred to the Committee on the Library.

He also presented a petition of sundry citizens of Milwaukee, Wis., praying for the passage of legislation granting increased pensions to Spanish War veterans, which was ordered to lie on the table.

He also presented a resolution adopted by the chamber of commerce of Superior, Wis., protesting against the passage of the bill (S. 306) to amend certain laws relating to American seamen, and for other purposes, which was referred to the Committee on Commerce.

REPORTS OF COMMITTEES

Mr. BROCK, from the Committee on Military Affairs, to which was referred the bill (H. R. 2825) to amend section 5 of the act entitled "An act to establish a national military park at the battle field of Stones River, Tenn.," approved March 3, 1927, reported it without amendment and submitted a report (No. 229) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2354) to amend the agricultural marketing act so as to include naval stores, reported it with amendments and submitted a report (No. 230) thereon.

REPORTS OF NOMINATIONS

As in open executive session,

Mr. GREENE, from the Committee on Military Affairs, reported the nomination of Col. Harry Gore Bishop, Field Artillery, to be Chief of Field Artillery, with the rank of major general, which was placed on the Executive Calendar.

Mr. PHIPPS, from the Committee on Post Offices and Post Roads, reported sundry post-office nominations, which were placed on the Executive Calendar.

BILLS INTRODUCED

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

By Mr. FESS:

A bill (S. 3770) granting a pension to Nannie Fry (with accompanying papers); to the Committee on Pensions.

By Mr. SULLIVAN:

A bill (S. 3771) authorizing the Secretary of the Interior to convey certain lands to the State of Wyoming; to the Committee on Public Lands and Surveys.

By Mr. WALSH of Massachusetts:

A bill (S. 3772) granting compensation to Charles A. F. McIsaac; to the Committee on Claims.

By Mr. OVERMAN:

A bill (S. 3773) providing for the erection at Clinton, Sampson County, N. C., of a monument in commemoration of William Rufus King, former Vice President of the United States; to the Committee on the Library.

By Mr. NORBECK:

A bill (S. 3774) to amend the United States mining laws applicable to the national forests within the State of South Dakota; to the Committee on Agriculture and Forestry.

By Mr. ODDIE:

A bill (S. 3775) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. STEIWER:

A bill (S. 3776) to aid agriculture by exempting from income tax, income from agricultural loans, and for other purposes; to the Committee on Finance.

AMENDMENT TO THE TARIFF BILL

Mr. HAYDEN submitted an amendment intended to be proposed by him to House bill 2667, the tariff revision bill, which was ordered to lie on the table and to be printed, as follows:

On page 274, lines 24 and 25, strike out the words "lumber, planed on one or more sides and tongued and grooved" and insert in lieu thereof the words "articles, or any of the articles enumerated in paragraph 1805."

On page 275, where it occurs in lines 3, 13, and 17, strike out the word "lumber" and insert in lieu thereof the word "article."

EXECUTIVE MESSAGES

Sundry messages in writing were communicated to the Senate from the President of the United States by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed the following bills of the Senate:

S. 875. An act authorizing C. N. Jenks, F. J. Stransky, L. H. Miles, John Grandy, and Bruce Machen, their heirs, legal representatives and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Savanna, Ill.;

S. 3197. An act granting the consent of Congress to the Morgan's Louisiana & Texas Railroad & Steamship Co., a corporation, its successors and assigns, to construct, maintain, and operate a railroad bridge across the Intracoastal Canal;

S. 3297. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River approximately midway between the cities of Owensboro, Ky., and Rockport, Ind.; and

S. 3405. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Decatur, Nebr.

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

H. R. 293. An act for the relief of James Albert Couch, otherwise known as Albert Couch;
H. R. 465. An act for the relief of John H. Lawler;
H. R. 504. An act for the relief of James Earl Briggman;
H. R. 506. An act for the relief of Patrick P. Riley;
H. R. 546. An act to correct the military record of Sylvester DeForest;
H. R. 547. An act for the relief of Charles B. Holmes;
H. R. 645. An act for the relief of Lyma Van Winkle;
H. R. 670. An act for the relief of James D. Poteet;
H. R. 759. An act for the relief of Jordan Kidwell;
H. R. 787. An act for the relief of Peter Guilday;
H. R. 795. An act for the relief of Malcolm Allen;
H. R. 1052. An act to provide for hospitalization for Leroy Wilbur Abbott;
H. R. 1053. An act for the relief of Jacob Scott;
H. R. 1054. An act for the relief of Lewis W. Crain;
H. R. 1163. An act for the relief of Thomas Spurrier;
H. R. 1164. An act for the relief of John W. Siple;
H. R. 1309. An act for the relief of James C. Simmons, alias James C. Whitlock;
H. R. 1343. An act for the relief of Lucius K. Osterhout;
H. R. 1487. An act for the relief of Frank Fowler;
H. R. 1575. An act for the relief of Anthony Schartzenberger;
H. R. 1610. An act for the relief of Norman Dombris;
H. R. 1612. An act for the relief of Angenora Hines;
H. R. 1614. An act for the relief of Charles Ebin Campbell, otherwise known as Ebin Campbell;
H. R. 1721. An act for the relief of Charles Davis;
H. R. 1722. An act for the relief of William Estes;
H. R. 1781. An act for the relief of Vernon S. Ross;
H. R. 1881. An act for the relief of Paul Wallerstein;
H. R. 1884. An act for the relief of Charles F. Reilly;
H. R. 1966. An act for the relief of Martha J. Tonguet;
H. R. 2129. An act for the relief of Armstrong Hunter;
H. R. 2266. An act for the relief of E. O. McGillis;
H. R. 2312. An act for the relief of Arthur W. Taylor;
H. R. 2315. An act for the relief of Leo B. Thome;
H. R. 2330. An act for the relief of Stephen Cole, alias Steven Cole;
H. R. 2470. An act for the relief of George O. Pratt;
H. R. 2504. An act for the relief of Joel Townsend;
H. R. 2505. An act for the relief of William Parish;
H. R. 2543. An act for the relief of Basil N. Henry;
H. R. 2591. An act for the relief of Clyde Calvin Rhodenbaugh;
H. R. 2629. An act for the relief of Alice Sarrazin;
H. R. 2710. An act for the relief of Rebecca J. Rider;
H. R. 2728. An act for the relief of Edward Tomlinson;
H. R. 2729. An act for the relief of Anna E. Stratton;
H. R. 2731. An act for the relief of Homer D. Neimeister;
H. R. 2774. An act to correct the military record of John Dewitt Marvin;
H. R. 2801. An act for the relief of John Strevy (deceased);
H. R. 3004. An act for the relief of Arthur Moffatt (deceased);
H. R. 3028. An act for the relief of William A. Hynes;
H. R. 3125. An act for the relief of John Burket;
H. R. 3200. An act for the relief of Bessie Blaker;
H. R. 3225. An act for the relief of John G. Cassidy;
H. R. 3255. An act for the relief of Sylvester S. Thompson;
H. R. 3256. An act for the relief of David F. Richards, otherwise known as David Richards;
H. R. 3260. An act for the relief of Alfred G. V. Meldahl;
H. R. 3264. An act for the relief of John G. Wiest;
H. R. 3284. An act for the relief of James William Cole;
H. R. 3322. An act for the relief of James Scott;
H. R. 3355. An act for the relief of Willard Thompson (deceased);
H. R. 3357. An act for the relief of Thomas J. Gardner;
H. R. 3358. An act for the relief of Louis Martin;
H. R. 3359. An act for the relief of Frederick Sparks;
H. R. 3360. An act for the relief of Michael Marley;
H. R. 3365. An act for the relief of Edward J. Boyle;
H. R. 3366. An act for the relief of Patrick J. Langan;
H. R. 3367. An act for the relief of John Magill;
H. R. 3445. An act for the relief of Thomas Conlon;
H. R. 3473. An act for the relief of John W. McCulloch;
H. R. 3474. An act for the relief of Alvin H. Tinker;
H. R. 3475. An act for the relief of Walter Malone;
H. R. 3476. An act for the relief of Alfred O. Huestis;
H. R. 3555. An act for the relief of Thomas Heard;
H. R. 3556. An act for the relief of Mabel L. Brown;
H. R. 3564. An act for the relief of John T. O'Neil;
H. R. 3692. An act for the relief of George Press;
H. R. 3694. An act for the relief of Bert H. Libbey, otherwise known as Burt H. Libbey;
H. R. 3730. An act for the relief of Ralph H. Lasher, whose name appears in the Army records as Ralph C. Lasher;
H. R. 3769. An act for the relief of James W. Smith;
H. R. 3772. An act for the relief of Thomas M. Richardson;
H. R. 3790. An act for the relief of Christopher Cott;
H. R. 3816. An act for the relief of James M. Pierce;
H. R. 3932. An act for the relief of William W. Woodruff;
H. R 3940. An act for the relief of George Pettit;
H. R. 4299. An act for the relief of the widow of Warren V. Howard;
H. R. 4565. An act for the relief of John M. King;
H. R. 4876. An act for the relief of Joseph Bratten;
H. R. 5006. An act for the relief of William Perkins;
H. R. 5460. An act for the relief of Daniel Hickey;
H. R. 5524. An act for the relief of T. J. Hillman;
H. R. 5728. An act for the relief of Frederick Leininger;
H. R. 5871. An act for the relief of the widow of Ephriam E. Page;
H. R. 5902. An act for the relief of S. W. Greer;
H. R. 6071. An act for the relief of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church of the United States;
H. R. 6358. An act for the relief of Nelson King;
H. R. 6469. An act for the relief of William H. Murphy;
H. R. 6477. An act for the relief of William Mullins;
H. R. 6478. An act for the relief of David E. Goodwin;
H. R. 6479. An act for the relief of Kennedy F. Foster;
H. R. 6480. An act for the relief of Virgil W. Roberts;
H. R. 6544. An act for the relief of Francis J. Moore;
H. R. 6698. An act for the relief of Joseph W. Jones;
H. R. 7065. An act for the relief of Samuel Slis;
H. R. 7144. An act for the relief of Francis L. Sexton;
H. R. 7176. An act for the relief of Edward Looby;

H. R. 7302. An act for the relief of Jeremiah F. Mahoney;
H. R. 7321. An act for the relief of Ernest L. Silvers;
H. R 7333. An act for the relief of Allen Nichols;
H. R. 8258. An act for the relief of Edward Tigh; and
H. R. 8854. An act for the relief of William Taylor Coburn.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. FESS in the chair) laid before the Senate executive messages from the President of the United States, which were referred to the appropriate committees.

HOUSE BILLS REFERRED

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

H. R. 645. An act for the relief of Lyma Van Winkle;
H. R. 3200. An act for the relief of Bessie Blaker; and
H. R. 6071. An act for the relief of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church of the United States; to the Committee on Claims.
H. R. 293. An act for the relief of James Albert Couch, otherwise known as Albert Couch;
H. R. 465. An act for the relief of John H. Lawler;
H. R. 504. An act for the relief of James Earl Briggman;
H. R. 506. An act for the relief of Patrick P. Riley;
H. R. 546. An act to correct the military record of Sylvester DeForest;
H. R. 547. An act for the relief of Charles B. Holmes;
H. R. 670. An act for the relief of James D. Poteet;
H. R. 759. An act for the relief of Jordan Kidwell;
H. R. 787. An act for the relief of Peter Guilday;
H. R. 795. An act for the relief of Malcolm Allen;
H. R. 1052. An act to provide hospitalization for Leroy Wilbur Abbott;
H. R. 1053. An act for the relief of Jacob Scott;
H. R. 1054. An act for the relief of Lewis W. Crain;
H. R. 1163. An act for the relief of Thomas Spurrier;
H. R. 1164. An act for the relief of John W. Siple;
H. R. 1309. An act for the relief of James C. Simmons, alias James C. Whitlock;
H. R. 1343. An act for the relief of Lucius K. Osterhout;
H. R. 1487. An act for the relief of Frank Fowler;
H. R. 1575. An act for the relief of Anthony Schartzenberger;
H. R. 1610. An act for the relief of Norman Dombris;
H. R. 1612. An act for the relief of Angenora Hines;
H. R. 1614. An act for the relief of Charles Ebin Campbell, otherwise known as Ebin Campbell;
H. R. 1721. An act for the relief of Charles Davis;
H. R. 1722. An act for the relief of William Estes;
H. R. 1781. An act for the relief of Vernon S. Ross;
H. R. 1881. An act for the relief of Paul Wallerstein;
H. R. 1884. An act for the relief of Charles F. Reilly;
H. R. 1966. An act for the relief of Martha J. Tonguet;
H. R. 2129. An act for the relief of Armstrong Hunter;
H. R. 2266. An act for the relief of E. O. McGillis;
H. R. 2312. An act for the relief of Arthur W. Taylor;
H. R. 2315. An act for the relief of Leo B. Thome;
H. R. 2330. An act for the relief of Stephen Cole, alias Steven Cole;
H. R. 2470. An act for the relief of George O. Pratt;
H. R. 2504. An act for the relief of Joel Townsend;
H. R. 2505. An act for the relief of William Parish;
H. R. 2543. An act for the relief of Basil N. Henry;
H. R. 2591. An act for the relief of Clyde Calvin Rhodenbaugh;
H. R. 2629. An act for the relief of Alice Sarrazin;
H. R. 2710. An act for the relief of Rebecca J. Rider;
H. R. 2728. An act for the relief of Edward Tomlinson;
H. R. 2729. An act for the relief of Anna E. Stratton;
H. R. 2731. An act for the relief of Homer D. Neimeister;
H. R. 2774. An act to correct the military record of John Dewitt Marvin;
H. R. 2801. An act for the relief of John Strevy (deceased);
H. R. 3004. An act for the relief of Arthur Moffatt (deceased);
H. R. 3028. An act for the relief of William A. Hynes;
H. R. 3125. An act for the relief of John Burket;
H. R. 3225. An act for the relief of John G. Cassidy;
H. R. 3255. An act for the relief of Sylvester S. Thompson;
H. R. 3256. An act for the relief of David F. Richards, otherwise known as David Richards;
H. R. 3260. An act for the relief of Alfred G. V. Meldahl;
H. R. 3264. An act for the relief of John G. Wiest;
H. R. 3284. An act for the relief of James William Cole;
H. R. 3322. An act for the relief of James Scott;
H. R. 3355. An act for the relief of Willard Thompson (deceased);
H. R. 3357. An act for the relief of Thomas J. Gardner;
H. R. 3358. An act for the relief of Louis Martin;
H. R. 3359. An act for the relief of Frederick Sparks;
H. R. 3360. An act for the relief of Michael Marley;
H. R. 3365. An act for the relief of Edward J. Boyle;
H. R. 3366. An act for the relief of Patrick J. Langan;
H. R. 3367. An act for the relief of John Magill;
H. R. 3445. An act for the relief of Thomas Conlon;
H. R. 3473. An act for the relief of John W. McCulloch;
H. R. 3474. An act for the relief of Alvin H. Tinker;
H. R. 3475. An act for the relief of Walter Malone;
H. R. 3476. An act for the relief of Alfred O. Huestis;
H. R. 3555. An act for the relief of Thomas Heard;
H. R. 3556. An act for the relief of Mabel L. Brown;
H. R. 3564. An act for the relief of John T. O'Neil;
H. R. 3692. An act for the relief of George Press;
H. R. 3694. An act for the relief of Bert H. Libbey, otherwise known as Burt H. Libbey;
H. R. 3730. An act for the relief of Ralph H. Lasher, whose name appears in the Army records as Ralph C. Lasher;
H. R. 3769. An act for the relief of James W. Smith;
H. R. 3772. An act for the relief of Thomas M. Richardson;
T. R. 3790. An act for the relief of Christopher Cott;
H. R. 3816. An act for the relief of James M. Pierce;
H. R. 3932. An act for the relief of William W. Woodruff;
H. R. 3940. An act for the relief of George Pettit;
H. R. 4299. An act for the relief of the widow of Warren V. Howard;
H. R. 4565. An act for the relief of John M. King;
H. R. 4876. An act for the relief of Joseph Bratten;
H. R. 5006. An act for the relief of William Perkins;
H. R. 5460. An act for the relief of Daniel Hickey;
H. R. 5524. An act for the relief of T. J. Hillman;
H. R. 5728. An act for the relief of Frederick Leininger;
H. R. 5871. An act for the relief of the widow of Ephriam E. Page;
H. R. 5902. An act for the relief of S. W. Greer;
H. R. 6358. An act for the relief of Nelson King;
H. R. 6469. An act for the relief of William H. Murphy;
H. R. 6477. An act for the relief of William Mullins;
H. R. 6478. An act for the relief of David E. Goodwin;
H. R. 6479. An act for the relief of Kennedy F. Foster;
H. R. 6480. An act for the relief of Virgil W. Roberts;
H. R. 6544. An act for the relief of Francis J. Moore;
H. R. 6698. An act for the relief of Joseph W. Jones;
H. R. 7065. An act for the relief of Samuel Slis;
H. R. 7144. An act for the relief of Francis L. Sexton;
H. R. 7176. An act for the relief of Edward Looby;
H. R. 7302. An act for the relief of Jeremiah F. Mahoney;
H. R. 7321. An act for the relief of Ernest L. Silvers;
H. R. 7333. An act for the relief of Allen Nichols;
H. R. 8258. An act for the relief of Edward Tigh; and
H. R. 8854. An act for the relief of William Taylor Coburn; to the Committee on Military Affairs.

THE POWER TRUST—ADDRESS BY SENATOR BLACK

Mr. SHEPPARD. Mr. President, last night the junior Senator from Alabama [Mr. BLACK] delivered a most interesting and informative address over the radio on the subject of the Power Trust. I ask that it may be inserted in the RECORD.

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

In this day of unemployment, languishing business, and depressed agriculture, information revealed by the Federal Trade Commission shows that one industry in this Nation marches steadily forward, with ever-increasing dividends and profits. This is the power business, generally designated as the Power Trust.

For instance, the Federal Trade Commission discloses that for every dollar taken from the consumer of electricity by the Montana Power Co. 63 cents was available for interest, profit, and surplus. Power stocks mount higher and higher. Special groups known as "power millionaires" are created as if by magic. Cash amounting to $1,500,000 invested in power stock in 1906 pays dividends of $12,500,000 in 22 years time, and that same stock now has a book value of $45,000,000.

Another company, formed as a holding company in April, 1926, with $3,500,000 common stock, to-day shows this same stock on its books to be valued at $50,000,000. The customers of this power company are supposed to pay a price for its electricity sufficient to pay dividends on this book value. Hearings before the Federal Power Commission also show that out of every $48.20 per horsepower year paid by the customers of the Montana Power Co. $30.56 of this amount was available to the company for profits and interest.

These amazing revelations have caused people to wonder why this particular line of business activity should roll torrents of gold into the laps of the promoters of hydroelectric power developments. Farmers' homes are weighted down by mortgages. Manufacturing enterprizes are restricting production. Labor organizations announce extraordinary unemployment. Merchants stand upon the verge of bank-

ruptcy. The question naturally arises as to whether or not it is in accordance with natural economic laws that such enormous profits should be reaped from power-company investments in contrast to general business conditions.

The power industry deals with a modern necessity. A machine age demands and must have electrical energies. Hydroelectrical power has displaced the old water mills. It is supplanting the steam engines. It is illuminating our homes and cities. According to the United States Department of Commerce, 70 per cent of the homes of the Nation are now supplied with this great modern convenience and necessity. Day by day, week by week, and month by month electrical power extends its domain—in the home, the mine, the transportation system, and the factory. Only 17 per cent of the potential development of the electrical power from our flowing streams has yet been developed. Eighty-three per cent is rolling on to waste.

The great public demand for this endless energy gives to it an unusual importance. Heretofore it has been generated and distributed in the main in the United States by private monopolistic control. Governments, municipal and State, have attempted to regulate the price at which it shall be sold. Is this the proper policy? Shall it continue? Has it proven satisfactory? Is it successful? If not, what changes in governmental policy should be made?

These questions state the water-power problem of to-day. That the past policies have proven satisfactory to the people, few will contend. That regulation has not been completely successful none will deny. The present exorbitant prices of electric current and the fabulous profits accruing to the business make changes of some kind absolutely imperative.

Unfair and unjust profits in any line of business constitute an undue burden upon industry as a whole and must ultimately be paid for by exacting an unfair tax or tribute from those who toil. Excessive profits bring about an unequal distribution of the fruits of labor and an undesirable concentration of wealth.

Statistics show that around 1,000 corporations in the United States earned huge profits last year, while about 250,000 corporations made little or no profits. Monopoly stalks abroad in our land. Trusts, combines, and mergers exact their unjust toll from machinists, farmers, clerks, and the toiling millions. Monopolies fix the price of the bread and meat we eat; the clothes we wear; the utensils used in the home and on the farm; even the money we borrow. Competition has all but passed away. The bigger the merger, the more the consolidation, the more power exercised by monopoly, the greater the danger to the people. In this era of monopoly, consolidation, holding companies, and chain business plunder of the many seems to have become the privilege of the few.

Among the collossal trusts, that tower above the average man, the power association occupies an exalted position. Many assert that intoxicated with its own greatness its overweening spirit of greed has overreached itself.

Electric-power rates are too high in this country. A recent study by the Department of Commerce shows that in October, 1929, the average householder in the United States used 492 kilowatt-hours annually, at an average cost of $30.70. This gave to the electric power companies a revenue of 6.24 cents per kilowatt-hour. At the same time, it is interesting to note that the average householder in Ontario used 1,380 kilowatt-hours annually, at a cost of 1.15 cents per kilowatt-hour, as contrasted with the 6.24 cents paid by citizens of the United States. This is a striking difference. When it is also considered that the number of electric-power customers in America was 24,257,160 at the end of 1929, it is easily understood that electric-power rates constitute one of the great economic problems of the time.

Relief has been sought in some sections of this country from the operation of municipal plants. The city of Jacksonville, Fla., has been selling domestic energy for several years at an average of 4 cents per kilowatt-hour. In the last 15 years this city, besides paying its sinking fund and interest charges, operating expenses, and setting up depreciation, has turned over about $5,000,000 to the city treasury as a gift and put another $5,000,000 in improvements and extension out of its earnings.

The city of Cleveland, Ohio, has a municipal plant built in 1914. The Cleveland Illuminating Co. was then charging 10 cents per kilowatt-hour, domestic. The competition of the city plant forced the private company to reduce its rate to 5 cents and similar reductions in other schedules. The startling result is that with these reductions, municipal and private, the people have saved, according to expert figures, approximately $27,000,000 in their electric bill because of the city plant. Take another illustration:

A small manufacturer who lives in the city of Springfield, Ill., can buy 4,000 kilowatt-hours for $68 from the city plant. If he patronized the private plant in the same town he would pay the same—$68; but, if he moved his plant to some other comparable Illinois city served only by private companies, he would have to pay the following:

In Bloomington	$140
In Elgin	127
In Urbana	140

Facts concerning these high rates have been concealed from the public, and unfair profits from the people continued. A tragic tale of nation-wide deception has been revealed in the investigations by the Federal Trade Commission.

The evidence shows the most gigantic, well-organized, and well-financed effort of the power companies to control public opinion known in our history. They tried to dominate the press. They had 28 publicity bureaus in 1928, covering every State in the Union. Each week they sent out clip sheets to all newspapers with utility story told as they wanted it to be told. Millions of articles have been published in such way that the people were not informed as to their true source. In 1928, power company publicity agents admitted that the electric, gas, and street-railway interests were spending about $28,000,000 annually in advertising. In that year the electric industry alone is shown to have spent conservatively one and a half million dollars in publicity work.

Evidence before the Federal Trade Commission shows that they tried to capture our educational system all the way from the universities down to the grade schools. Thousands of copies of pamphlets containing power propaganda were circulated among school children of the grammar grades.

A large number of university professors who were writing articles and giving testimony in rate cases favorable to the power companies, who, as the public supposed, were independent scholars, were discovered to be receiving money from the power companies in a secret way. The companies financed propaganda work among women's clubs of all kinds. Their agents were found working in luncheon clubs, chambers of commerce, and similar organizations. The companies formed a committee especially to carry on this propaganda among farmers and farm organizations. The thing, however, which caused the greatest shock to the American people was the spread of propaganda among the school children.

Why is it necessary or desirable for an industry to spend so much money on propaganda—money taken out of the people's pockets for electric-light bills and charged up to the operating expenses of the company? Is it because this industry, which has received from the people, free of cost, wonderfully valuable franchise rights, desires to continue to unjustly enrich a few from the pockets of the many? This places an unfair burden upon other industries; it is not fair to the people to whom these great natural assets belong.

It is safe to say that the people will not permit a continuation of this unjust policy. The American public will not long permit such a wrong to public interests. The people of this great Nation are entitled to cheap power. They will ultimately obtain it. Muscle Shoals and Boulder Dam have been the storm center around which this great controversy has raged for years. Congress passed the Boulder Dam act, with the belief that it had preserved priority rights on the parts of municipalities, counties, and States, for a preference in the purchase of power. A decision has recently been rendered by a solicitor in the Department of the Interior, which it is claimed would emasculate this priority provision of the bill. It remains to be seen whether or not this law will be fairly administered.

The people of this Nation own the power and nitrate plants at Muscle Shoals, Ala. This great project was dedicated to the use of the American farmer in time of peace. It was never contemplated that the power generated at the Muscle Shoals plant should be used to increase the profits and dividends of any private power company. For practically 10 years most of the power has gone to waste while a small portion of it has been purchased by the Alabama Power Co. The people have received no benefit from this power.

The town of Muscle Shoals, Ala., immediately adjacent to this great power plant, has been denied the right to purchase a single kilowatt of this power from the United States Government. Strange to say, it has been revealed by the Senate lobby committee in the past week that the Washington legislative representative of the American Farm Bureau has been active in his efforts to prevent the purchase of this power from the Government by the town of Muscle Shoals. Many people doubt that this action on the part of the legislative representative of the farm bureaus of America is in accord with the views of the members of that organization.

The farmers of the South desire to utilize this power in the manufacture of fertilizer. It is believed that the farmers of America, in spite of the expressed opposition of the Washington legislative representative of the farm bureau, would favor giving the municipalities a preference in the purchase of the surplus power remaining after the manufacture of fertilizer.

Muscle Shoals legislation will be considered by the United States Senate immediately after it completes the tariff act. It is now believed that with the help of an aroused public sentiment this great project will be saved for the people and that a law will be passed carrying out the original plan in utilizing this power for the benefit of American agriculture and for the benefit of the American people.

These and other facts that might be mentioned show that the power problem is to-day one of the greatest magnitude. Testimony this week before the Interstate Commerce Committee of the Senate by Mr. King

and Mr. Russell, of the Federal Power Commission, point out the difficulties of governmental supervision and regulation. They charge that 20 American power companies have inflated their estimated accounts $83,000,000. It is obvious that such inflation would add an additional burden upon an already overburdened public.

Charges of watered stock, inflated values, subsidizing and actual purchase of newspapers, corruption of the educational forces of the Nation, have focused the eyes of the people upon this power problem. Our people do not relish bureaucratic government. They have an inherited instinct against monopoly in business or government. Centralization of power in government or business is contrary to the liberal thought of a democratic people. Only as a last resort will they depart from the cherished ideal of fostering individual initiative and enterprise.

Even the most conservative abhor price fixing by monopolies. While recent conditions might lead a superficial observer to a different conclusion, trusts can not long survive against American public sentiment when once it becomes aroused by oppression or injustice. The bold spirit of the pioneer is not yet extinct.

Whatever is necessary on the part of the people to protect the people they will do. The time has about arrived for a new and vigorous assault to be successfully made against intrenched privilege and monopoly.

Monopolies which control the necessities of life are a distinct menace. Only recently I pointed out a threatened monopoly of the country's food. This industrial age has made electric power a necessity of life. It is essential to the welfare of the whole people. It should be generated and distributed not only for the benefit of a few but to enrich the whole people. It is time to curb monopoly not only of power companies but of all kinds. The Sherman antitrust law should be called back into life. The people of this Nation are entitled to a determination of the cost of generating and distributing power. They have failed to ascertain these facts in a satisfactory way by ordinary powers of regulation. The problem has not been solved by regulation. It is still a pressing problem.

REVISION OF THE TARIFF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes.

The PRESIDENT pro tempore. Under the unanimous-consent agreement, the Senate will proceed to the consideration of paragraph 1734.

Mr. JONES. Mr. President, it may not be necessary for me to do so, but I desire to give notice that when the tariff bill reaches the Senate I shall propose an amendment on lumber along the lines of that which I offered on yesterday.

The PRESIDENT pro tempore. That is not necessary; but the notation will be made in the RECORD.

Mr. THOMAS of Oklahoma. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. The Senator from Oklahoma offers the following amendment: On page 35, after line 2, insert the following:

PAR. 99. (a) Crude petroleum, and fuel petroleum, $1 per barrel of 42 gallons.

(b) Petroleum products: Kerosene, benzine, naphtha, gasoline, paraffin, paraffin oil, and all other distillates, derivatives, or refined products of petroleum, 50 per cent ad valorem. The ad valorem rate provided in this subparagraph shall be based upon the American selling price (as defined in subdivision (f), as amended, of section 402, Title IV), of any similar competitive article manufactured or produced in the United States. If there is no similar competitive article manufactured or produced in the United States then the ad valorem rate shall be based upon the United States value, as defined in subdivision (d), as amended, of section 402, Title IV. For the purposes of this subparagraph any petroleum product provided for herein shall be considered similar to or competitive with any imported petroleum product which accomplishes results substantially equal to those accomplished by the domestic product when used in substantially the same manner.

On page 265, strike out lines 3 to 6, inclusive, being paragraph 1734.

Mr. THOMAS of Oklahoma. Mr. President, at the present time oil is on the free list. The time which I shall occupy will be devoted to an interpretation of my amendment, and also to an explanation of the oil situation as it obtains in certain parts of the United States.

The amendment provides that petroleum shall be transferred from the free list to the dutiable list. It provides that on imported oil there shall be levied a tax of $1 per barrel. It provides further than on the derivatives from oil—the refined products—there shall be levied a tax of 50 per cent ad valorem.

The oil industry is one of the largest in the United States. It is an industry that at this time has invested therein something like ten billions of dollars. It is an industry that affects vitally some 19 States. It affects something like 700,000 laboring men; and, allowing five to the family, 700,000 laboring men would mean a population of three and one-half millions.

At this time there is extreme distress in the oil industry. Recently the price of oil has been reduced. Only yesterday the papers carried a story that in Oklahoma, at least, a further proration or curtailment has been placed in force upon the production of oil in that section of the country. I have here a statement taken from the paper on yesterday, reading as follows:

OKLAHOMA OIL OUTPUT CUT

OKLAHOMA CITY, February 27.—After pipe-line companies operating in the South Oklahoma City pool protested they are having to take a larger output than agreed on at the Tulsa conference several weeks ago, operators in the field agreed upon a further curtailment to 12 per cent of capacity, effective immediately.

This move will cut in half the previous production which was 25 per cent of the open-flow capacity of wells in the field.

Under this new rule producers will be allowed to flow to capacity only 36 hours in each 12-day period, with classification of wells into eight groups instead of the four groups previously in effect.

Oklahoma City operators agreed to call upon operators of other flush fields of the State to further curtail output on a basis proportionate to curtailment in this field.

Mr. President, what would happen to other industries of this country if they could only operate on 12 per cent time? What would happen to the farmer; what would happen to the merchant; what would happen to steel; what would happen to aluminum; what would happen to any product in this country, operating on a 12 per cent efficiency basis? Yet that is what we have in this field in Oklahoma.

The same thing is true in California. The Kettleman field—a field capable of producing, or estimated to be capable of producing, 2,000,000,000 gallons of oil, and can produce hundreds of thousands of barrels of oil daily—to-day is limited by curtailment to something like 14,000 barrels of production per day.

I said a moment ago that only recently there was a severe cut in the price of oil. I want to call the attention of the Senate to a news story appearing in the New York Herald Tribune of only a few days ago. I want to read from that story. It says:

SINCLAIR MEETS CUT IN OIL PRICE "RELUCTANTLY"

* * * * * * *

The new prices are 17 to 41 cents a barrel lower than those in effect last year and on January 1, bringing the new prices to 95 cents and $1.44 a barrel, depending on grade. The average of the reductions is approximately 25 per cent.

Because of this cut in the price of the oil that is being produced, and because of the low production there, because of curtailment, we find this distress in the oil sections of the United States, applicable not only to Oklahoma, but to Texas, to Kansas, to California, to each of the States where they have any sort of flush production. Because of this curtailment and because of this low price we find the distress in the oil fields, not only applicable to the men who own the oil wells but applicable to the lease owners, to the royalty owners, to the farmers, to the entire business in that section of the country.

These wells, as I say, are practically closed down. A small part of their possible production is being produced at the top of the ground.

At this point I desire to call attention to an article appearing recently in the Wall Street Journal. This issue is between the small producers on the one hand and the large oil companies upon the other.

In the oil business there are two well-defined groups. There is the group, a mere handful, of oil-producers that control the industry. On the other hand, we have the tens of thousands of small producers, individuals and companies, which do not refine oil, do not transport oil, do not distribute oil, but sell it to the pipe-line companies and to the big companies.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. THOMAS of Oklahoma. I yield.

Mr. BORAH. I presume the Senator is going to cover the subject at some time, and if so I do not desire to interrupt him now to have him discuss it; but I should like to know, before we vote upon this question, how the independent oil producer is to be benefited by a tariff when the whole oil business is controlled by the great oil companies.

Mr. THOMAS of Oklahoma. Mr. President, I will come to that subject before I get through; and I promise the Senate that I shall not detain it at any undue length.

I was saying that the issue here to-day is between a handful of powerful companies on the one hand, made up in the main of the Standard group, the Gulf Oil group, and the Royal Dutch Shell group. These three companies, with their subsidiaries, form what might be termed the major oil companies.

They are the ones which produce oil, transport oil, refine oil, distribute oil, and sell refined products. Against them we have, as I said a moment ago, the tens of thousands of small producers who only discover the oil and produce it and sell it to the pipeline companies at a price over which they have absolutely no control. They take the price that is fixed for them by the big purchasing companies.

The issue, then, is clear, between the big interests on the one side, so far as oil is concerned, and the small interests on the other. My amendment has for its purpose the helping of the little fellow, the tens of thousands, the hundreds of thousands, of the men engaged in the legitimate producing of oil in the United States.

As evidence that I am not mistaken in my interpretations I call the attention of the Senate to an article appearing in the Wall Street Journal of February 7, 1930. The Wall Street Journal certainly does not speak for the little man in the United States; it speaks the language of big business. It portrays their viewpoint and sets forth their ideas. I quote from that journal. The article says:

> It is conceivable that a tariff duty of $1 a barrel on crude oil would initially make some impression upon the present excessive supply and temporarily bolster a demoralized market.

The Wall Street Journal admits that a tariff on oil will be of benefit to the men who produce oil, and they so admit in this article. A little further down the article states:

> Be it noted that it comes from "the little fellows."

That refers to the demand for the tariff on oil. The Wall Street Journal in this article admits that the demand for a tariff on oil does not come from the Standard group, does not come from the Royal Dutch Shell group, does not come from the Mellon group (the Gulf Oil Co.); it comes from the little fellow.

Further the statement reads:

> One who is drowning, whether in water or oil, will clutch at a straw.

It may be, Mr. President, that the small oil producers of the United States, admitted to be drowning, are clutching at a straw, and the tariff is the only hope they can suggest as a means of help.

Further this article states:

> Much as some of us may dislike it, the only hope for oil stability is further centralization of ownership.

I want to call this statement to the attention of the distinguished Senator from Idaho [Mr. BORAH], also to the attention of the distinguished Senator from Nebraska [Mr. NORRIS]. I reread the statement:

> Much as some of us may dislike it—

This is the big group, the Wall Street Journal speaking for them—

> Much as some of us may dislike it, the only hope for oil stability is further centralization of ownership. Oil lands must pass more and more into the hands of corporations able and willing to defer recovery. The cry of the small owner when he is not alarmed by real danger of drainage is that he must realize within his lifetime. He must do that by drilling or take his chances in bargaining with one or two possible buyers for the sale of his holdings.
>
> His position is not enviable.

That is the reason why the independent oil men are here themselves, not through agents, asking at the hands of the Congress a consideration of the proposal to levy a tariff on oil. They admit that they are in distress. Everyone admits that the independents are in distress. I wonder if that same condition obtains among the big companies of the country.

Let me call attention to some of the profits that are being made by the big companies to which I have just referred. I desire at this time to quote a paragraph from a book entitled "We Fight for Oil," a book written by Mr. Ludwell Denny. The quotation is as follows:

> Dutch Shell's subsidiary, Venezuelan oil concessions, in 1927 paid a 55½ per cent dividend, besides a 15 per cent dividend to its holding company. It earned $3,400,000 on $10,000,000 working capital. General Asphalt, a British Trinidad concern selling its Venezuelan output to Dutch Shell, in the year 1926–27 earned $2,000,000 on a working capital of $6,500,000. Trinidad leaseholds paid a 27½ per cent dividend, besides providing capital for British expansion both in Trinidad and Venezuela. Apex (Trinidad) Oilfields paid an 80 per cent dividend in 1926–27. Standard's subsidiary, Lago, earned in the year 1927 nearly $8,000,000 on a working capital of $3,500,000. Shares in some of these British and American operating companies increased in value about 600 per cent from 1924 to 1927.

I call this to the special attention of the Senate, that one Standard subsidiary, the Lago, in 1927 earned nearly $8,000,000 on a working capital of $3,500,000.

If those statements are correct, it is clearly evident that the big companies are not asking for a tariff on oil. When they can earn $8,000,000 a year on a $3,000,000 investment, naturally they would not come to the Senate and ask for a tariff on oil. There must be some reason why they are earning these large, enormous, gigantic dividends. It is not because they are protected under a tariff rate, it is because they are not under a tariff rate, as I will show at a later time.

Mr. TYDINGS. Mr. President——

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

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. Will the Senator at some time in his remarks translate what a duty on crude oil would mean in the price of gasoline? In other words, how much would the duty affect the price of a gallon of gasoline, if the duty on crude oil were a dollar a barrel?

Mr. THOMAS of Oklahoma. I will come to that at a later point in my discussion.

As a further evidence that the big companies are not asking for a tariff on oil, I want to call the attention of the Senate to some things which happened before the Finance Committee. Oil was on the free list. Testimony as to articles on the free list was heard by the entire Finance Committee.

Coming from an oil State, I requested of the chairman of the Finance Committee a hearing for the independent oil producers. At first the hearing was denied. Upon an insistence, it was reluctantly granted.

A subcommittee was appointed to hear evidence as to the oil item. Testimony as to other items had been heard by the entire committee, but when oil was involved, a special subcommittee was appointed to hold a hearing. Who, would the Senate suppose, were placed upon that subcommittee to hold a hearing for the independent oil producers of the Nation? The chairman of the subcommittee was the distinguished senior Senator from Pennsylvania, Senator DAVID A. REED. The second member of the subcommittee was our former colleague, Senator Edge, of New Jersey. The third member was Senator KING, of Utah.

Mr. President, the chairman of the Finance Committee who named the subcommittee might just as well have summoned John D. Rockefeller, of the Standard Oil Co., and Andrew W. Mellon himself, because it is well known that the senior Senator from Pennsylvania [Mr. REED] at one time, at least, was the personal adviser and attorney of the Mellon interests, and the newspapers state that Senator Edge is the brother-in-law of Mr. Teagle, the president of the Standard Oil Co. of New Jersey.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. SMOOT. I hardly think the Senator's remarks with regard to the committee are altogether just. The oil hearings fell under Schedule 1, "Chemicals, oils, and paints." I was the chairman of the subcommittee having that schedule in charge, and I had not the time to attend all the hearings. The next member was Senator Edge, the next one was Senator REED, and the next were Senators KING and BARKLEY. The subcommittee hearings were over, and I never hesitated a minute to allow the Senator to present the matter to the full committee when he asked for same; but I thought I had no right to do that without asking the committee itself whether it should be allowed, as no other such request had been made. Therefore I asked, just as soon as the committee did meet, that permission be given for the full committee to hear the oil people, and the committee consented. There was no trickery, there was no underhanded work, there was nothing but full cooperation with the Senator in hearing witnesses by the full committee. I want the Senator to understand that now, if he did not understand it before.

Mr. THOMAS of Oklahoma. I am not criticizing the distinguished chairman of our committee. I am only using this incident to show that the demand for a tariff is not coming from the big companies, the big interests.

Mr. SMOOT. I think that is true; in fact, I know it is true.

Mr. THOMAS of Oklahoma. Mr. President, Mr. Reeser, the president of the American Petroleum Institute, is against a tariff on oil. On July 23, when this hearing was being held in the city of Washington, Mr. Reeser is quoted in the New York papers as follows:

E. B. Reeser, president of the American Petroleum Institute and one of the Nation's recognized authorities on the oil industry, declared to-day that in his opinion the imposition of a tariff on imports of crude oil and refined products by the United States Government would be an economic error.

During the past few days the press has carried numerous stories about the oil situation. I desire to call attention to just a few of them.

On February 10 the New York Daily Investment News carried a story, the headlines of which read as follows:

Big interests oppose tariff.

In the body of the story we find this comment:

It is believed that most of the large oil companies are definitely opposed to a tariff, including those that do not import oil themselves. The leading importing oil companies at present are the Standard Oil of New Jersey, the Pan-American Petroleum & Transport, the Gulf Oil Corporation, and the Shell Union Oil Corporation.

Prospects are, therefore, that an import duty on oil will never be enacted without a bitter fight on the part of the powerful interests opposed thereto.

At a later date another story appeared in the same publication under the headline:

Smaller oil chiefs to urge tariff.

I mentioned a moment ago Mr. Mellon. At this time I call attention to a story appearing in the New York Times of Saturday, August 17, 1929. That story appeared under the headline:

Mellons rumored planning big trust.

In the body of the article I find the following:

Security holdings of the Mellon family of Pittsburgh are about to be pooled through the formation of a large investment trust, according to reports which persisted in Wall Street yesterday. The Mellons' stock in the Gulf Oil Corporation and in the Aluminum Co. of America will be the first included, it is understood.

From farther down in the article I read the following:

The Mellons are reputed to own close to 90 per cent of the stock of the Gulf Oil Corporation. The shares of the Gulf soared more than 10 points on the curb yesterday, closing at 201. At that figure, the 4,504,921 shares outstanding had an aggregate market value of more than $900,000,000. W. L. Mellon is president of the Gulf.

Then their holdings at that time were estimated to have been worth some $800,000,000. The Gulf Co. is one of the companies opposed to a tariff on oil.

A few days ago I found a story in one of the Washington papers, the Evening Star, under the following headline:

Rockefeller again reported active in dictating policy.

The story stated that Mr. Rockefeller, now ninety-odd years of age, had returned to the post of management and was dictating the policy of the Standard Oil Co. However, in to-day's paper that is denied, but the original story was reported by the Associated Press.

A few days ago I found an article in public press under the following headline:

Standard reported in German oil deal.

I desire to read this article, as it is very short, as follows:

BERLIN, February 9.—An oil monopoly in Germany will be given the Standard Oil Co. and Sir H. W. A. Deterding, British oil magnate, in return for a long-term loan to the German Government, according to an article in this morning's Berlin Am Morgen, a communist paper.

The paper charges Minister of Finance Moldenhauer with preparing to ask the Reichstag's permission to negotiate the loan, which would straighten out the Reich's finances.

The monopoly would be similar to the match monopoly granted Paul Kreuger, Swedish financier, in return for a similar loan, according to the newspaper. The Am Morgen asserts it is part of an offensive against the Soviet Government, whose oil export would be hit, as was its match export by the Kreuger loan.

Mr. President, I shall not take further time to try to show that the issue in this case is between the big companies, on the one hand, which now are importing oil free into the United States, and on the other hand the thousands and tens of thousands of small producers who do not import oil but who are forced to take the price paid by the big companies. That is the issue which is now joined before the Senate.

What is the occasion for this amendment relating to oil?

Mr. BROOKHART. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Iowa?

Mr. THOMAS of Oklahoma. I yield.

Mr. BROOKHART. What proportion of the oil in the United States at this time is being produced by the independent companies?

Mr. THOMAS of Oklahoma. It is something like one-half. I could give the exact figures, but it is approximately one-half.

Mr. BROOKHART. And the other half is controlled by the same companies that are importing oil?

Mr. THOMAS of Oklahoma. That is absolutely true.

Mr. BROOKHART. What about the exports?

Mr. THOMAS of Oklahoma. I will come to that question before I get through, and I shall not detain the Senate very long.

The amendment has been proposed to the Senate because of the distressed condition in the oil industry. That is brought about by what some contend to be overproduction. It is surplus. But I contend that it is not overproduction. It is overimportation that makes the trouble. If the American market should be given to the American producer there would be no overproduction and there would be no surplus. It is because of the imports coming into the country, being brought here by the Royal Dutch Shell, being brought here by the Gulf Co. and by the Standard Co., that we have what is termed overproduction.

The record shows that we are producing nearly 900,000,000 barrels of oil a year. The record shows that last year we imported 109,000,000 barrels of oil. The record further shows that the 900,000,000 barrels of oil in the United States was approximately enough to supply the full demand of the American consumers. When we add the 109,000,000 barrels of imports to the 900,000,000 barrels we produce, we do have more oil than we consume.

Mr. BROOKHART. How much were the exports?

Mr. THOMAS of Oklahoma. The exports were 146,000,000 barrels. On that proposition let me explain, since the Senator from Iowa has asked the question, that of the 146,000,000 barrels of exports 41,000,000 barrels were exported from California. There were exported to Canada 22,000,000 barrels. We contend that the Canadian market is naturally the market of the United States.

While it is true that 22,000,000 barrels of the total production last year did go to Canada, we contend that the Canadian market is really the American market. If we take the 41,000,000 barrels exported from California and add the 22,000,000 barrels sent to Canada, and deduct that total from the amount imported, we still find that we only had about 8,000,000 barrels more oil produced in America than we actually consumed.

At this point I want to place in the RECORD some figures as to what it costs to produce oil in the United States, and what it costs to produce oil in foreign countries. These data are taken from the figures of the United States Bureau of Mines. The items are as follows:

In the production of oil, 57 cents a barrel is due to the lifting expenses—that is, the pumping; 20 cents a barrel is due to overhead expenses; 70 cents a barrel is due to general expenses, including leases, rentals, royalties, and so forth; 23 cents per barrel is due to depreciation of machinery and equipment. This makes a total cost per barrel to produce oil in the United States out of the soil in the sum of $1.70. This will play some important part in the discussion later on. It costs, according to the United States Bureau of Mines, $1.70 per barrel to produce oil in the United States, yet the recent cuts in price throughout the country are forcing the independent producers to sell their oil at from 95 cents to $1.44 per barrel, depending upon grade. It is clear that if they are to continue being forced to sell at below the cost of production, they can not remain in business. How long can they continue to operate under a condition of that kind in the United States?

The figures as to the cost of producing foreign oil are as follows: The cost of producing oil at the wellhead in foreign countries, especially in Venezuela, because that is where our main foreign oil comes from, is 18 cents per barrel. It costs $1.70 in the United States to produce a barrel of oil, yet the Venezuelan oil is produced for 18 cents. It costs 22 cents to transport oil from the well in Venezuela to the terminal point. It costs the sum of 35 cents a barrel to produce and transport that oil to the United States, to the Atlantic seaboard, to Baltimore, New York, New Jersey, and up the rivers where they are navigable, making the total cost of foreign oil delivered at the refineries in the United States 75 cents.

Mr. President, how long can the American oil industry survive, how long can the independent oil industry of the United States survive with a production cost of $1.70 per barrel in competition with oil brought in from foreign countries at a cost of 75 cents per barrel? The big producing companies—the Standard, the Royal Dutch Shell, and the Gulf—would be foolish, I should say, to continue to pay $1.70 a barrel, or even $1.50 or $1.25 a barrel, when they can buy oil from Venezuela

of a comparable grade at 75 cents a barrel. They are not such bad business men as to continue that indefinitely. When they buy foreign oil at 75 cents they are gradually reducing the prices they are paying for domestic oil, and if some help and some relief is not given, it will not be long before the American-produced oil will be selling in the United States on a par with the oil brought here from foreign countries.

I desire at this point to call attention to an article which appeared in the New York Herald of February 12. I read a portion of that article, as follows:

The statement pointed out that the locale of the market disturbance is the Atlantic seaboard and its center in New York. Gulf Oil (Mellon) interests have refineries in New York Harbor (Bayonne) and at Philadelphia (Marcus Hook) which are supplied with crude from Venezuela, delivered at the refineries at a total outlay not exceeding 75 cents a barrel, including production costs and transportation. Gasoline made from this oil, it is claimed, stands the company not more than 3 cents a gallon.

If this statement is to be believed, we have here positive proof that oil is being brought in by the Mellon company, the Gulf Co., the Standard, and the Royal Dutch Shell, and delivered at the refineries upon the Atlantic seaboard at a cost not to exceed 75 cents a barrel, and that gasoline from this oil can be made here for the sum of 3 cents per gallon. We have evidence that gasoline is now being produced in foreign refineries from Venezuelan oil at 3 cents per gallon. In the United States it costs better than 6 cents to produce a gallon of gasoline. Yet the refineries of America, the independents, are forced to sell their gasoline, which costs them 6 cents a gallon, in competition with gasoline made from foreign oil, and gasoline made abroad and brought here at an expense of 3 cents per gallon. I ask again how long can the independent refineries exist in this country if relief in some form is not extended to them?

Mr. GOFF. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from West Virginia?

Mr. THOMAS of Oklahoma. I yield.

Mr. GOFF. Does the Senator have any figures or any comparisons to bring out the differences in the quality of imported as compared with domestic oil?

Mr. THOMAS of Oklahoma. I am speaking all the time of comparable grades. The Venezuelan oil in some ways is not as good as the American oil, but in some ways it is as good. For gasoline purposes, I understand it is comparable. For lubricating purposes, it is an inferior quality.

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

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from South Dakota?

Mr. THOMAS of Oklahoma. I yield.

Mr. McMASTER. I would like to ask, for information, the price for which gasoline sells at retail in Oklahoma?

Mr. THOMAS of Oklahoma. If the Senator will permit me I will come to that a little later. I have a note of it in my remarks and will come to it in its order.

Reading further from the article in the New York Herald:

Royal Dutch Shell has a refinery at Willemstad, Curacao, Dutch West Indies, which used 50,000,000 barrels of crude last year, and is being enlarged to handle 250,000 barrels of crude daily. Running on cheap oil from the Royal Dutch wells in Venezuela, this plant can produce gasoline at less than 3 cents a gallon. Furthermore, Dutch Shell interests are now operating the New England Oil & Refining plant at Fall River, Mass., rated at 30,000 barrels capacity daily, on Venezuelan crude.

In the last year Shell Union (American corporation of the Dutch Shell interests) entered the Eastern States aggressively as a retail marketer of gasoline and other petroleum products. The Gulf Co. has for years been a big distributor in the same territory, and its plans call for greatly increased distribution in 1930, according to recent statements.

The article closes with the following statement:

In view of these facts, the statement questions if any immediate benefit can be obtained in the way of higher prices by curtailing production in the United States, as such a move would tend to increase the competitive advantage already possessed by the foreign oil.

There is a most significant statement, Mr. President. The statement is made that the curtailment program is a failure by itself. It works all right in a limited way. I am not attacking the program of conservation of the President. This demand for a tariff on oil is not an attack upon the conservation plan or policy of the administration. We are now trying the curtailment program. California has curtailed, Oklahoma has curtailed, Texas has curtailed, every flush field in the United States has likewise curtailed in its development possibilities. They are cooperating with the Government in this particular; and yet as time goes on the distress increases. Curtailment alone will not suffice, because the fact is that the more the American companies curtail production the more imports are brought into the United States. In the past year American oil fields have curtailed their production, and at the same time the imports from foreign countries have mounted upward and upward and upward; and if something shall not be done the independents of the country will be curtailed out of existence, and the domestic demand will be supplied by cheap foreign oil, but sold to the consumer at an even higher price.

I said a moment ago that the demand for a tariff is not a criticism of the curtailment program; it is not a criticism nor is it in opposition to the program of conservation. What is this program of conservation? I want at this time to put a statement in the RECORD, which is taken from a publication which is called Time, of the issue of February 10. The production of oil in the United States in 1927 was 901,000,000 barrels; that year there were 58,000,000 barrels of oil imported into this country. In 1928 there were produced in the United States 902,000,000 barrels of oil. There were imported in that year 79,000,000 barrels of oil. The imports in one year rose from 58,000,000 to 75,000,000 barrels. Last year—1929—the imports rose from 79,000,000 barrels to 109,000,000 barrels. That is what the independent operators have to face and are to-day facing. Reading from the publication, which is called Time:

Oil conservation was the first task to which Secretary Wilbur, at President Hoover's direction, set his hand on taking office. First, he revoked Government drilling permits where the holders could not prove bona fide development.

That has been done. No drilling permits are now being issued on Government lands. If a company or an individual had a permit and a plausible excuse could possibly be discovered, it was utilized and the permit was canceled.

The second thing that was undertaken was this:

He gave his sanction to the American Petroleum Institute's voluntary nation-wide agreement to hold down oil production, only to have the Department of Justice rule that such a scheme was possibly an anti-trust violation.

His third proposal was a series of State treaties under the Constitution to limit the outflow of oil.

The program of the President and the administration for the curtailment of oil production is made here under three heads:

First. To stop the production of oil on Government land and State land;

Second. Practically to force the producers of America to limit and curtail their production to prevent the building up of a surplus; and

Third. The making of treaties among the States for the purpose of limiting production.

Program No. 1 has been put through, as far as it can be done. Permits have been denied on Government land.

The second program has been carried out by the producers very generally There is not a producing State wherein the oil operators and producers have not cooperated with the Government in limiting production. As I said a moment ago, in the Oklahoma City field but 12 per cent of production is possible. To-day when a well is drilled in that field it is immediately closed and kept closed for 65 days, and not a barrel of oil is produced therefrom.

As to the third proposal, treaties among the States, I understand that a meeting was held in Colorado last June. The States interested in oil were represented there, and an effort was there made to bring about an agreement whereby they could curtail production. I understand that that part of the program has failed; that the States, or all of them, at least, will not agree to that sort of a program, and, of course, unless all the States agree, no one State would voluntarily limit its production when other States refused to join in the program.

I want to call attention at this point to the President's message to the special session of the Congress which convened last April. This application for a tariff on oil falls clearly within the recommendation of the President. He said:

In considering the tariff for other industries than agriculture, we find that there have been economic shifts necessitating a readjustment of some of the tariff schedules.

We contend that conditions have developed during the past few years, since 1922, which have brought about a new form of oil business, a new set of economic conditions in the oil business, and that the application for a tariff on oil falls squarely within the recommendations of the President. Further, the President said:

It would seem to me that the test of necessity for revision is, in the main, whether there has been a substantial slackening of activity in an

industry during the past few years and a consequent decrease of employment due to insurmountable competition in the products of that industry.

Mr. President, I submit that the conditions that exist to-day in the oil fields of the country fall squarely within the recommendation of the President. Conditions are now such that relief must be had if the independent oil producers and the independent oil companies are to live.

I desire to call attention to the platform of the party to which I owe allegiance. I will not undertake to speak for Senators across the aisle; it is well known that they stand for a protective-tariff policy. They always have stood for a protective-tariff policy, and I understand that the Republican Party to-day stands for a protective-tariff policy. The party to which I owe allegiance in its last platform adopted at Houston in its declaration of principles expressed itself as follows:

The Democratic tariff legislation will be based on the following policies—

So said the convention at Houston—

(a) The maintenance of legitimate business and a high standard of wages for American labor.

That is the first demand, the first pledge, the first proposition laid down by the convention regarding the tariff question.

(d) Duties that will permit effective competition, insure against monopoly, and at the same time produce a fair revenue for the support of the Government. Actual difference between the cost of production at home and abroad, with adequate safeguard for the wage of the American laborer, must be the extreme measure of every tariff rate.

Let me remind the Senate that in that platform declaration the Democratic Party pledged that it stood for a competitive tariff.

I stated a moment ago, it costs $1.70 to produce a barrel of oil in America and it costs 75 cents to produce a barrel of oil abroad and deliver it in America. Therefore the difference is 95 cents a barrel. How can American labor produce oil when there is a differential of 95 cents in favor of the foreign producer? If Senators on this side of the aisle stand for the declaration in the Democratic platform, and, if my statements are true, how can they vote against a tariff of $1 a barrel? To be consistent, they might move to amend it to 95 cents, but it can not be cut a cent below 95 cents, according to the platform declaration of the Democratic Party at Houston.

As to gasoline, the record shows that it costs 6 cents a gallon to produce gasoline in America—6.1 cents, to be exact.

The record shows that gasoline is being produced in Venezuela for 3 cents a gallon. The record shows that American refineries are importing foreign oil and making gasoline from it at a cost of 3 cents a gallon. The differential there is 3 cents a gallon. How can the independent American refinery continue to exist making gasoline at 6 cents a gallon, which is its lowest production cost, in competition with foreign gasoline at 3 cents a gallon? Therefore, the amendment now pending before the Senate proposes a dollar a barrel on crude to take care of the differential between the cost in America and the cost abroad.

It provides, secondly, a differential of 50 per cent of the cost of the refined product. Fifty per cent of the cost of American gasoline on the basis of 6 cents a gallon is 3 cents a gallon. If it costs 3 cents abroad to produce gasoline, the differential of 3 cents, which the tariff would levy, would make it 6 cents. So again the amendment submitted conforms exactly to the declarations of the Democratic platform at Houston, giving to the oil interests of the country a competitive tariff.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Nevada?

Mr. THOMAS of Oklahoma. I yield.

Mr. PITTMAN. May I call the attention of the Senate to the fact that the plank referred to by the Senator from Oklahoma was unanimously adopted in the subcommittee of the platform committee and unanimously adopted in the full platform committee?

I make this statement for the reason that very frequently a bare majority of the committee and then of the convention adopt a policy. On the subcommittee of the platform committee we were fortunate in having the distinguished Senator from Mississippi [Mr. HARRISON], the Senator from Virginia [Mr. GLASS], the Senator from Arkansas [Mr. CARAWAY], and several others. That subcommittee reported that plank out unanimously; and when it was reported and read separately it was unanimously carried by the convention. It would seem that it was as nearly a unanimous expression of the Democrats of the United States convened at that convention at Houston as could possibly be obtained.

Personally I have attempted to utilize that as the measure on every question that has arisen during the consideration of the tariff bill. I realize that there has been some haze that has made it almost impossible to ascertain what the measure of a tariff was on either side of this body; but, nevertheless, that was an expression of the representatives of the entire Democratic Party of the United States.

Mr. THOMAS of Oklahoma. I thank the Senator from Nevada for his contribution to this discussion, and, since he has made that statement, I desire to reread a portion of the platform adopted at Houston.

The Democratic tariff legislation will be based on the following policies: * * * Actual difference between the cost of production at home and abroad.

Senators can answer whether or not they stand for that proposal when the amendment comes to a final vote.

Mr. GEORGE. Mr. President, will the Senator permit me to ask him a question?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Georgia?

Mr. THOMAS of Oklahoma. I yield.

Mr. GEORGE. The Senator has probably covered the matter I had in mind, but I did not hear his discussion of it. How does the Senator arrive at the cost of 3 cents in Venezuela and 6 cents in the United States?

Mr. THOMAS of Oklahoma. The United States Bureau of Mines arrives at the figure of cost of 6 cents in the United States; and the statements which I have read from newspaper articles which have not been denied state that gasoline can be produced——

Mr. GEORGE. I am not speaking about gasoline; I am speaking about oil. Why should it cost twice as much to produce crude oil in the United States as it does in Venezuela?

Mr. THOMAS of Oklahoma. In the first place, in Venezuela they have cheap leases, cheap lands. In the second place, they have cheap machinery. Much of the machinery that is used in the Venezuelan oil fields is imported from Belgium and Germany. What is purchased in America is purchased in competition with the cheap machinery purchased from those countries; so the price must be comparable. The casing, the steel rigging, the machinery, is much cheaper there than here. In the third place, labor costs in Venezuela are much lower than they are in America. The record shows that the managers of the companies are Americans, that the foremen of the companies and those employed in responsible positions in various activities as a rule are Americans, but that native labor is used in the production of oil in Venezuela, the native labor receiving from $1.40 to $1.60 a day.

Mr. GEORGE. Mr. President, will the Senator permit another question?

Mr. THOMAS of Oklahoma. I yield.

Mr. GEORGE. What is the production of the United States now?

Mr. THOMAS of Oklahoma. The production in 1928 was 902,000,000 barrels. In 1927 it was 901,000,000 barrels.

Mr. GEORGE. I understand that that is not the capacity production of the producing wells. What is the capacity production of the producing wells in the United States?

Mr. THOMAS of Oklahoma. No one can tell, because in the case of the Kettleman fields I have a statement here from Mr. Wilbur—who was out there just recently—that if this curtailment program should be lifted, or for any reason it is not lived up to, that field alone would produce enough oil to seriously disturb the oil situation not only of America but of the world.

Mr. GEORGE. That is what I am getting at. How much of our oil is exported?

Mr. THOMAS of Oklahoma. Last year there were 146,000,000 barrels of total exports. Of that amount, 41,000,000 barrels were exported from California. Twenty-two million barrels were exported to Canada.

Mr. GEORGE. That is under curtailed production?

Mr. THOMAS of Oklahoma. That is under curtailed production.

The third plank in the Democratic platform is:

Equitable distribution of the benefits and burdens of the tariff among all.

Not "oil," but "all." It should be "oil"; we hope it will be; but the Democratic platform did not go to that extent.

I want to call the attention of the Senate to the fact that the oil industry is living under the highest protective laws that this country has ever seen; and everything that the oil industry uses pays a very high protective tariff, commencing at the rig that is built upon the ground before the drill is started. The rigs to-day are made of steel, paying the highest tariff in

the history of tariff legislation. The drills are made of steel. Even the cables, whether made of wire or hemp, have to pay a high rate of tariff duty. Everything used in drilling the well pays a high rate of duty. The casing pays a high rate of duty. The tank wagons, even the big tanks on the tank farms, are made of steel, and are forced to pay the highest rate of duty. There is nothing that is used by the oil people in producing oil but that pays a very high rate of tariff duty. Now, is it unfair or unreasonable for this industry, forced to pay high tariff duties on everything that they use, to ask a tariff protection upon the things that they produce?

Mr. PITTMAN. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Nevada?

Mr. THOMAS of Oklahoma. I yield.

Mr. PITTMAN. Who are the so-called independents?

Mr. THOMAS of Oklahoma. The independents are like the farmers. Until recently there was no organization whatever among them. They are the men who had some foresight and a little money and secured an oil lease. Later on, perhaps, the same individual or individuals raised enough money to sink a well. If they struck nothing, they are not oil men; they are bankrupts. If they strike oil, they become oil producers. The independents are these little fellows who start with practically nothing and develop. There are all degrees of development, from the men who to-day are operating on a shoestring, who have an equity that they see fading into nothing, to the men who probably have laid aside a few thousand dollars, or, perchance, a few hundred thousand dollars, against the future. These men in the oil business are comparable to the farmers of the country—so many of them unorganized. They are the men who produce the oil, who discover it—the wildcatters, so to speak—and then sell it to whomsoever will offer them something for it; and they must take the price that is offered.

Mr. PITTMAN. Are any oil companies opposing the proposal which the Senator is now discussing?

Mr. THOMAS of Oklahoma. Yes; all the big companies are opposed to it.

Mr. PITTMAN. What does the Senator mean by "the big companies"?

Mr. THOMAS of Oklahoma. The Standard group, the Mellon group—the Gulf Co. group—and the Royal Dutch Shell group.

A few days ago we saw on the wall here a diagram of the organization of the Aluminum Co. of America, with a hundred subsidiaries. A map could be made of the Standard group, showing many subsidiaries scattered throughout the world. A similar map could be made showing the Gulf Co., with many subsidiaries—I can not be exact—with many subsidiaries scattered throughout the world. Another map could be placed upon the wall showing the Royal Dutch Shell group, with their subsidiaries scattered throughout the world.

Those are the three big companies. They are the ones that are opposed to a tariff on oil. They are the ones that fix the price of oil. The price of every barrel that is produced by every independent throughout America is fixed by one of these three big oil companies.

Mr. PITTMAN. Why are they opposed to a duty on oil?

Mr. THOMAS of Oklahoma. Because the duty on oil will force them to pay duty upon the oil they import into America from foreign countries. These three companies are still the big three producing companies in foreign countries—in Venezuela, for example. They are the ones that imported into America last year 109,000,000 barrels of oil; and had the tariff been imposed last year, and had the same number of barrels of oil been imported, they would have had to pay $109,000,000 as a tariff. They can get their oil cheaper in Venezuela than they can get it from the independents out West. Therefore, getting their oil cheaper as long as it is on the free list, of course they are opposed to paying $1 per barrel tariff on their imports from their own fields in southern lands.

Mr. PITTMAN. That answers the question.

Mr. GEORGE. Mr. President, will the Senator permit me to ask another question?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Georgia?

Mr. THOMAS of Oklahoma. I yield.

Mr. GEORGE. Is the Senator able to say what the present production capacity of the three large groups in the United States is—not what they are actually producing but what they might produce?

Mr. THOMAS of Oklahoma. I can not answer that question. I do not believe I have the figures that would enable me to give an answer to that question.

Mr. GEORGE. Perhaps the Senator might answer it in another way. Is he able to say how much they buy from the independents?

Mr. THOMAS of Oklahoma. They buy the entire output of the independents, save such independents as have some refining facilities of their own, and they are rather meager. Most of the independents sell their oil direct to pipe lines to the big companies.

Mr. FRAZIER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from North Dakota?

Mr. THOMAS of Oklahoma. I yield.

Mr. FRAZIER. As I understand, the big oil companies buy practically all of the oil produced by the independents.

Mr. THOMAS of Oklahoma. They buy it all.

Mr. FRAZIER. And they set the prices?

Mr. THOMAS of Oklahoma. They do.

Mr. FRAZIER. In view of that situation, will the proposed tariff compel the big oil companies to pay a higher price to the independents for oil?

Mr. THOMAS of Oklahoma. If this amendment should go through, the big companies, in producing their oil abroad and bringing it to America at a cost of 75 cents, would have to pay $1 tariff on each barrel. That would make it cost them, delivered in America, $1.75 a barrel. That would give the independent producers a chance to sell their oil at about the same figure. At the present time, because of oversupply and of the present price, the independent producer is getting only from 95 cents to $1.44 a barrel for his oil. If this tariff should be imposed, it will no doubt raise the price of the oil produced abroad, if it does not raise the price of the oil produced in America.

Mr. FRAZIER. Inasmuch as the big companies have practically a monopoly and fix the prices, it seems to me it would be practically up to the big companies to say whether or not they would raise the price, or what price they would pay to the independent people, regardless of whether or not there was a tariff.

Mr. THOMAS of Oklahoma. If this amendment should be adopted, we would have a stabilized oil price of at least $1.75 a barrel. That would be the stabilized price of oil. We would have a stabilized minimum price of gasoline of approximately 6 cents per gallon. At $1.75 a barrel for oil the independents can live. At 6 cents a gallon for gasoline the independent refineries can live; but the independent oil men can not live in competition with 75-cent crude oil, and the independent refineries can not live in competition with 3-cents-a-gallon gasoline.

Mr. WALSH of Montana. Mr. President——

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

Mr. THOMAS of Oklahoma. I yield.

Mr. WALSH of Montana. Do I understand the Senator aright that gasoline can be put on the market at a cost of 6 cents?

Mr. THOMAS of Oklahoma. It is costing that to produce it, according to the Bureau of Mines—6 and a fraction cents; 6.1 cents, I think. That is the cost of gasoline at the refinery from American oil. The cost of gasoline at the refinery from imported oil is 3 cents a gallon.

Mr. WALSH of Montana. How widespread is the opportunity to produce gasoline at 6 cents a gallon?

Mr. THOMAS of Oklahoma. Gasoline is selling now at the stations throughout the country at something like 18 to 20 cents a gallon; but I will come to that a little bit later, and give some figures on it.

Mr. President, based upon the figures that I have given, and upon the platform declaration of my party, and the message of the President, I want to make this statement of principle:

All arguments which can be made for the protective-tariff policy can be made in favor of a tariff on oil. The corollary is, all arguments which can be made against a tariff on oil can be made against the protective-tariff system.

In the country oil is considered a farm product, for the reason that it all comes from the farm. It is rarely that you see an oil well in a city. It is practically all produced from the farms. In my section of the country practically the entire State is under lease. The farmers who have given those leases, if the lands are not drilled, receive a lease sum annually, approximately a dollar an acre; and during the past 10 years of farmers' hard times it has been this lease money, a dollar an acre, that has kept many of the farmers in my State from losing their farms and absolutely going bankrupt. They depend upon this dollar an acre, $160 a year, to pay their taxes and to meet their necessary expenses. So in my section, at least—and that

is true in Kansas, New Mexico, Texas, Louisiana, and the mid-continent field—oil is one of the chief farm products.

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

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Kentucky?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. There are two or three phases of this problem of a tariff on oil about which I am worried; and I should like to inquire of the Senator whether he has discussed the subject, or intends to discuss it, from this viewpoint:

Of course, the theory upon which protection is afforded to the industries and to the farmers in part is that it encourages the development, the increase in their production. A factory turns out a given quantity of products a year, but it does not exhaust its supply or its resources. It turns out the same quantity, or more, next year.

The farmer grows a crop on his land this year, but does not exhaust the resources by that crop. He produces another crop the next year, and on and on for an indefinite time.

The amount of oil in the ground is a definite quantity; we may not know how much it is, but it is definite; it can not be increased by anything man can do.

Does the same reasoning apply for the so-called development of oil fields, by which we mean the ultimate exhaustion of the resource, which applies to any industry which is bound to be continuous, where it may increase its output all the time without exhausting any natural resources?

Mr. THOMAS of Oklahoma. I will discuss that feature under the head of conservation.

Mr. BARKLEY. Mr. President, if the Senator will yield again, in that connection I should like to have him bear in mind the question whether the increase in the price of the oil, which is presumed to accrue to the oil owner as the result of the tariff, will so increase the production of oil as to bring about the same situation against which he complains now.

Mr. THOMAS of Oklahoma. Mr. President, I want to take up for a moment some of the arguments which are made against the tariff on oil. A moment ago I mentioned Mr. Reeser. Mr. Reeser is the president of the American Petroleum Institute. That organization is generally understood to be the publicity department, the propaganda department, of the big companies to which I have alluded.

Mr. Reeser, being the head of that organization, is presumed to understand their viewpoint. He is presumed to speak for them. As I read a moment ago from a newspaper clipping, Mr. Reeser is against a tariff on oil. He gives among his reasons the following, that if we place a tariff on oil we will increase overproduction.

Mr. President, why should a tariff on oil increase overproduction? There can be but one reason, that a tariff on oil will help the oil industry and make it profitable, make it worth while to try to produce more oil. So in that admission the head of the American Petroleum Institute admits that a tariff on oil will help the oil industry from the standpoint of the producer, not from the standpoint of the buyer, not from the standpoint of the big importing companies, which bring their oil from Venezuela at 75 cents a barrel and bring in gasoline from Venezuela at 3 cents a gallon.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. PITTMAN. Before the Senator leaves that point, as I understand it, these large companies are enabled to hold the price down to where it is now. How much is that; about 70 cents a barrel?

Mr. THOMAS of Oklahoma. They are paying now in our section of the country from 95 cents to $1.44 a barrel, depending upon the grade.

Mr. PITTMAN. They can do that by reason of the fact that they can supply the demand by this imported oil at that price.

Mr. THOMAS of Oklahoma. At a lower price than that.

Mr. PITTMAN. It seems to me that there is something in his argument that an increase in the price does stimulate production. How would it be if we should have a provision in this bill that this tariff should terminate, we will say, at the end of five years? That would be a warning, would it not, that this benefit would end at the conclusion of five years, and would discourage automatically overproduction.

Mr. THOMAS of Oklahoma. Mr. President, Congress will be in session at least twice each year during the next period of five years, and if the program goes through as we on this side hope it will go through, we will have the opportunity to have this whole matter investigated by competent authorities; we will have competent, reliable figures before us in a reasonable time upon which we can base a conclusion; we will have a recommendation before this body as to what should be done in the oil industry. When those facts come from the Tariff Commission before the Congress for consideration we will then be in a better position to judge as to what should be done than we can possibly be now, and inasmuch as the Congress will be in session and information will be available, I am willing to give temporary relief, as all admit this amendment will do, and then, as facts come to us, act on those facts in the future.

Mr. TYDINGS. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Maryland?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. If we have not impartial information upon which to predicate a tariff at this time, and as Congress will be in session a couple of times each year, why not let the matter go over until we can get the facts upon which a tariff should be based, rather than perhaps penalize a lot of innocent people by inflicting a tariff which has no basis of argument?

Mr. THOMAS of Oklahoma. That is a very sane question. If we should follow that course, we would eliminate from this tariff bill some 20,000 of the 21,000 provisions, and I no doubt would agree with the Senator that 20,000 should be omitted.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. There may be some cases where that rule would apply, but my observation is that in the vast majority of cases, away over 90 per cent, upon which the Senate has acted, the experts of the Tariff Commission have made an investigation and have supplied the Senate with information upon which they can form an opinion.

Mr. THOMAS of Oklahoma. Mr. President, there is no information in the Tariff Commission upon this question. I sent a letter to the Tariff Commission in an effort to get some information, and they advised me that they have made no study of the question, and therefore that they had no facts to submit.

If information should come from them, it will not be for a considerable period of time, and I contend that we have ample facts upon which we can act now on a proposition which will give relief, and then, while we are having relief, we can take our time and adjust the tariff upon what might be termed a scientific basis.

Mr. TYDINGS. Mr. President, will the Senator yield for another question on a different matter?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. Could the Senator state approximately the number of independent operators in the State of Oklahoma, in round numbers?

Mr. THOMAS of Oklahoma. There has been no census taken of them. I could give the Senator that information after the next census has been taken, if the Senator will wait until that time, until the governmental operations are through. I will be very glad to give him the information if he will be so patient.

Mr. TYDINGS. Does the Senator think there are as many as a thousand?

Mr. THOMAS of Oklahoma. Many more than that.

Mr. TYDINGS. Ten thousand, approximately? I would like to get the Senator's judgment, although it would be a guess. I am not familiar with that.

Mr. THOMAS of Oklahoma. I should say there are more than 1,000, and I should say there are less than 10,000.

Mr. TYDINGS. Let us take 4,000, then, as a happy average. How many employees do those 4,000 people employ when they are all operating?

Mr. THOMAS of Oklahoma. Of the 700,000 employees in the oil industry, there are probably 25,000 of them in my State.

Mr. TYDINGS. How many of them are employed by the independents?

Mr. THOMAS of Oklahoma. The Senator is asking me questions, of course, about which I have no figures. Any answer I might give would be only a guess.

Mr. TYDINGS. What I was trying to figure out was the number of people who would be benefited by this proposed increased tariff on oil. It seems to me, that in the Senator's own State they would not number over 5,000. I think that is a liberal estimate.

Mr. THOMAS of Oklahoma. I have information which I am sure the Senator will accept——

Mr. TYDINGS. I will.

Mr. THOMAS of Oklahoma. The Senator usually wears a button on his coat that is very significant. It is an evidence to me that he has been abroad, that he served upon the western front. I desire at this time to read a telegram received by me on the 26th of February, as follows:

OKLAHOMA CITY, OKLA., *February 26, 1930.*

Senator ELMER THOMAS,
Washington, D. C.:

Twenty-five thousand ex-service men out of employment in Oklahoma oil field. The Oklahoma Department wishes to go on record favoring immediate action for adequate oil tariff. Our ex-service men entitled to same consideration and protection as those of any other industry. This tariff will relieve unemployment situation immediately. Please contact all ex-service Congressmen and Senators.

B. G. PATTON,
Department Commander American Legion.

I now have the honor to contact the distinguished Senator from Maryland.

Mr. TYDINGS. Mr. President, if the Senator will yield, I am very sorry to see the American Legion becoming involved in political questions. I had hoped that that organization would be a sort of a semidetached patriotic and fraternal group. It would be easy for me to go to Maryland to-day and to get a telegram from the ex-service men in Baltimore opposing a tariff on oil, because in that place there are several thousand ex-service men employed, many of them in the asphalt and gasoline refining industries of that city.

Mr. THOMAS of Oklahoma. Mr. President, I am delighted to have the suggestion made by the Senator from Maryland, most interesting because he is sympathetic with this cause. Having contacted him, as requested, I now want to read some further evidence from the very source of which he speaks.

On February 10 I received this message from Milt Phillips, department adjutant, Oklahoma City:

American Legion served 12,000 meals to unemployed in Oklahoma City during recent blizzard. Many Legion posts over State did the same for their communities.

I presume the American Legion should not go into this field of activity.

Mr. TYDINGS. No; that is nonpolitical. I think the American Legion was in its proper sphere in that activity.

Mr. THOMAS of Oklahoma. I have another message, from Claremore, signed by Morton R. Harrison, the head of the ex-service organization of the State, as follows:

Oklahoma State Department American Legion during extreme cold spell furnished 12,700 meals in 16 days at Oklahoma City alone.

I offer these telegrams in support of my statement a while ago that the oil industry is in distress.

Referring back to the inquiry submitted by the distinguished Senator from Nevada [Mr. PITTMAN], he made the statement a moment ago that the tariff on oil, if it helped the oil industry, would stimulate overproduction. It would have that tendency unless some countertendency were brought into play to offset it. Referring to the conditions in the Kettleman Hills oil field in California, I read from a publication called Time, of February 10 last, as follows:

Oil production in the Kettleman Hills is now curbed to some 14,000 barrels per day by an operators' agreement expiring July 1, 1931. Should the agreement break down, Kettleman Hills North Dome alone could make its gushing felt throughout the industry. Geologists estimate that it contains some $4,000,000,000 worth of oil and natural gas.

Mr. President, there is a concrete illustration of the possibility of oil production, the possibility of producing hundreds of thousands of barrels every day; yet through curtailment under the President's program the actual production is limited to only 14,000 barrels per day. Curtailment is a success. The oil operators have agreed to limit their production and are placing their agreement in execution; and at the very moment they are doing this they are being advised of an ever-increasing flow of foreign oil into America to take the place of the oil which they are forcibly keeping in the ground. That is the thing to which they are objecting.

I reassert that we do not have in America an overproduction of oil, but we do have an overimportation of oil. If we could limit the imports in the same degree and in the same manner that the independent oil operators are limiting their production, perhaps a demand for a tariff would not be necessary. There was such an agreement as that made last year. There was an agreement made between the big companies and the little companies that if the little companies would prorate and curtail their production, the big companies would curtail their importations, the basis to be the same as 1928. The independents lived up to their agreement. They curtailed their production. They limited the amount of oil taken from the ground. But instead of the big importing companies limiting their importations to the amount imported in 1928, 79,000,000 barrels, last year they raised it to 109,000,000 barrels.

When the independents saw that their curtailment program was being ruined by an increase of imported oil from abroad, then they came to Washington asking for enforced restriction upon importations of foreign oil—not enforced restriction to the extent of a reduced amount of oil perhaps coming from abroad, but to raise the price at which that oil can be delivered to the refineries upon the Atlantic seaboard, to Baltimore, and even to St. Louis and all interior points reached by the tankers from Venezuela.

Mr. Reeser said that a tariff on oil will destroy our export business. I assert that the American oil export business is now already destroyed. While it is true that we have been exporting upward of 100,000,000 barrels of oil a year, yet during the past 12 months the big companies have builded their refineries in South America and those refineries are now prepared or soon will be prepared to refine 285,000 barrels of oil per day, using a cheap oil as their base, their own production, making cheap gasoline at 3 cents per gallon. They will fill their export demand from this cheap crude produced abroad, from the cheap manufactured products produced abroad, and it is only a question of a year or two at the most when the exporting of oil and the exporting of oil refined products will be a thing of the past for the American oil field and all refineries.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Nevada?

Mr. THOMAS of Oklahoma. I yield.

Mr. PITTMAN. I understand these companies are putting in their refineries and gasoline plants in South America?

Mr. THOMAS of Oklahoma. Refineries are being built on the island of Oruba, just off the coast of Venezuela. The Royal Dutch Shell have a refinery capable of processing and refining 175,000 barrels of oil a day; the Lago Co., a subsidiary of the Standard Oil, is now building at the same point a refinery capable of processing 110,000 barrels of oil; making a total production of 285,000 barrels of crude oil which they can refine in one day in those two refineries alone. When those two plants are constructed and in full operation they will be able to take every dollar's worth of export business that the refiners of America have to-day.

Mr. PITTMAN. For how much can they deliver gasoline on our coast?

Mr. THOMAS of Oklahoma. At 3 cents a gallon. A few years ago a barrel of crude would only make about 35 per cent of gasoline, but through improved and patented processes they now make practically 100 per cent of gasoline from a barrel of oil, so that from 42 gallons of oil they can now make practically 42 gallons of gasoline by the improved processes. The ordinary process makes only 45 per cent of gasoline.

Mr. PITTMAN. Does the Senator's amendment propose to prevent that cheap gasoline coming into the United States?

Mr. THOMAS of Oklahoma. It does unless they pay a tariff on it.

Mr. PITTMAN. The Senator is proposing to place a tariff on the gasoline?

Mr. THOMAS of Oklahoma. I am; and on all refined products that come in competition with the products made from American oil.

The American Automobile Association came before our committee and made some representations against a tariff on oil. I desire to call attention to the recommendations made by that organization. The American Automobile Association presumes to speak for the motorists of America. They filed a brief with the Ways and Means Committee against the tariff on oil. Their first objection was as follows:

The proposed duty would place a grave burden upon the motor-vehicle owners of the Nation.

That simply says that if we place a tariff on oil, gasoline will go up in price; that in place of getting gasoline for 18 or 19 or 20 cents, as at present, it will be higher. They do not say exactly how much higher—21 cents a gallon, 22 cents a gallon, 25 cents a gallon. But here are the facts about the case. It costs now to make a gallon of gasoline from 3 to 6 cents, and it is still being sold at 18 to 20 cents a gallon. It occurs to me there is a considerable spread between the cost of producing the gasoline and the retail price thereof.

Mr. PITTMAN. What is the necessity for increasing the price of gasoline when they were selling gasoline at about the same price now as when crude oil was twice as high?

Mr. THOMAS of Oklahoma. In answer to that question I want to refer to a paragraph relating to the effect on the price of gasoline if this tariff were put into effect. A tariff on oil in a reasonable amount will not increase the price of gasoline to the consumer. In order to demonstrate this all that is neces-

sary to do is to consult the past history of the price of gasoline. In 52 typical cities of the United States the average price of gasoline at the filling station in February, 1926, was 18.9 cents per gallon exclusive of tax. At the same time the average price of crude oil of 36 gravity was $2.04 per barrel. In February, 1929, the price of the same crude oil had dropped to $1.20 and the average price of gasoline in the same cities was 18.39 cents per gallon.

In other words, a reduction in the price of oil of 84 cents per barrel was followed by no drop in the price of gasoline. The records of the past several years demonstrate that the price of gasoline and the price of refined products have absolutely no connection and no relation to the arbitrary price paid for oil.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield further to the Senator from Nevada?

Mr. THOMAS of Oklahoma. I yield.

Mr. PITTMAN. This is the point which I am trying to bring out: It may be necessary, in order to sustain production and to keep from closing down, to increase the price of oil to somewhere near what it was in 1926, but if the refineries when paying $2 per gallon for crude oil could sell their gasoline at about the same price they can now, then I do not see why there should be any protection on gasoline against importations from abroad.

Mr. THOMAS of Oklahoma. It would only apply to the independent refineries, of course. The big companies could use the cheap oil, but, on the other hand, if they are forced to pay $1.70 for their oil they would not be able to make 3-cent gasoline out of that oil at that price.

Mr. PITTMAN. Of course, I understand there ought to be a compensatory duty to the refineries provided that they could not sell gasoline at 18 cents if crude oil in the Senator's district was doubled in price; but the Senator has proven that that does not follow. The price of the crude oil could possibly be doubled through this duty. As the Senator has already stated, if it is doubled, the duty does not affect the price of gasoline at all.

Mr. THOMAS of Oklahoma. The record shows that when oil was selling at $2.04 a barrel or when that amount was being paid for it by the big companies, they were retailing gasoline at 18 cents a gallon; but my amendment, if adopted, would only force the oil to $1.70 a barrel, which is considerably less than they were paying in 1926, so that instead of gasoline being sold at the same price as at that time, 18 cents a gallon, the price should go down.

Mr. PITTMAN. Yes; but the Senator's amendment has proven that the increase would be no cause for raising the price of gasoline at all.

Mr. THOMAS of Oklahoma. None whatever, absolutely none.

Mr. PITTMAN. Because the refineries were paying over $2 when they were selling gasoline at the same price they are now when they are paying around 70 cents. That the people of the country are paying enough for gasoline is evidenced by the records the Senator has produced. They have no benefit whatever in a reduction in the price of gasoline by virtue of a reduction in the cost of crude oil, because gasoline can be made when paying twice as much for oil as they are now and still make a profit on it at the same price at which they are selling now. I think the Senator is making a grave error in attempting to give any excuse whatever to the large group refiners in this country to raise the price of gasoline.

Mr. THOMAS of Oklahoma. If the refined products are not protected, if the big companies still bring their cheap gasoline in from abroad costing them 3 cents a gallon, how can an independent refinery in the United States, at the price of oil it would have to pay, compete with that cheap gasoline? I submit that question to the Senator from Nevada.

Mr. PITTMAN. One reason is because apparently they own refineries both in the foreign country and here, according to the Senator's own testimony. That is one reason. Another reason is that the Senator stated they will take the export trade of the world. It seems to me that the two problems are entirely different. The problem of oil and the problem of gasoline are entirely different propositions. The gasoline problem is a monopoly undoubtedly, a monopoly that made money out of gasoline at 18 cents when the price of oil was more than twice what it is now. There is not quite a monopoly of oil yet, but so far as gasoline is concerned there is.

Mr. THOMAS of Oklahoma. If my amendment, or something similar is not adopted, there will soon be a complete monopoly of oil. The price of gasoline to the consumer has never fluctuated in proportion to the price of oil. At the present time the bottom has fallen out of the price of oil, and the consumer pays the same price for his gasoline. I have here the record of 52 cities and the prices being paid for gasoline in those cities. In Newark, N. J., the price was 17 cents in 1926, and to-day with cheaper oil they are paying 18 cents per gallon for their gasoline. In the Atlantic seaports, where they get the benefit of the cheap oil from Venezuela, the same situation prevails. In Baltimore, Md., practically every gallon of gasoline sold and used is made from the cheap imported oil. In 1926 they paid 18 cents a gallon for gasoline, and this year, using the cheaper oil, they are paying the same price exactly. The figures fluctuate from 17 cents a gallon downward.

In Peoria, Ill., in 1926 they were paying 12½ cents per gallon for their gasoline, and in 1929, with the cheaper oil, they are paying 15.2 cents. San Francisco paid 18 cents in 1926, and is paying 18 cents in 1929 just the same, with the price of oil practically one-half to-day what it was four or five years ago.

Mr. ALLEN. I wonder if the Senator has the price at which the companies that operate the fields in Venezuela sell gasoline which is made out of their 18-cent oil?

Mr. THOMAS of Oklahoma. The companies that make this oil in New Jersey and New York, Philadelphia, and Baltimore, supply the trade in such places as Newark, N. J., where they are selling it at 18 cents a gallon at the filling stations; Baltimore, Md., is supplied entirely from the cheaper oil at 18 cents a gallon; Norfolk, Va., at 18 cents a gallon; Roanoke, Va., at 18 cents a gallon; Wheeling, W. Va., at 18 cents a gallon; Springfield, Mass., at 18 cents a gallon.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Nevada?

Mr. THOMAS of Oklahoma. I yield.

Mr. PITTMAN. The figures the Senator has given seem to me to demonstrate conclusively that the price of oil has not anything to do with the price of gasoline. They are importing the cheap oil from Venezuela to the cities the Senator has mentioned, and therefore they must make their gasoline cheaper, and yet, in spite of the fact that they are making gasoline cheaper, they are selling it universally at the same price. The answer is that unquestionably there is a monopoly in gasoline.

Mr. THOMAS of Oklahoma. There is no doubt about that.

Mr. PITTMAN. Very well; and there is a monopoly in gasoline in foreign countries also.

Mr. THOMAS of Oklahoma. There is no doubt about that.

Mr. PITTMAN. If there is a chance on God's earth of finding somebody who can ship gasoline here and break that monopoly, we ought to try to find him.

Mr. THOMAS of Oklahoma. Mr. President, when the oil fields of the world are now in the hands of these three companies, I submit the inquiry to the Senator, Where, when, and how would it be possible to develop a company to do the thing about which he is so solicitous?

Mr. PITTMAN. What good would it do, then, to put a duty on gasoline if we can not do anything about it?

Mr. THOMAS of Oklahoma. Mr. President, we have a great number of independent refiners in the country. There are 300 or 400 refineries scattered throughout the United States that are not controlled by the big companies. They are now buying oil from the mid-continent field and paying from 95 cents to $1.44 a barrel for it and making it into gasoline at a cost of something like 6 cents per gallon. They are now faced with the absolute possibility and eventuality of meeting gasoline brought in from Venezuela at a cost of 3 cents per gallon; and when that time comes the 300 independent refineries must close their doors.

Mr. PITTMAN. Then, the Senator means to say unless we can control the price at which the oil monopoly sells gasoline so as to hold it up as high as it is, or put it higher, that the independent refineries can not operate?

Mr. THOMAS of Oklahoma. Unless the price of gasoline can be stabilized at not below 6 cents per gallon our refineries can not exist. That is the first purpose of this amendment. As soon as the big renfineries being built in the south are in full operation they will send their millions of barrels of refined gasoline to America and cover all parts of it, including the Central West. The product will come up the Mississippi River and spread out through the tributaries of that river and serve the entire mid-continent field with 3-cent gasoline right where the refineries now can make it for not less than 6 cents a gallon; and then they will have to close; they will be ruined.

Mr. PITTMAN. Has the Senator ever heard of gasoline being sold for 3 cents a gallon or 6 cents a gallon?

Mr. THOMAS of Oklahoma. I have heard of it being sold for 6 cents a gallon.

Mr. PITTMAN. When was that; during the war?

Mr. THOMAS of Oklahoma. No; right at the present time.

Mr. PITTMAN. Where?

Mr. THOMAS of Oklahoma. I have a letter from Duncan, Okla., dated September 30, 1929, from which I will quote a line:

Gasoline is selling freely at the refineries at 6¾ cents and 7 cents a gallon.

That is slightly higher, but it is practically the same. The letter is from the Western Oil Corporation, and the man who wrote the letter is the owner and manager of that corporation. He has his own crude and he makes his own gasoline, and that is the price he is charging.

Mr. PITTMAN. That is at the refinery, of course.

Mr. THOMAS of Oklahoma. That is at the refinery.

Mr. PITTMAN. I am talking about the price in the market. I was dealing with the market price, the retail price; I was not dealing with the wholesale price at all.

Mr. THOMAS of Oklahoma. There is a big spread, of course, between the cost of gasoline and the selling price.

Mr. PITTMAN. Undoubtedly.

Mr. THOMAS of Oklahoma. The refineries do not get it all. The refineries charge a price according to the quantity sold. If they sell one tank wagon or one tank car, they make one price for gasoline; whereas if they sell a train of tank cars or sell a much larger quantity they sell for a lower price; but the cost being 6 and a fraction cents per gallon, they can not sell below that, and they get as much more for it, of course, as they can in competition. That is the independents' method of doing business to-day, and they say that if relief is not given in some way their days are numbered; they will soon be a thing of the past.

In the event, Mr. President, that this tariff is not granted the imports will increase. No man can deny that. If no restriction is placed upon oil and refined products, if we still have free trade in those commodities, oil and oil products will continue to come to America in ever-increasing quantities, because in Venezuela there is not only one oil field but many oil fields have been discovered, and that is true elsewhere in South America. I am advised that in Venezuela there are many potential fields which have been more or less tested, and it is more or less certain that there is a vast amount of unproduced oil elsewhere in South America. In the Venezuelan field they only have shallow wells of a few hundred feet. They strike oil there in great quantities. All they have to do to produce oil in Venezuela is to turn a faucet, so to speak, and take what oil they wish, and it costs them only 18 cents a barrel.

Mr. PITTMAN. Mr. President, there is a monopoly in gasoline in the United States.

Mr. THOMAS of Oklahoma. I will show that in just a moment.

Mr. PITTMAN. I have never heard anyone deny it. That monopoly can not be broken in the United States in any way that I know of at present. Some independent refineries may start operations with some of the cheap oil from South America, and we may have some competition in gasoline through that source; but I do not like the idea of helping a monopoly in its control of gasoline.

Mr. THOMAS of Oklahoma. Answering that particular phase of the question, it is hard to get concessions in other countries of the world, and the big operating companies I have mentioned this afternoon have secured concessions and leases upon all the known oil territory not only in South America but likewise throughout the world. It is possible for some of those big companies to engage in a contest among themselves and embark upon a war of extinction. Suppose the Standard Oil Co. and the Mellon Co. should combine against the Dutch Shell, then we would have a war to the death; but eventually one would win, and there would be one centralized oil company in the world. If that should happen, it can be imagined, perhaps, how the oil business would be operated.

Mr. PITTMAN. Does not the Senator think that there is a distinction between the crude-oil situation and the gasoline situation?

Mr. THOMAS of Oklahoma. They are one and the same exactly, as I see it.

Mr. PITTMAN. Is there not a great deal more competition in the production of oil than there is in the production of gasoline?

Mr. THOMAS of Oklahoma. There are more wells, and I admit there are more people interested in producing oil than there are in producing gasoline.

Mr. PITTMAN. In other words, the refiners are only a comparatively few in number——

Mr. THOMAS of Oklahoma. That is true.

Mr. PITTMAN. And the great bulk of the refining is controlled by the big group the Senator has mentioned.

Mr. THOMAS of Oklahoma. But if the small refiners do not obtain relief they will have to go out of existence one by one, and in two or three years, instead of having two or three hundred independent refineries, we will just have the big companies engaged in the refining business. Then, what will the situation be?

Mr. PITTMAN. It seems to me at least that the independent refiners have not had anything to do with the price; that is the trouble about it.

Mr. THOMAS of Oklahoma. I am going to make the assertion again, Mr. President——

Mr. ALLEN. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Kansas?

Mr. THOMAS of Oklahoma. I yield.

Mr. ALLEN. In view of what the Senator from Nevada has just said, will the Senator from Oklahoma tell the Senate what the people of Venezuela, where there are no independent refineries, pay for their gasoline? They pay 36 cents.

Mr. THOMAS of Oklahoma. I want to assert again that if no relief is to be had through this avenue the imports into this country will increase, the foreign market for American oil will have been lost, and the small, independent companies will fail and cease to exist; their properties will go into the possession of the few big companies, and then we will have a complete monopoly in the production of oil and at the same time a complete monopoly in the refining of oil. Then, in what condition will the American consumer be? I should like to submit that inquiry to the American Automobile Association.

As an answer, I can refer to what has been done and what is being done throughout the world. The big companies to-day have a virtual monopoly of oil production and a virtual monopoly of the refined products. They have this monopoly throughout the world. In Argentina, for example, the price of gasoline based upon the American dollar is 35.1 cents per gallon—from that to 48.1 cents per gallon. In Australia, at Sydney, the price of gasoline is 46½ cents a gallon, ranging to 48.6 cents a gallon.

At Bogota, in Colombia, the price of gasoline is 61.7 cents per gallon; in Cuba the price is 28 cents per gallon; and Cuba is nearer than is America to the Venezuelan fields; Cuba is just across the water from those fields, but the big companies, having a complete monopoly and making gasoline for 3 cents, take it a short distance across the water to Cuba and charge 28 cents per gallon for it. If we were in the clutches of this gigantic combine, with no power to protect ourselves, we would be paying, perhaps, more than 28 cents a gallon, because it costs more to bring gasoline from Venezuela to America than it costs to transport it across the water to Cuba.

In Paris, France, the price of gasoline is 34.3 cents per gallon; in Germany it is 28.9 cents a gallon; in Italy it is 40.7 cents per gallon; in Mexico it is 31.8 cents per gallon; in England it is 34.5 cents per gallon; in Venezuela, the very country that produces oil at 18 cents a barrel from which the gasoline is produced at a cost of 3 cents per gallon, under this monopoly the purchaser pays 32.8 cents per gallon for gasoline made from their own oil. In the United States we are paying 18 cents per gallon.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Nevada?

Mr. THOMAS of Oklahoma. I yield.

Mr. PITTMAN. Does the Senator ascribe the low price of gasoline in the United States to the competition of the independent refiners?

Mr. THOMAS of Oklahoma. The big companies, I will say, do fix a price on both the crude products and the refined products; there is no doubt about that. The independent refiners are not in a position to get a higher price for their gasoline than that obtained by the big companies. So, as a result, they try to get as much as they can, and the price they get is approximately the same as that fixed by the big companies.

Mr. PITTMAN. Then, I assume from that statement, that the Senator's answer to my question is that the low price of gasoline in the United States, by comparison with other countries, is not due to the competition from the independent refiners.

Mr. THOMAS of Oklahoma. The high price of gasoline in foreign countries is due, as I see it, to the complete monopoly, the complete control of the output and delivery system of gasoline in those countries. The purchasers in those countries have no place else from which to get their gas except from the big companies, and they pay what the big companies ask; and the big companies ask all the traffic will stand; and the same thing it might be said, is true here in America.

The second reason urged against this tariff amendment by the American Automobile Association is as follows:

Such a proposed policy to levy an import duty on petroleum and its products is contrary to the oil-conservatism program enunciated by the United States Government.

Mr. President, I take issue with that statement; I think it is not correct. I am not urging that the curtailment program be abolished; I am not attacking the program of conservation. It is my contention that there are three things necessary to be done to save or to help the oil industry. The first is to curtail our local production, and that is being done.

Second, place a tariff on oil, and either limit the imports of oil or raise the price of the imported oil to a point where the local producers can compete with that price.

The third thing that must be done is in some way to stop for the present oil exploitation, or what might be termed "wildcatting" for oil.

If those three things could be done—first, limiting production in America to our demands; second, limiting importation of oil, as this amendment admittedly will do; and, third, for the time being discouraging and stopping as far as we may the drilling of new wells, the strikes in new fields of new gushers to further overstock the supply of crude of America—the difficulties of the oil industry would be largely overcome.

The first proposition, the conservation policy, is a success so far as it goes; but it is not a complete success, because the more American producers curtail the more oil comes in from abroad. They are curtailing themselves to death; and unless they get some help in the form of either voluntary or enforced curtailment from abroad their curtailment program here is their own ruination.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Nevada?

Mr. THOMAS of Oklahoma. I do.

Mr. PITTMAN. Is it not a fact also that if the price remains as low as it is a great many wells will have to be capped and closed off?

Mr. THOMAS of Oklahoma. If it remains as it is?

Mr. PITTMAN. Yes.

Mr. THOMAS of Oklahoma. I will come to that in just a moment. I am almost through.

I assert that the demand for a tariff on oil is not antagonistic to the program of the President and the administration for curtailment. It is in harmony with it. It is a necessary adjunct to it. Neither can be a success without the other.

What is conservation? Is conservation the mere keeping of the thing that you have? Do we mean by "conservation" that we should store the oil that we have, and keep it indefinitely? Is "conservation" intended to mean the location of oil and then keeping it there forever? If that should be true, our oil never would do us any good. If conservation means that, then it should be applied to steel or to iron. The iron of the country is limited. There are only so many tons of iron ore in the earth. There are only so many tons of iron ore in America. The same argument in favor of conservation of oil, keeping it for a hundred or a thousand years hence, would apply to iron. Why should we not conserve that? Why should we not have free trade in iron, and let the pigs romp into America duty free?

The same argument could be made in favor of a duty upon steel or a duty on iron as for a duty on oil, excepting that in the case of oil 10 per cent of oil is imported, and in the case of steel less than one-third of 1 per cent are imports; and yet the Congress has placed a tariff upon iron.

If we should conserve our oil for the future, we should conserve our iron for the future. If we should conserve our oil for the future, we should conserve our copper and our lead and our zinc and, perchance, our aluminum. But you will notice that iron has a duty; steel products carry an excessive duty; aluminum products carry a duty; and yet the same interest that largely controls the steel and the iron of the Nation, and the same interest that controls the aluminum of the Nation and of the world, is here to-day fighting this proposal for a tariff on oil, and demanding that oil and its refined products remain upon the free list.

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

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Washington?

Mr. THOMAS of Oklahoma. I do.

Mr. DILL. Does the Senator intend to discuss, at this point or a little later, the effect of stopping the withdrawal of oil from some of the wells?

Mr. THOMAS of Oklahoma. I have gone over that subject at quite some length.

Mr. DILL. I heard something of that; but if the Senator has covered it I will not ask him to repeat his statement.

Mr. THOMAS of Oklahoma. In the early days of the oil industry it was thought that we did not have very much oil in the world. It was thought by some that the oil of America was very limited. I desire at this time to place in the RECORD some estimates made from time to time as to the estimated amount of oil.

In 1908 David T. Day, an authority of that time, estimated that we had a minimum of 8,500,000,000 barrels of oil. He estimated a maximum of fifteen to twenty-two and one-half billion barrels. From 1908 to 1929, inclusive, the United States has produced 10,441,447,000 barrels of oil. They produced all of Day's minimum plus 23 per cent.

In 1914 Mr. Ralph Arnold, another petroleum expert connected with the Government, estimated the future production at 5,700,000,000 barrels. From 1914 to 1929, inclusive, the United States produced 9,178,396,000 barrels of oil—all of Arnold's estimate plus over 61 per cent.

In 1915 the United States Geological Survey estimated the future production of the United States at 7,600,000,000 barrels. From 1915 to 1929, inclusive, the United States has produced 8,912,633,000 barrels—all of that estimate plus 17 per cent.

In 1918 Mr. White—I presume that is Mr. David White, an authority at that time—estimated the future production at 6,700,000,000 barrels. From 1918 to 1929, inclusive, the United States has produced 7,995,446,000 barrels—all of White's estimate plus 20 per cent.

In 1921 certain petroleum geologists of the A. A. P. G. estimated the future production of oil at 9,150,000,000 barrels. From 1921 to 1929, inclusive, the United States has produced 6,818,222,000 barrels—nearly 75 per cent in nine years.

In 1925 the Committee of Eleven made an estimate of the future production from proven acreage on the present methods of estimate of 5,300,000,000 barrels of oil. From 1925 to 1929, inclusive, the United States has produced from these properties and new pools 4,342,161,000 barrels—almost 82 per cent.

In 1929 the United States, according to the best estimates available at the present time—January 27, 1930—produced 1,006,000,000 barrels, compared with 902,000,000 barrels in 1928.

From 1857 to 1929, inclusive—that is, from the beginning of the discovery of oil to date—the United States has produced a total of 12,248,090,000 barrels of oil. The production is now over a billion barrels per year, with the production curve on the upgrade.

Mr. President, a recent newspaper article makes the statement that the Kettleman Hills field in California has an estimated capacity of from two to five billion barrels. The same authority estimates the Yates field in Texas to have an estimated capacity of 2,000,000,000 barrels; and the same authority gives the Oklahoma City field an estimated capacity of 2,000,000,000 additional barrels. If those estimates are anywhere near correct, we have in those three fields now an estimated amount of more than 6,000,000,000 barrels of oil; and that is only in three fields.

Mr. ODDIE. Mr. President, will the Senator permit a question here?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Nevada?

Mr. THOMAS of Oklahoma. I do.

Mr. ODDIE. Has the Senator given any estimate of the oil left in the sands after the pumping or the flowing wells have been exhausted?

Mr. THOMAS of Oklahoma. My colleague [Mr. PINE] will discuss that matter more in detail. He has a map suspended on the wall, and I will refer to it briefly—the farthest one, showing the Pennsylvania field.

In the early days of the Pennsylvania field oil was produced until a peak was reached. Then the production went down. Recently, through improved methods which my colleague will describe, that old field, which has been pumped now for 50 or 60 years, is again on the upgrade. They are getting more oil now out of that old field, 50 years old, than they got a few years ago under the old system of production.

Mr. ODDIE. Then the Senator believes that the amendment which he is advocating will tend to stabilize the price and make the industry more prosperous permanently?

Mr. THOMAS of Oklahoma. It is admitted by everyone that that will happen; that a minimum price of crude oil will be established, based upon the cost of production in America in comparison with the cost abroad plus the tariff. The cost abroad being 75 cents, the cost delivered in America plus a dollar tariff will be $1.75 a barrel. They could not produce it and sell it in America for less than $1.75 a barrel on the present

basis of estimates without suffering a loss; so foreign oil under my amendment must cost, delivered in America, $1.75. That means that the independent producer in America will have a chance to get about $1.75 a barrel for his oil on a comparable basis.

Mr. ODDIE. Then, following that line of reasoning, I should conclude that the operation of this tariff would result in a more economic method of extracting oil from the ground, because the industry would be more stable, and there would be a larger production in the future and a smaller percentage of waste.

Mr. THOMAS of Oklahoma. There is no doubt about that. I might say that under the old system the independents and the oil interests generally were not organized. Every man was in the business for himself. During the past two years the oil industry has become organized. They are meeting in their conventions. They are comparing notes. They are learning of each other's methods. New methods are being discovered and made available to the oil producers, to the very point the Senator speaks of, to eliminate waste and to get the most oil possible from the sand. These new methods are being used, of course, to increase production; and it is my contention that if the oil business is stabilized and the oil men are given a reasonable price for their oil, so that they can live, instead of encouraging the waste that there has been in the past, such stabilization will eliminate waste and assist in the conservation program.

I might say in this connection that we have at the present time, according to the records, 250,000 wells producing on an average of only one barrel a day. How long can those oil wells continue to be operated if that one barrel of oil only brings 95 cents? Then we have 50,000 wells producing on an average of 5 barrels a day, making another 250,000 barrels. Those 300,000 wells producing from 1 to 5 barrels of oil per day in the aggregate produce 500,000 barrels of oil a day.

Mr. President, if relief is not given, what will become of these small wells? They can not be operated indefinitely on a basis of 75 cents a day or 95 cents a day. They will go the route that thousands have gone. In my State alone last year more than 5,000 oil wells were closed and abandoned—wells producing a quarter of a barrel or half a barrel or three-quarters of a barrel, but not enough at the present price to enable them to live.

Thousands of the owners of these wells to-day are hanging on in the hope that relief may come. If relief does not come, what will happen? These wells will be abandoned, and when these small wells are abandoned, there will be a barrel a day for each one of them lost forever, because when a well is drilled and then abandoned no one else will go there to drill to reach that same sand. When a well is abandoned, water goes in, and thereafter the well is useless. If no relief is had, these small wells, 300,000 of them, will be closed and we will lose 500,000 barrels of oil now being produced. Would it not be conservation to do something to keep those wells producing? Would it be conservation of oil to force those wells to be abolished and abandoned?

I contend, Mr. President, that this amendment, if adopted, will enable those 300,000 wells to continue to produce a total, in the aggregate, of 500,000 barrels a day, and if this amendment is not adopted and no other relief is afforded, there will be 500,000 barrels of oil destroyed forever.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. BRATTON in the chair). Does the Senator from Oklahoma yield to the Senator from Kentucky?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. I have seen in several documents I have read the statement that 300,000 wells are involved in a question of life or death, depending upon this tariff. From what source are those figures obtained? What sort of a census has been taken, and by whom, so that it can be said that there are 300,000 small wells which will be abandoned unless this tariff is imposed? I am simply asking for information because, as I understand, the Tariff Commission has made no survey at all of the oil situation and there is contained no information in any of their reports. I am simply trying to find out the source of that information.

Mr. THOMAS of Oklahoma. In answering the question submitted by the Senator from Kentucky the figures I have given to-day are taken, first, from the United States Department of Commerce reports, Bulletin 297, of date 1927. Second, from Senate Document No. 61, Seventieth Congress, first session, entitled "Petroleum Industry, Prices, Profits, and Competition." Third, Oil Concessions in Foreign Countries, a message from the President, with reports from those foreign countries. Fourth, a book entitled "We Fight For Oil," by Ludwell Denny. The figures I have given were in the main found in those four authorities on the question.

Mr. BARKLEY. I can understand that these publications, especially those issued by the Government, would contain information as to the number of wells in the United States, and probably in the world, but would they contain information as to the number of wells which would be abandoned if this tariff were not imposed?

Mr. THOMAS of Oklahoma. In answer to the question further, there is in my State a corporation commission that is also the oil-conservation commission. The very men who are in Washington to-day preferring this request for a tariff on oil were the men who went before my State legislature years ago and asked the State to constitute the corporation commission a tribunal for adjustments in the oil business.

Under the laws of my State the corporation commission has an oil conservancy department.

In my State every well is known by the State authorities. Every well that produces crude oil is known. The corporation commission of Oklahoma has complete statistics as to the oil interests of my State, and when I said that between four and five thousand oil wells have been closed in the past year, those records came from this department of the State of Oklahoma.

Mr. President, one or two more points and I shall conclude. It may be asserted by some that our oil reserves are nearing extinction, that in order to preserve petroleum and petroleum products, in order to preserve gasoline to operate our motor cars and our gas engines and our airplanes, it is necessary to preserve and conserve and retain our known stores and stocks of crude petroleum.

At the present time, as will be shown a little later, as the demand for gasoline increases, as the demand for oil increases, the supply increases. My colleague will follow me shortly, using the map on the wall, and he will show that at this time we have the largest actual and potential production of oil in the history of the world. As the demand for gas and oil increases, the supply increases.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. ODDIE. Has the Senator given any estimate of the amount of oil stored in the oil shale deposits in the United States which have not yet been utilized?

Mr. THOMAS of Oklahoma. I am coming to that in just a moment. In addition to the known fields which are now being operated, which have brought demoralization to the oil industry, there are many other known structures. Many domes are known to exist in Louisiana, in Texas, New Mexico, Arizona, Kansas, clear from the South to the North. The structures are there, and the oil geologists are as sure as they can be sure that when those structures are drilled, oil in vast quantities will be procured.

In addition to the oil we now have in sight, and the oil we know to be in existence, we have in the Western States known shale deposits. Those deposits are in the State represented by my distinguished friend, the Senator from Nevada, who propounded a question just now; they are in Colorado. The Western States generally have these known shale deposits, which contain quantities of oil products.

These shale deposits have been examined, and the facts are—I think the record will disclose—that they are now under lease by these big companies to which I referred this afternoon. But these shale deposits have been accurately measured, and they are known now to contain approximately 90,000,000,000 barrels of oil. In other words, the shale beds, which can not now be operated under existing methods of operation in competition with other oil, are estimated to contain 90,000,000,000 barrels of oil. If it takes a billion barrels of oil to run the United States for a year, in those shale beds in Nevada, Colorado, Idaho, the northwestern Mountain States generally, there is enough shale oil to run the United States for a hundred years.

They can not be operated now; they will never be operated until our oil is gone, but they are there, they are in reserve, and oil is being manufactured from shale at the present time. There are plants in Scotland now manufacturing oil from shale, there are plants throughout Europe manufacturing oil from shale. There are plants now in the northwestern section of our country manufacturing oil from shale; but they can not compete with 18-cent per barrel oil from Venezuela, and they can not compete with 95-cent oil from the mid-continent oil field.

Mr. President, in addition to the known oil reserves, which would last the country for a hundred years or 200 years, in addition to the shale beds, which would last a hundred years, we have vast coal deposits, and there are processes now by which fuel oil can be made from coal. Twenty-five years ago our distinguished President, Mr. Roosevelt, called a conservation conference, at which a great throng assembled to try to devise

some means and some method of preserving and conserving and saving our fast diminishing coal deposits. Yet to-day, 25 years later, we have coal deposits in the Western States and in the Eastern States estimated to be sufficient to make another hundred billion barrels of oil. It can be made rather cheaply from coal. The Bergius process has been developed, and under that process oil can be made from coal.

Mr. President, we have now in sight known reserves of coal enough to make a hundred billion barrels of gasoline. Now, in 1930, there is enough oil in sight for a hundred years, enough oil shale in sight for another hundred years, enough coal in sight for still another hundred years. We have in reserve for the future at least 300 years' supply of motor fuel, and with this vast reserve, we are in little danger of a shortage of that commodity. When it is contended that we are about to deplete our oil reserves, I say the argument is not good.

Mr. President, I have already consumed too much time, and at this point I ask unanimous consent to insert in the RECORD at the close of my remarks some exhibits in the form of resolutions and requests for a tariff on oil, and I ask for a vote on the amendment.

The VICE PRESIDENT. Is there objection?

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

RESOLUTIONS—MASS MEETING HELD AT TULSA, OKLA., JANUARY 29, 1930

Whereas a representative meeting of the oil producers, royalty owners, and business men identified with the oil industry in the mid-continent field held, on this 29th day of January, 1930, in the city of Tulsa, Okla., for the purpose of considering the immediate pressing programs confronting the oil industry in the United States; and

Whereas under the suggestion of the President of the United States, Hon. Herbert Hoover, that the oil resources of this country should be conserved from waste through cooperative agreement of the industry itself; and

Whereas due consideration of such recommendations made through the Federal Oil Conservation Board was given in conjunction with representative members of the oil industry; and

Whereas under the specific leadership and suggestion of the leading integrating oil companies, a policy of curtailment of production for the requisite needs of the industry was agreed upon and placed into effect to the extent that during the month of November, 1929, over 4,000,000 barrels of crude petroleum was drawn from storage for the purpose of meeting the demands of domestic refiners; and

Whereas the oil producers had been given to understand that if they curtailed their production to meet these requirements to balance with the demand, that the price for crude petroleum would be stabilized; and

Whereas without notice to the oil producers and without their being given an opportunity to be heard, a sudden drastic cut in the price of crude petroleum was put into effect by certain of the oil-purchasing companies in the United States, some of whom are producers, refiners, and importers of foreign crude oil into the United States; and

Whereas these large companies were most instrumental in urging the above conservation policy while at the same time they are importing petroleum and its products in increasing quantity: Therefore be it

Resolved, That it is the sense of this meeting that this action by these said companies is an outstanding breach of faith and cooperation with those oil producers and royalty owners of this country who have cooperated with them; and

Whereas it is therefore obvious that complete relief can only be attained through a continuation of cooperative curtailment of domestic production to meet the needs of the refining trade, together with an adequate tariff on crude petroleum and its products to safeguard the domestic industry from unwarranted and destructive competition: Now, therefore, be it

Resolved, That we indorse a continuation of curtailment of domestic production to meet the needs of the refining industry with the understanding that such curtailment will be made effective in the flush fields where destructive water conditions may not imperil the same; and, therefore, be it

Resolved, That we urge that the Congress of the United States give to the oil industry through a tariff on crude petroleum and its by-products the same protection that is extended to other industries; be it further

Resolved, That we call to the attention of the Congress of the United States that there is involved in this issue not only the interests of the oil industry but the relationship of the entire business structure of both the oil-producing States and those dependent upon the coal industry, as well as all labor connected with these industries; and, therefore, be it further and finally

Resolved, That we again point out to the purchasers of oil who are also producers and importers of foreign oil, that if imports should be permitted to demoralize the domestic petroleum industry and thus destroy the conservation program, they must be prepared to take responsibility for the debacle which may ensue.

RESOLUTIONS OF INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL UNION NO. 584, OF TULSA, OKLA.

TULSA, OKLA., *February 21, 1930.*

Whereas there has come to the attention of this organization that a serious economic problem, affecting a large number of laboring people of the United States, is now under consideration by the now assembled Congress of the United States. That the Congress, regardless of political faith or party, in the final analysis is responsible for the general welfare of the majority of the people, most of whom are those who earn their livelihood by their toil and not by speculation, financial manipulations, or unbridled control of resources or finances; and

Whereas it seems apparent to those of us of this vast majority that there is a very sinister and threatening motive behind the actions of certain and well-known oil producing, refining, and oil importing companies of both American and foreign ownership to combine their activities to the detriment and ultimate ruin of the American independent oil producers and refiners; and

Whereas the past history of certain of these large oil companies has shown that they are anything else than benevolent institutions, and their practices have all been toward the elimination of all independent refiners and producers, by various and devious methods, and thereby gain a further accumulation of tremendous profits and resources to themselves by this process of elimination; and

Whereas it now appears in the face of a condition of ample oil productions and ample reserves in the United States, that an excessive amount of foreign crude and refined oil, produced largely by a cheaply paid native laboring man and with materials largely imported to these foreign shores from countries other than the United States, is coming to the seaports of the United States in such a tremendous volume—over 250,000 barrels a day—in direct competition in price with our own ample supply, thereby causing a loss to producers, refiners, and is the main reason for the curtailment of our own American production and labor; and

Whereas this curtailment of output and the lowered price for crude oil is affecting directly and indirectly all classes of labor now in oil-producing States, and the lowered price and volume of fuel oil in coal-producing States, and that its ultimate effect will be to further eliminate all independent producers and refiners in the United States, and that with them out of the way these monopolistic combines will proceed with the further exploitation of the then helpless consumer at prices greater than now and making greater profits than heretofore out of this cheaply produced foreign oil; and

Whereas this curtailment on one hand in the United States is in a direct ratio to the increase in duty-free imports of foreign-produced oil has for some time past affected the well-being of all classes of labor, where such curtailment has been necessary, and the result (recent price cut) has shown the futility of curtailment only when our imports ratio with its resultant lowered prices has increased;

Whereas the economics of this appears wrong and preposterous, as the penalty of this import excess should not fall on the many for the benefits of the few importers; and

Whereas there is now before the Congress of the United States certain bills or measures to relieve this threatening menace to the labor of all classes directly and indirectly connected with the American oil industry and the American consumer of oil and its products: Be it

Resolved, That we do hereby request the Congress of the United States in its entirety to hear and give diligent and impartial consideration to the voices of the independent oil producers and refiners of America in their request for an ample and adequate tariff on crude oil and its refined products as will amply protect labor at home, independent refiners, producers, and consumers; and be it further

Resolved, That this resolution be spread on the minutes of this organization and that copies hereof be immediately forwarded to the Tulsa Federation of Labor.

And that we send a representative on the special oil-tariff train to Washington to acquaint our international officers and the American Federation of Labor with the urgent need of such a tariff, and to solicit labor support for this measure.

[SEAL.] INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL UNION NO. 584,
Tulsa, Okla.

By D. H. WESTWOOD, *President.*
W. H. DESALM, *Recording Secretary.*

OKLAHOMA CITY, OKLA., *February 25, 1930.*

Senator ELMER THOMAS,
Senate Chamber, Washington, D. C.:

The directors of the American Automobile Association of Oklahoma indorse the tariff on oil and commend your action in attempting to secure same. No national organization by this or any other name has any authority to speak for us.

AMERICAN AUTOMOBILE ASSOCIATION.

OKLAHOMA CITY, OKLA., *February 22, 1930.*

Senator ELMER THOMAS,

Senate Chamber, Washington, D. C.:

The Oklahoma City Clearing House Association unanimously indorses $1 per barrel tariff on crude oil. We urge upon you to present and support this matter to the Senate to the end that the petroleum industry of the United States may be protected from absolute destruction by methods now employed in purchase and marketing of crude oil. Use this message as our public indorsement.

OKLAHOMA CITY CLEARING HOUSE ASSOCIATION,
B. H. MILLS, *President.*

OKLAHOMA CITY, OKLA., *February 22, 1930.*

Senator ELMER THOMAS,

Senate Chamber, Washington, D. C.:

The Jobbers & Manufacturers' Association of Oklahoma City unanimously indorses your stand for a tariff on oil. We believe that the independent producer is jeopardized by present methods of purchase and distribution of crude oil. We urge you do all possible to secure passage of this tariff.

OKLAHOMA CITY JOBBERS & MANUFACTURERS,
I. G. BENTLEY, *Secretary.*

OKLAHOMA CITY, OKLA., *February 22, 1930.*

Senator ELMER THOMAS,

Senate Chamber, Washington, D. C.:

The Retailers' Association of Oklahoma City unanimously indorses your fight for tariff on crude oil. We believe this protection is necessary if the indepedent producers of the United States are to survive. We believe the major business of Oklahoma is jeopardized and urge every effort to secure passage of a law for a tariff on oil.

OKLAHOMA CITY RETAIL MERCHANTS' ASSOCIATION,
AL ROSENTHAL, *President.*

RESOLUTION PASSED BY THE PRINCIPALS AND SUPERINTENDENTS OF OKLAHOMA AT A MEETING EN ROUTE TO NATIONAL EDUCATION ASSOCIATION, ATLANTIC CITY, N. J., FEBRUARY 21, 1930.

Whereas the schools of Oklahoma are the direct recipients of gross production taxes arising from crude oil; and

Whereas the rapid development of the school system of the State has been made in a large part possible by the development of the State oil resources; and

Whereas the schools of the State and school children are vitally affected by the revenue received from gross production taxes; and

Whereas such taxes are governed by the price of crude oil: Now be it

Resolved, That we as superintendents and principals of the schools of Oklahoma respectfully petition and urge the honorable Congress to place a tariff on crude petroleum and its refined products so that the schools of Oklahoma may continue to progress.

W. MAX CHAMBER,
Chairman.
T. T. MONTGOMERY,
Vice Chairman.
P. M. HOWELL,
Secretary, Committee.

C. S. Anderson; M. B. Miller; E. L. Smith, Healdton, Okla.; Harry D. Simmons; Eli C. Foster, Tulsa, Okla.; Frank D. Hess; Lee K. Anderson, Oklahoma City, Okla.; Marshall Gregory; C. K. Ruff, Muskogee, Okla.; F. A. Balyeat, Norman, Okla.; A. O. Marlin, Vinita, Okla.; T. T. Montgomery, Chickasha, Okla.; H. F. Allen, El Reno, Okla.; J. W. Baker, Oklahoma City, Okla.; Olso L. Anderson; Chas. P. Howell, Ponca City, Okla.; D. D. Karkland, Burbank, Okla.; L. H. Meacham; N. E. Bretcher; W. A. Greene; August W. Weigl, Ramona, Okla.; Ellsworth Callings; H. Clay Fisk, Sand Springs, Okla.; Ralph E. Staffelbach; E. H. Black, Bristow, Okla.; J. B. Mitchel; M. J. Hale, McAlister, Okla.; C. O. Haskell, Bartlesville, Okla.; G. T. Stubbs, Durant, Okla.; C. C. Bell, Pawnee, Okla.; C. L. Dalke, Enid, Okla.; H. I. Flaugher, Chandler, Okla.; M. L. Cotton; W. W. Isle, Ponca City, Okla.; C. A. Moore; Mrs. E. H. Black.

FEBRUARY 24, 1930.

INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA,
Room 383, Mayflower Hotel, Washington, D. C.

The following resolution was unanimously adopted at the Shawnee, Okla., state-wide convention. More than 1,100 delegates, representing 50 counties of the State of Oklahoma, were present:

"Whereas we, the League of Young Democrats, in convention assembled, recognize our oil and mineral deposits as a great natural asset; and

"Whereas the State of Oklahoma owns a large amount of lands underlaid with these valuable oil and mineral deposits, some of which are developed, and others being developed; and

"Whereas the State of Oklahoma receives its greatest revenue from direct and indirect development of these resources; and

"Whereas these resources are fast being depleted; and

"Whereas foreign oil and minerals are being imported into the United States in competition with the development and price of this great source of revenue: Be it

"*Resolved,* That we, the League of Young Democrats of the State of Oklahoma in convention assembled, recommend that the State of Oklahoma does not dispose of any oil or mineral wealth until after its proper development and that we demand a more rigid enforcement of all oil and mineral conservation laws;

"And we further recommend to the Congress of the United States that a tariff of $1 per barrel be placed on all imported crude oil and its refined products;

"And we hereby indorse the position taken by the entire Oklahoma civic and congressional delegation."

V. L. KIKER.

GOVERNOR REED, OF KANSAS, URGES FEDERAL ACTION

Gov. Clyde Reed, of Kansas, has appealed to President Hoover to aid in remedying the chaotic condition growing out of the reduction in price of crude oil.

The message of Governor Reed follows:

"Since the oil-conservation conference at Colorado Springs, the oil industry in the mid-continent field has made earnest and moderately effective effort to control production of crude petroleum, prorating and limiting newly developed pools. The industry was in fair state of stabilization when subsidiaries of Standard Oil Co. of New Jersey and the Standard Oil Co. of New York, purchasing less than 10 per cent of the production in Kansas and Oklahoma, cut the price to a point below cost of production. Other purchasers have not yet followed reductions but will inevitably be forced to do so, resulting in the demoralization of a great industry and consequent unsettling of business throughout the mid-continent field.

"Thousands of men will be thrown out of work and landowners in these States will be affected as well as steel and other manufacturing industries furnishing supplies. The unfavorable effect on business in this section in particular and on business in general will be pronounced and would create a situation so serious that I feel that your committee dealing with the stabilization of business can well afford to discuss the matter with Standard Oil companies named, with a view of urging them to change their policy and withdraw the lower prices announced. I believe that such action will be in line with the general policy you have been trying to carry out and I hope that you will find it consistent to transmit this view unanimously concurred in by the oil and business interests of this section.

"I am submitting this suggestion after a conference with the informed leaders of the oil industry in this section who point out that since your Colorado Springs conference more progress has been made in practical conservation than at any previous period in the history of the oil industry and all interests with which I am in touch are entirely willing to go forward with a sound conservation policy to the fullest extent practicable and will cooperate to that end."

Mr. GOFF obtained the floor.

Mr. BAIRD. Mr. President——

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

Mr. GOFF. I yield.

Mr. BAIRD. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

Allen	Fess	Keyes	Simmons
Ashurst	Fletcher	La Follette	Smith
Baird	Frazier	McKellar	Smoot
Barkley	George	McMaster	Steck
Bingham	Glass	McNary	Steiwer
Black	Glenn	Metcalf	Stephens
Blaine	Goff	Moses	Sullivan
Blease	Goldsborough	Norbeck	Swanson
Borah	Gould	Norris	Thomas, Idaho
Bratton	Greene	Nye	Thomas, Okla.
Brock	Grundy	Oddie	Townsend
Brookhart	Hale	Overman	Trammell
Broussard	Harris	Patterson	Tydings
Capper	Harrison	Phipps	Vandenberg
Caraway	Hastings	Pine	Wagner
Connally	Hatfield	Pittman	Walcott
Copeland	Hawes	Ransdell	Walsh, Mass.
Couzens	Hayden	Robinson, Ind.	Walsh, Mont.
Cutting	Heflin	Robsion, Ky.	Waterman
Dale	Johnson	Schall	Watson
Deneen	Jones	Sheppard	Wheeler
Dill	Kean	Shortridge	

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

Mr. GOFF. Mr. President, it is not my purpose to take the time of the Senate in any lengthy or detailed discussion of the production of oil or the consumption of gasoline in the United States. I desire to say, by way of preface, that I indorse all

that has been said by my friend the Senator from Oklahoma [Mr. THOMAS]. I have studied this question in the last few weeks with as much detail as it was possible to devote to it, and with great care because of the interest of my State, not only in the production of oil but in the production of coal, which is more or less affected by the production and consumption of oil and its by-products. The Senator from Oklahoma has gone learnedly and exhaustively into the different matters in every possible way affecting the production of oil and any of its by-products.

There are in this country many people who have put their entire energy as well as their accumulated capital into the production and the development of oil. I know from personal inspection and observation, as the Senator from Oklahoma has so well illustrated, that there is in the oil-producing sections no income that equals or approaches the income which the farmer enjoys who has oil-producing land. Even if he does not, with an association of his neighbors and friends, produce the oil on his own land, he at least leases it and enjoys a ready income in the regular royalty which he receives for the use of his property.

Mr. TYDINGS. Mr. President——

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Maryland?

Mr. GOFF. Certainly.

Mr. TYDINGS. I would like to call the Senator's attention to the following statistics. On December 31, 1928, the Department of Commerce states, there were 697,300 trucks and 4,729,600 automobiles on the farms of the United States, a total of 5,426,900 motor vehicles on the farms of the United States of America. Let us assume that a farm tractor working 100 days out of the year uses an average of 120 gallons of gasoline every day and that 4 gallons of gasoline per day are used by motor vehicles, including trucks, running 300 days per year on the farm. An increased price of $1 per barrel translated into terms of gasoline would range somewhere between 4 and 6 cents per gallon if the duty were effective; but considering it for the purposes of argument, let us assume that it is only 2 cents per gallon. This would mean an added cost in the operation of farm tractors and trucks and motor vehicles on the farms of the United States of $164,000,000, and if it is 4 cents a gallon increase, it would just about take away three-quarters of the total amount appropriated by the Congress for farm relief. If that is help to the farmers of America I do not know how to calculate.

Mr. GOFF. Mr. President, what is the Senator's question to me? I have listened with great pleasure to the readings indulged in by the Senator. Will he now kindly propound his question?

Mr. TYDINGS. Yes. The Senator has just stated that a tariff on oil would assist the farmers who have oil wells on their land and who get rentals yearly in the form of royalties from rights granted to oil companies. I wanted to show in that connection how much it would cost the total farm population and the farmers who had no leases to sell. In that connection I rose not to take issue with the Senator but to put the whole story in the RECORD.

Mr. GOFF. I will say in answer to the Senator's question that in my opinion any tariff which could be placed within reason on oil will not affect the price of gasoline and will not affect the price of oil which may be used either in motor cars or in tractors on the farm. It is not necessary again to go over the very complete and very persuasive and conclusive arguments and statements of the Senator from Oklahoma [Mr. THOMAS] in reference to that very matter. The crude petroleum which is imported from South America is not an oil that is producing gasoline to the extent that pays the importer. I have the very general conclusion from those who have investigated this question that the crude oil imported is of such low grade that it yields a very minimum, if not a negligible, percentage of gasoline. Now, if that is true, the placing of a tariff upon that oil can in no sense increase or decrease the price of gasoline which is produced from a higher grade and a richer quality of oil.

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

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Maryland?

Mr. GOFF. Certainly.

Mr. TYDINGS. I am sure the Senator means to be accurate and is sincere in making the observation he just uttered, but may I tell the Senator that whoever his informant was has misinformed him. If he will go to the refineries in New York or New Jersey or Maryland, he will see the oil coming in from Venezuela and from other South American countries and he will see it refined into gasoline. He will see that it produces just about as much gasoline as our local oils, except in so far as the grades are to be considered.

Mr. GOFF. I shall not take more time in answering the Senator's question, except to refer the Senator to the answer which the Senator from Oklahoma made to the Senator's identical question propounded in different language, because when the Senator from Maryland asked this question of the Senator from Oklahoma he did not ask it after reading something from a book; so that with that difference, the answer of the Senator from Oklahoma to the Senator from Maryland was in substance the same as my answer.

Mr. President, in the further consideration of this matter I wish to invite attention to the fact that the world's consumption of crude petroleum for the year 1929 was estimated at approximately 1,400,000,000 barrels.

I have considered with care certain of the reports from the Bureau of Mines. It is there stated that there are 9,000 oil producers in the United States; of that number 8,000 may be classified as small producers, or, as they have been denominted in the course of the debate, independent producers; while the so-called associated and corporate producers in the United States approximate 1,000.

As to the present oil reserves in the United States—and this is important in considering the question of the conservation and the production of oil—according to the best obtainable figures, are about 15,000,000,000 barrels. That may be more or less accurate or more or less inaccurate, because we who have observed the drilling and the production of oil know how uncertain it is to estimate exactly what can be produced or obtained from a hole in the ground.

Mr. BORAH. Mr. President——

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

Mr. GOFF. Certainly.

Mr. BORAH. When the Senator from West Virginia speaks of the reserves, what does he mean?

Mr. GOFF. I mean the oil supply that has not yet been tapped; that is, when the geologists say that a given tract of land is oil bearing, because wells drilled in the immediate vicinity are producing they conclude that there is oil in the neighborhood; and such territory is held to be a reserve of oil if it has not been drilled and developed. That is what I mean.

Mr. BORAH. Does not the past experience prove that those who estimate the amount of oil yet to be developed know but very little about it?

Mr. GOFF. I suppose they know as much about it as science knows about anything, and possibly because of the presence of tangible facts a little bit more.

Mr. BORAH. But science has no opportunity to get at the facts. No one knows under what soil the oil reserves are now lying, and we have used several times more oil than it was estimated we had a few years ago.

Mr. GOFF. Then I would say to the Senator, in reply to that suggestion, that there is no necessity for attempting to protect or preserve what are denominated the oil reserves of the country, because if we do not know that there are any reserves to protect, why should we attempt to protect them?

Mr. BORAH. I would not waste a natural resource, whether it was great or small; but when scientists tell us that our oil is going to be exhausted in 5 or 10 years, as they have at different times, and we have been developing a very much larger amount ever since, I am led to believe that they have little means of knowing what they are estimating.

Mr. GOFF. I am perfectly willing to take the conclusion of the Senator from Idaho as correct, and then to say in reply to the Senator that in the light of what I have read, studied, and personally observed, I think that, for all practical purposes, the oil supply of the country is inexhaustible.

Four years ago the United States Geological Survey estimated the reserves of oil at 16,000,000,000 barrels, thus showing there was a difference of a billion barrels between the present reserves and the reserves that are now estimated in the light of the conclusions of the Geological Survey.

Mr. BORAH. They made that estimate four years ago, but if they were making an estimate now, I presume they would make it even larger than they did four years ago.

Mr. GOFF. Of course, as to that, I do not know. The Senator from Idaho is just as capable of guessing at and seeing the imaginary pictures of geologists as am I.

Mr. BORAH. Or of a geologist, it would seem.

Mr. GOFF. Yes.

Mr. SHEPPARD. Mr. President, if the Senator from West Virginia will allow me, I desire to say, in line with what the Senator from Idaho has suggested, that a late estimate of an expert of the United States Geological Survey is that the petro-

leum reserves of the world now amount to about 63,000,000,000 barrels.

Mr. GOFF. I thank the Senator from Texas for his statement, because it shows my conclusions as to the imagination of the geologists are not much out of the way.

The question of the quantity of recoverable oil from the coal production and from the shale of the country has been very exhaustively covered by the Senator from Oklahoma [Mr. THOMAS], and I shall take no time whatsoever in going into that matter. There are some figures to which I call attention before proceeding briefly to the general question of the necessity as well as the justification of a tariff on oil.

There are invested in oil in the United States many billions of dollars. That investment ranges over many diversified industries. It is an investment initially in the drilling and in the leasing of the oil properties. Then, of course, there is the labor involved; then there is the price of the machinery necessary; then there is the ordinary overhead essential to keep and maintain the project a live and going concern.

It has been roughly estimated that the amount of money invested in oil production in the United States would reach the enormous figures of $10,000,000,000. But the oil business is now in a deplorable condition, just as the coal business, one of its allied industries, is in a very deplorable state at the present time.

We are told, Mr. President, that we must not protect the production of oil, because in some indirect, some chimerical, yes, some fanciful way, a tariff on oil may increase the price of some by-products of oil. Such an argument is, in my opinion, one of the most fallacious that I have heard advanced so far during the tariff discussion. Suppose that a tariff does increase the price of the article upon which it has a bearing, does it not follow that the production of other articles increase and that many other benefits not only directly but remotely and indirectly follow from the production that may come from the direct application of a tariff, in this instance, upon oil?

We are told, furthermore, that it is contrary to the political situation. Mr. President, as I sat here in the Senate and heard my friend from Oklahoma [Mr. THOMAS] read the Democratic platform, taking it for granted that the Republican platform, as it always does, stands absolutely for the protection and the encouragement of American industry, which means the protection of American brains and American brawn, I thought we had lifted this question out of the atmosphere of political coloring once and for all. This is a matter which should appeal to us as constructive and impartial students, looking at what will help one section of the country in the light of its needs.

Mr. President, assist Oklahoma, help New Mexico, advance California, help any of the Western States that are producing oil, and we are helping every one of the States in the American Union. There can not be unemployment in the State of New York without the State of Oklahoma, the State of New Mexico, and every other Western State directly and indirectly feeling the result of that unemployment. What aids one section of the country helps all sections of the country, and it will do so in this instance, in the case of oil. If we can place oil on the protected list, then we are not only helping those who have their money invested in oil, but we are at the same time helping the communities that depend on a market in the oil-producing sections which by yielding a return on the money they have invested, can and do buy and consume the productions of other sections.

Mr. President, as a part of my remarks I should like to have inserted in the RECORD a table showing the world production of petroleum in 1928, according to the different countries. In this connection I especially call attention to the fact that in the United States we produced in the year 1928, 902,000,000 barrels, and that Venezuela was at that time producing 106,000,000 barrels.

The VICE PRESIDENT. Without objection, the table will be printed in the RECORD.

The table is as follows:

World production of petroleum in 1928 by countries

Country	Barrels of 42 United States gallons	Percentage of total by volume
United States	902,000,000	68.2
Venezuela	106,000,000	8.0
Russia	87,800,000	6.7
Mexico	50,150,000	3.8
Persia	42,080,000	3.2
Rumania	30,600,000	2.3
Netherland East Indies	28,500,000	2.2
Colombia	19,900,000	1.5
Peru	11,970,000	.9
Argentina	9,100,000	.7
India, British	8,300,000	0.6
Trinidad	7,750,000	.6
Poland	5,530,000	.4
British Borneo—Sarawak	5,290,000	.4
Egypt	1,840,000	.1
Japan and Taiwan	1,800,000	.1
Ecuador	1,090,000	.1
Germany	683,000	.2
Iraq	650,000	
Canada	618,000	
France	520,000	
Sakhalin, Russian	509,000	
Czechoslovakia	150,000	
Italy	43,000	
Other countries	23,000	
Total	1,322,896,000	100.0

Mr. GOFF. In this connection, Mr. President, I also call attention to another fact which is not only persuasive but is impelling as a logical reason why we should impose a tariff on oil. The production of crude petroleum in the United States, by States, in 1929, was as follows:

Arkansas 25,000,000 barrels, California 292,000,000 barrels, Colorado 2,000,000 barrels, Illinois 6,000,000 barrels, Indiana 977,000 barrels, Kansas 42,875,000 barrels, Kentucky 7,776,000 barrels, Louisiana, 20,229,000 barrels, Michigan 4,000,000 barrels, Montana 3,000,000 barrels, New Mexico 1,689,000 barrels, New York 3,346,000 barrels, Ohio 6,708,000 barrels, Oklahoma 253,704,000 barrels, Pennsylvania 11,805,000 barrels, Tennessee 19,000 barrels, Texas 298,441,000 barrels, West Virginia 5,587,000 barrels, and the State of Wyoming 19,190,000 barrels.

Mr. President, let us assume—I do not concede, but let us assume—that the placing of a tariff of $1 a barrel on imported oil is going to add to the price of oil. If that be true, is it not going to benefit the States and the people of the States—the list of which I have just read—to a very appreciable and practical extent? If it raises the price of oil $1 a barrel in any of the States the names of which I have mentioned, then it will bring to the people of those States at least a billion dollars; and it will not in any sense, and it can not be shown that it will, increase the price of any of these products to the ultimate consumer.

If it will, I should like to know in what respect it will. If it costs 6 cents a gallon to produce gasoline in the United States, and gasoline can be produced for 3 cents a gallon from the imported crude oil that comes into this country, I demand to know where this margin of 15 cents or 12 cents goes, if it does not go to the producer or to those who are making that profit as measured by the difference between the cost of the production of the gasoline and the ultimate selling cost price of the gasoline.

I should like to have this table included in my remarks, solely for accuracy.

The VICE PRESIDENT. Without objection, the table will be printed in the RECORD.

The table is as follows:

Production of crude petroleum in the United States, by States, 1929

(Barrels of 42 United States gallons)

Arkansas	25,076,000
California	292,037,000
Colorado	2,298,000
Illinois	6,304,000
Indiana	977,000
Kansas	42,875,000
Kentucky	7,776,000
Louisiana	20,229,000
Michigan	4,354,000
Montana	3,183,000
New Mexico	1,689,000
New York	3,346,000
Ohio	6,708,000
Oklahoma	253,704,000
Pennsylvania	11,805,000
Tennessee	19,000
Texas	298,441,000
West Virginia	5,587,000
Wyoming	19,190,000
Total	1,005,598,000

Mr. GOFF. The crude petroleum and gasoline imported into the United States in 1929 amounted to 78,932,581 barrels. It came in from Mexico; it came in from the Netherland West Indies; it came in from Colombia; it came in from Peru, Venezuela, and other countries; and the gasoline, naphtha, and other finished light products that were brought into the country at that time amounted to 8,834,302 barrels.

In this connection it is interesting and at the same time instructive to consider the exports of crude petroleum and gasoline from the United States in 1929. I shall not consume the time to mention the countries to which this export oil is directed; but I also request that these facts be placed in the RECORD.

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

The matter referred to is as follows:

Crude petroleum and gasoline imported into the United States in 1929

	Barrels
Crude petroleum	78,932,581
Imported from—	
Mexico	12,663,419
Netherland West Indies	16,222,489
Colombia	12,620,000
Peru	1,454,346
Venezuela	34,431,388
Other countries	1,540,939
Gasoline, naphtha, and other finished light products	8,834,302

Exports of crude petroleum and gasoline from the United States in 1929

	Barrels
Crude petroleum	26,394,349
Exported to—	
Europe	323,489
Canada	22,412,181
Cuba	700,900
Japan	2,475,853
Other countries	481,926
Gasoline, naphtha, and other finished light products	60,006,674
Exported to—	
Belgium	1,350,046
Denmark	1,215,470
France	8,737,730
Germany	1,768,133
Irish Free State	239,387
Italy	1,319,198
Netherlands	1,849,792
Norway	450,820
Portugal	262,766
Spain	1,370,389
Sweden	1,412,512
United Kingdom	17,517,779
Canada	5,225,128
Panama	324,461
Mexico	558,365
Cuba	614,462
Dominican Republic	69,081
Argentina	2,291,323
Brazil	1,435,488
Uruguay	460,752
Other South America	303,602
China, Hong Kong and Kwantung	503,299
Japan	912,957
Philippine Islands	462,536
Australia	3,403,728
New Zealand	1,251,003
British South Africa	849,865
British West Africa	279,730
French Africa	641,138
Morocco	126,100
Portuguese Africa	135,421
Spanish Africa	145,892
Other countries	2,518,321

Mr. GOFF. Mr. President, I shall take very little time in bringing very definitely to the attention of the Senate the relation which the coal industry in the United States and in the different States bears to this oil production.

The interest of the bituminous coal-mining industry in the imposition of a duty on imported petroleum grows out of the fact that the use of oil as fuel affects the price of bituminous coal as an industrial and domestic product, since coal competes with oil and oil with coal. Bituminous coal for many years has been faced with the keen competition of domestic petroleum. Owing to the manner in which the oil deposits have been exploited, an excess supply of petroleum has been brought to the surface and marketed. In the effort to dispose of this surplus, the consumption of petroleum as fuel oil has been pushed in fields where its use represents a great permanent economic loss to the coal production of the country. While the bituminous-coal people are affected by crude oil used as fuel, their interest is, therefore, primarily in a duty on crude petroleum, but in all fairness to the parties interested the protection should cover not only oil in all forms but also all of the refined products of oil.

The competition of oil with coal has met with great success in different fields of consumption.

Take oil as a bunker fuel: The substitution of oil for coal in that respect has been carried very far, and it has added to and increased the overproduction as well as the oversupply of coal in this country.

Coal is primarily an industrial fuel; and we must look to the manufacturing, the mining, and the transportation agencies for its market. It is in this field that the most serious effect of oil competition is felt. Here, again, the mine operator is not abandoning his field without making an effort to hold it; and if he makes an effort to hold it he is producing an oversupply of coal, just as the oil producer, in his effort to hold on to his investment and his oil properties, is increasing the oil supply.

I have heard made, not only in debate but in the hearings before the committees, statements in reference to the competition between oil and coal as applying to the United States as a whole.

The conditions are, of course, different in the several sections of the country, according to the nearness or the remoteness of those sections to the sources of supply of these two fuels. Where coal is abundant and is delivered cheaply, oil makes little headway. But let us go down into States like Oklahoma and New Mexico and Texas and California, and what do we find there? We find there that it is impossible to discover a market for coal, because of the fact that it is too expensive to transport it there and compete with oil as fuel.

The importation of oil from foreign countries to the Atlantic seaboard takes away from the coal-producing States of this Nation their market for coal. There is no doubt about that, and no one can successfully question or contradict that statement. This competition between coal and oil is not a new phenomenon. It is a competition that has been pushed to the limit in recent years.

Let me call attention to the fact that in the three years 1915, 1916, and 1917 the average annual production of crude petroleum in the United States amounted in round figures to about 306,000,000 barrels, while a decade later the crude petroleum produced in the United States amounted to no less than 811,000,000 barrels—an increase of 166 per cent.

Undoubtedly, the requirements of users of automobiles and other internal-combustion engines have disposed of a constantly increasing percentage of the total output of crude petroleum. Thus, whereas the refinery production of gasoline in 1926 amounted to about 299,000,000 barrels, in 1927 it had increased to 330,000,000 barrels, and in 1928 to 377,000,000 barrels, in spite of the increase in the derivation of the refined product of crude petroleum in the different sections of the United States. The oil entering this country is rapidly increasing the competition in the fuel market—but the low-grade oils are yielding a very slight percentage of refined products through the ordinary processes of distillation.

In 1926, the total importations—and this is rather surprising—of crude oil amounted to 60,000,000 barrels, of which 16,000,000 barrels came from the territory of South America and the West Indies.

In 1927 the total imports declined from 60,000,000 to 58,000,000 barrels; but of these importations 29,000,000 barrels, or 50 per cent, came from the Caribbean and the South American countries.

According to the latest available statistics—and this question was asked of the Senator from Oklahoma [Mr. THOMAS] when he was speaking, as to the amount of petroleum imported from Venezuela—the figures that I have showing the competition are that in the year 1928 the importations amounted approximately to 106,000,000 barrels, and in 1929 to about 135,000,000 barrels. Month by month there is a marked advance in this competition and in this production.

The natural result of all this sudden influx of cheaply produced oil is a very sensational decline in price. The average price for fuel oil reported in the market statistics, because it is an average of many grades of oils in many localities coming in from Venezuela and the West Indies, shows substantially this state of facts: The price is as low as 78 cents a barrel, and one railroad is reported to have contracted for oil as motor fuel at the astonishing figure of 60 cents a barrel for the period of one year. If this price is converted into an equivalent coal price at the rate of four barrels of oil to a ton of coal—and I understand that that is as accurate a computation in a comparative sense as can be made—then we have the resultant price for this equivalent of $2.40 a delivered ton as compared to the price of a ton of coal in the United States. The freight charges on coal from the Birmingham district of Alabama to Mobile or to Pensacola are now $1.80 a ton. The lowest rate from central Pennsylvania to the New York terminal and to South Amboy is $2.44 a ton. The lowest rate from any of the bituminous-coal fields of either Kentucky, West Virginia, Virginia, or Tennessee is $2 a ton.

These transportation charges are either equivalent to the delivered cost of fuel oil quoted above, or at least are so near it as to leave an utterly inadequate return for the operators shipping the coal.

It has already been pointed out that the imported oil under consideration yields a very small return in refined products as a result of its distillation in the United States. The amount of gasoline available for consumers in the United States from

this imported oil from Venezuela, Colombia, and the Dutch Indies is relatively slight, as has been so clearly stated by those who have preceded me in the presentation of this matter.

Since the war the bituminous mining industry has faced a number of most serious problems. The artificial stimulus of war demand brought into existence a large amount of mining capacity for which normal peace-time demands furnished an inadequate outlet.

At the same time that improved methods of mining have increased the capacity of existing mines, the competition of fuel oil and hydrogenerated electricity has affected the market for bituminous coal. While it is not true that there has been an actual decline in that market, it is noteworthy that the annual rate of increase in bituminous-coal consumption, which for many decades was as rapid as, or even more rapid than the rate of expansion of our industries, has dwindled to the point where 10 years' experience shows little increase in consumption. During the year 1928 the amount of electric current generated by water power would have required 30,500,000 tons of coal if that fuel had been used in the power plants. Similarly the 454,000,000 barrels of oil consumed as fuel in the country in 1928 replaced 113,500,000 tons of coal. These two substitutes together deprived bituminous coal of a market for 144,000,000 tons of coal.

Still another factor contributed to the difficulties facing the industry. Even where bituminous coal continued to be used as industrial fuel, improved methods of preparation and combustion made possible so great economies as to greatly reduce the amount of coal needed for a given amount of work.

These facts I am setting forth because they show the absolute necessity to the coal industry, as well as to the oil industry, of reducing this competition in cheap imported oil. This cheap imported oil is taking away the coal markets of the United States in all of the Atlantic seaboard cities, and I desire to insist that the taking away of those markets from the importers of oil, and the reducing of the fuel value and utility of bituminous coal, will in no sense increase the price of coal to the consumer as compared with the production of and the importation of oil as a domestic fuel.

The investment actively employed in bituminous mine operation is somewhere in the neighborhood of $3,000,000,000. The number of wage earners engaged in the industry is approximately 600,000.

The Senator from Oklahoma stated that there were in the neighborhood of 700,000 men engaged in the oil industry in the United States, and if we take 700,000 and add to that number 600,000, the number of men engaged in the production of coal, we have 1,300,000 men depending for their livelihood upon employment in the oil and the coal industries of this country.

If these industries can not be continued—and I can say that I know the coal industry can not, unless it very soon has a steady and compensatory market—if the coal and the oil industry can not be continued because there is not a substantial price paid for the product, then we are facing an increase of nonemployment which will total more than a million sturdy and deserving men and their families, in all, 5,000,000 people.

There are besides many thousands of salaried men about the mines and in the general offices of the companies, the number recorded in the Census of Mines and Quarries of 1919 being 33,573. The earnings of all the men in the industry furnish sustenance to more than 3,000,000 people. The loss entailed in the first instance upon the industry through any curtailment of operation made necessary by the encroachments of foreign oil is spread widely throughout the industrial life of the country through its effect upon not only the purchases of supplies and materials for mine operation but the expenditures of over 600,000 people in the industry for needed articles of consumption.

Another channel through which this loss is widely distributed is through the effect of the limitation of mine operation upon the traffic and earnings of the railroads which lose coal tonnage which they would otherwise enjoy if they had a market which is now supplied by these cheap oils imported from South America and the West Indies and other foreign countries.

In conclusion, permit me to add that the coal-mining industry desires to have it understood that its continuance is of prime importance from the point of view either of its magnitude or the indispensable character of the industry itself. Anything that affects it adversely has reactions that are felt throughout the entire industrial life of the Nation. Its prosperity is essential to the prosperity and happiness of millions of people dependent upon it, directly and indirectly.

In a word, this is the situation: The States producing oil in the great volume to which I have referred, and the States which are producing coal in the tonnage which has been estimated and mentioned, are communities which, if they do not sell and dispose of their natural mineral products, if they can not send them out to a market which absorbs them, then they can not in exchange bring anything in to take their places, and they can not have prosperity within the confines of their borders. Therefore the necessity of having a tariff on this foreign oil, which will not only redound to the benefit of the coal industry but also will increase the value and encourage the conservation of the investments in oil throughout the United States.

Therefore, Mr. President, without continuing this discussion further, I submit that the amendment of the Senator from Oklahoma should be agreed to and adopted.

Mr. CAPPER. Mr. President, speaking as a protectionist who believes in protecting and developing American industry, I do not see how anyone who believes in the policy of protection can oppose the proposed tariff on petroleum and petroleum products.

Speaking as a representative of Kansas, this question of a tariff on oil is of vital importance. In the last decade, when farm prices were so low as to threaten the bankruptcy of agriculture as an industry, the oil business in Kansas proved the financial salvation of the State. Oil has become our second largest industry, ranking next to agriculture.

Kansas is the fourth State in oil production, last year's production amounting to 42,875,000 barrels. Production now is about 112,000 barrels a day notwithstanding curtailed production. Many wells have been shut down on account of the present low price. Drilling additional wells in proven fields has been stopped on account of present conditions resulting from imports from Venezuela. Only such wells are being drilled as are necessary to retain a lease.

Now, the oil industry is facing a crisis, not only in Kansas but throughout the Southwest. It is of vital importance—in fact, it is almost a vital necessity—that oil be given protection.

Here we have an American industry facing serious distress from importations of cheaply produced oil, crude and refined, from Central and South America. The importations are increasing. The price paid the independent oil producers of America has been driven below the cost of production by these importations. The oil business in this country employs hundreds of thousands of men. This is not a time to continue a policy that, in face of developments in the oil industry in the last few months, will throw these men out of employment and into competition with workmen in other industries already oversupplied with applicants for jobs.

Mr. President, we are faced with a peculiar situation here. Four or five big oil companies, including the Standard Oil Co. and the Dutch Shell, are importing crude oil, fuel oil, and refined products into this country. Their importations come to the Atlantic and Gulf ports and are sold largely along the Atlantic coast.

Petroleum from Venezuela, I am informed, can be delivered at our Atlantic ports at a cost of 75 cents a barrel. The transportation cost alone from the mid-continent field to these points average 76 cents a barrel.

Now, Mr. President, if this importation of cheaply produced foreign oil benefited the consumer, the purchaser of gasoline, I would hesitate about supporting a tariff on petroleum, although, as I said before, the industry is entitled to tariff protection according to the theory of protection.

But, Mr. President, these growing importations from foreign shores—importations of oil that is produced by cheap labor, that pays no tax charges—do not help the consumer a bit. Gasoline retails at a slightly higher price in Atlantic coast territory than it does in Chicago, Kansas City, Minneapolis, and so forth, where the consumer must depend upon the gasoline made from petroleum produced by American workmen paid American wages. I am making this statement on the authority of the president of the Independent Producers' Association.

Gasoline prices, I am informed, are not 1 cent a gallon lower since this cheap oil came in and ruined the prosperity of the American oil producers than they were before.

Mr. President, there are two other points to which I wish to refer briefly.

First, the oil industry in this country is heavily taxed by State and local governments. It pays as high wages as any industry in this country. It pays protection on practically every piece of machinery used in producing and refining oil. Under free trade it must compete with oil which pays no taxes, which is produced by cheap labor, but which is not sold to the consumer for any lower price, but in fact for higher prices.

Free trade on petroleum and petroleum products does not work in the interest of the consumer, the purchaser of gasoline, but in the interest of four or five big oil companies.

Again, these four or five big companies own or are rapidly acquiring the oil reserves of Central and South America. If they are allowed to continue to throw this cheap oil into the United States our own independent oil industry will be ruined.

Then these big companies will acquire the oil reserves of the United States for a small percentage of true value; we will have no competition at all.

When competition is removed, Mr. President, the consumer will have to pay whatever prices these big companies elect to charge. The consumers' interests demand competition, and to keep that it seems to me we should allow this proposed tariff on petroleum and its products.

Mr. COPELAND. Mr. President, from the beginning of civilization the effort has been to make two blades of grass grow where one grew before. I have no doubt at all that with the progress of science there will come a way to make every barrel of oil more useful even than are two barrels of oil at the present time. Yet with all the advancement of science we have not made marvelous progress in this particular field.

The question of the conservation of the oil of the country continues to be a great national question. It has to do with the national defense and with the very welfare of our people. The importance of fuel oil, particularly motor oil, we can not disregard.

At the beginning of the World War and before we entered it, naturally every effort was made by the administration to make sure that we as a people were prepared for every eventuality. It was a matter of great concern to the Navy that there should be an abundance of fuel. With this thought in mind the then Secretary of the Navy, as early as 1915, made a visit to Mr. Thomas A. Edison to talk with him about any practical thoughts he might have regarding national defense.

As a result of that visit, and very shortly afterwards, Mr. Daniels, Secretary of the Navy, called into existence a naval consulting board. He invited Mr. Edison to be the chairman of that board. The Secretary selected also Dr. M. R. Hutchison to serve as a member and various engineering societies of the country were asked to suggest members to serve upon the board. I find that the American Chemical Society, because of the technical chemical knowledge possessed by that organization and its members, was asked to appoint two members.

A letter ballot was taken at the council of the American Chemical Society, and as a result Dr. L. H. Baekeland and Dr. W. R. Whitney were selected to represent the American Chemical Society. Then the American Institute of Electrical Engineers was called upon and a large group of representative members, consisting of its past presidents, members of the board of directors and chairmen of various branch organizations located in the principal cities of the country, after consultation selected Frank J. Sprague and B. G. Lamme, distinguished electrical engineers. The American Mathematical Society contributed two members—R. S. Woodward and Arthur G. Webster. The American Society of Civil Engineers naturally was called upon to add to the membership of the committee, and that organization selected A. M. Hunt and Alfred Craven. The American Aeronautical Society canvassed the entire membership of the society and M. B. Sellers and Hudson Maxim, both well known in the scientific world, were chosen to represent that organization.

The Inventors' Guild selected Thomas Robins and Peter Cooper Hewitt, who were added to the committee. The American Society of Automotive Engineers selected Howard E. Coffin and Andrew L. Riker. The American Institute of Mining Engineers chose William L. Saunders and Benjamin B. Thayer. The American Electro-Chemical Society, through its board of directors, selected Lawrence Addicks and Prof. Joseph W. Richards. The American Society of Chemical Engineers selected W. L. R. Emmet and Spencer Miller. The American Society of Aeronautic Engineers contributed Elmer A. Sperry and Henry A. Wise Wood. The War Committee of Technical Societies gave D. W. Brunton.

I simply recite these names and the methods of their selection as an evidence of the care with which the great scientists and engineers of the country chose representatives to serve upon the naval consulting board.

Among other things presented to the board for consideration was the question of the oil supply of continental North America. I have been very much interested to hear the results of the scientific guesswork which has been indulged in to determine the amount of undeveloped oil in continental North America. In private life the profession to which I belong indulges in scientific guesswork. With a patient having some pain and obscure symptoms, it is not always possible for the doctors to determine exactly what is wrong, but in a reasonable number of cases they do determine very accurately. Unfortunately their determinations are found to be accurate in many instances by the postmortems which take place.

This committee of the most eminent scientists of America met together several times and finally held a joint meeting with the regular consulting board of the Navy, the exact name of which is the naval fuel oil board. The latter consisted of a number of outstanding admirals of the Navy.

On August 14 and 15, 1916, there was a joint meeting of the naval fuel oil board and the fuel oil committee of the naval consulting board, composed of the gentlemen whose names I have just recited.

I realize that much water has gone over the dam since 1916 and perhaps there is more oil also in the world than they concluded existed; but here is the statement which I wish to put in the RECORD. These men, after a study of all the problems involved, with the probability that war would be upon us very shortly, considering that the supply of oil which we had received in the past from Mexico and elsewhere might be shut off, acting in a spirit of patriotism, with unquestioned love of country, great scientists with reputations to maintain, made certain determinations, and, among others, one which I shall recite.

May I say that my own knowledge of the matter came during the debate on the resolution which we had in the Senate regarding Mr. Denby's membership in the Cabinet, a debate which occupied our attention in January, 1924. At that time I was assigned to look up certain material, which I did, and the material which I am reading now to the Senate is the material which I found and presented the last of January, 1924.

Here was this meeting of these eminent scientists, these great engineers, these great inventors, these admirals of the Navy, everybody in our Government and in our country holding particular knowledge of oil reserves and oil supplies. They reached certain conclusions. They unanimously agreed upon certain definite things. I find on page 61 of the report of the naval consulting board of the United States, a Government publication compiled by Capt. Lloyd N. Scott, of the naval consulting board and war committee of technical societies, published by the Government in 1920, the conclusions of the committee. The third conclusion is as follows:

> The best estimate at hand, that of the United States Geological survey, respecting the probable remaining supply of petroleum underground within the United States is 7,629,000,000 barrels. The marketed production of petroleum within the United States in the year 1915 was 281,104,104 barrels. A simple calculation will show that should the consumption of oil remain fixed, the estimated available supply will last only 28 years. While forests cut down can be reproduced in time, petroleum taken from the ground and consumed is forever gone.

That was the conclusion of this board of eminent scientists. I am well aware that there have been other scientific guesses, but when we go into the realm of guesswork we want to know who it is that is doing the guessing. I have told you, Mr. President, of the personnel of this committee, representing the advanced thought of our country 15 years ago, a committee presided over by Mr. Thomas A. Edison, then in his prime and still active. They reached the conclusion that at the rate of consumption then prevailing in 28 years our available supply of oil would be gone.

Mr. SHEPPARD. Mr. President——

The PRESIDING OFFICER (Mr. GOLDSBOROUGH in the chair). Does the Senator from New York yield to the Senator from Texas?

Mr. COPELAND. Certainly.

Mr. SHEPPARD. Since that time Dr. David White, of the Geological Survey, has made a very thorough investigation. His conclusion is that the petroleum reserves of the world now amount to about 63,000,000,000 barrels. That does not take into account the oil that can be made from oil shale and from coal. I desire to say to the Senator that a conservative estimate now is that we have in sight reserves of oil from sands, shale, and coal which will be available for several hundred years.

Mr. COPELAND. I am well aware, as I said in the beginning, that from the beginning of civilization it has been the effort of man to make two blades of grass grow where one grew before. I know that with the advance of science, shale and various other oil-bearing rocks or products of the earth may be searched for oil and various cracking processes used which will increase the supply of oil.

Mr. SHEPPARD. Mr. President, will the Senator pardon an interruption?

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

Mr. COPELAND. Yes.

Mr. SHEPPARD. Oil was made from shale in Europe before the petroleum industry developed. It is now being produced from shale on a commercial basis in Scotland, and the surest evidence that it can be made economically from shale is the fact that it is profitably produced from shale in Scotland.

Mr. COPELAND. Of course, I catch the subtle meaning of the Senator, and doubtless the thrift of the Scotch would lead them to such research as to make it possible to make out of a pound of shale a barrel of oil.

Mr. President, I do not care whether the available amount of petroleum is 7,000,000,000 barrels or 12,000,000,000 barrels or 20,000,000,000 barrels. In the very nature of things the supply of oil is limited. It behooves our country to see to it that there is practised a degree of conservation which will guarantee, for this generation, at least, and perhaps for two or three generations to come, the fuel necessary to operate the great machines which are so necessary to our welfare. As time goes on, invention will progress to the point that machinery will be operated much more economically than now. When our friend from Nebraska [Mr. NORRIS] succeeds in corralling the waters of all the streams in America we shall have "white coal" to supply the power to operate our machines. But common sense, Mr. President, dictates that we shall make our oil supply go as far as possible.

I myself have been resentful of the exportation from this country of the vast quantity of oil which is annually shipped to foreign lands. I do not know what others may have said along that line, but it is very interesting to find what the exportations of crude and refined petroleum have been during the past two or three years. In 1927 the exports amounted to 131,000,000 barrels, in round numbers; in 1928 to 145,000,000 barrels; in 1929 to 153,000,000 barrels.

Why are we so disturbed about importations of oil? In 1927 we imported 71,000,000 barrels; in 1928, 91,000,000 barrels; in 1929, 108,000,000 barrels. We import each year just about two-thirds as much as we export. I complain not of the imports but of the exportation of oil from our fields for use in other countries, while they, in their wisdom, are conserving their own oil.

Mr. President, one of the important things for us to do is to find some way of preventing the exportation of oil from this country in order that it may be saved for future generations of American citizens. I believe in conservation of our oil supply, because to me it seems to be a national necessity.

I am opposed to a tax which will prevent us from bringing into our country 100,000,000 or 200,000,000 barrels of oil in order that that quantity may be saved of our own supply. If I knew any way in the world to accomplish the purpose and had the power to do it, I would prevent the exportation of oil from our country.

Of course, I realize this is a very selfish attitude; I want to get all the oil I can from the other countries and I want to prevent them just as much as I can getting our oil; but I am speaking now, I think, as an American citizen. We must first take care of our own, and even though the attitude may be accounted a selfish one, nevertheless it is one which we must consider.

In the next place, I have learned that the potentialities of possible imports are such as to keep down the price of oil. Senators, perhaps, have heard me say something about brick. While wo do not import large quantities of brick, yet there is all the time the potentiality. When the market is here and brickmakers can get the price, bricks are coming in from Belgium and Germany and elsewhere.

Our brickmakers have had to cut the price of brick, sometimes even below cost, in order to keep foreign brick from coming in. There can be no question that the threat of the possibility of foreign oil coming into America has much to do with keeping the price low, and, of course, the price has steadily declined.

I have heard my father many times brag about the fact that his family had the first coal-oil lamp in America. I asked him what price he paid for the oil that was burned in it, and found the price was 75 cents a quart. By the improvements in the refining of oil it has become cheaper and safer. If we were to levy a tariff so high as utterly to exclude the possibility of bringing in oil from abroad, there is no doubt in my mind that the price of gasoline and kerosene would materially increase.

I do not see how a member of the farm bloc, seeking to keep down the prices that the farmer has to pay for everything he buys, as well as at the same time seeking to put up the price of everything he sells, can vote for a tariff upon oil. As I see it, such a tariff is sure to increase the cost of gasoline used by the owner of every Ford truck in America, as well as of every Rolls-Royce car which is used by the well-to-do.

So, Mr. President, because I want to spare our oil supply and conserve it for posterity, and because I am unwilling to have the price of gasoline and kerosene and crude oil increased, I am in opposition to this amendment.

There is no occasion, I think, to say more; but I am disturbed about these various guesses regarding the available supply of oil. If I were to set up one expert against another or one group against another, I would say that the great group of patriots who served without pay during the menace of war and who studied the question with great care and reached certain conclusions must be accepted. We have available for the use of our country only enough oil to last 25 or 30 years, unless, by invention, ways can be found of increasing materially the availability of the existing oil.

Mr. SHEPPARD. Mr. President, I want to say to the Senator from New York, before he sits down, that if we shall levy the tariff rate now proposed on oil and preserve the independents, their competition, actual and potential, will keep the price of gasoline within reason; but if we shall not impose this tariff rate and shall leave the oil monopoly in control, the price of gasoline will ascend enormously, as it has ascended in all the other countries where the oil trusts prevail and where the independents have been destroyed or do not exist. That is the reason for the tariff now requested.

Mr. COPELAND. I may say to my friend from Texas that we are now importing 100,000,000 barrels of oil, and the tariff he favors would eliminate that oil and put that much additional drain upon the oil wells of America and in that way deplete them all the faster. The price is sure to advance.

Mr. SHEPPARD. I differ from the last statement of the Senator and I shall endeavor to justify my position in a few moments.

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

The PRESIDING OFFICER. The absence of a quorum being suggested, the clerk will call the roll.

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

Allen	Fess	Keyes	Simmons
Ashurst	Fletcher	La Follette	Smith
Baird	Frazier	McKellar	Smoot
Barkley	George	McMaster	Steck
Bingham	Glass	McNary	Steiwer
Black	Glenn	Metcalf	Stephens
Blaine	Goff	Moses	Sullivan
Blease	Goldsborough	Norbeck	Swanson
Borah	Gould	Norris	Thomas, Idaho
Bratton	Greene	Nye	Thomas, Okla.
Brock	Grundy	Oddie	Townsend
Brookhart	Hale	Overman	Trammell
Broussard	Harris	Patterson	Tydings
Capper	Harrison	Phipps	Vandenberg
Caraway	Hastings	Pine	Wagner
Connally	Hatfield	Pittman	Walcott
Copeland	Hawes	Ransdell	Walsh, Mass.
Couzens	Hayden	Robinson, Ind.	Walsh, Mont.
Cutting	Heflin	Robsion, Ky.	Waterman
Dale	Johnson	Schall	Watson
Deneen	Jones	Sheppard	Wheeler
Dill	Kean	Shortridge	

Mr. SCHALL. My colleague [Mr. SHIPSTEAD] is unavoidably absent. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present. The question is on the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. SHEPPARD obtained the floor.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Nevada?

Mr. SHEPPARD. I yield.

Mr. PITTMAN. I have two amendments that I desire to propose to the amendment of the Senator from Oklahoma. I will consult the wishes of the Senator from Texas as to whether he desires them offered in advance of his speech or afterwards.

Mr. SHEPPARD. It is entirely agreeable to me to have the Senator offer them at this time.

Mr. PITTMAN. I thought possibly they would be in the Senator's mind then, and he might at some time advert to them.

I have two amendments which I intend to offer. I now offer the amendment which I send to the desk first, and ask to have it read.

The VICE PRESIDENT. The amendment to the amendment will be read.

The LEGISLATIVE CLERK. The Senator from Nevada offers the following amendment to the amendment of the Senator from Oklahoma:

(c) This paragraph shall become null and void on January 1, 1934, and no duties thereunder shall be charged or collected when and during the period standard 36-gravity crude petroleum in the States of Texas or Oklahoma commands a market price in excess of $1.75 a barrel at place of production.

Mr. PITTMAN. That is the amendment I offer; but I ask to have stated at this time a second amendment which I intend to offer.

The VICE PRESIDENT. The clerk will read, for the information of the Senate, the second amendment to the amendment of the Senator from Oklahoma.

The LEGISLATIVE CLERK. It is proposed to add the following proviso:

Provided, That section (b) of this paragraph shall become inoperative, and no duties shall be charged or collected thereunder, when and during any period that standard unmixed gasoline shall sell at retail in New York City, New York State, in excess of 18 cents a gallon, exclusive of any gasoline tax collected from the purchaser.

Mr. SHEPPARD. Mr. President, answering further the concluding statement of the Senator from New York [Mr. COPELAND], I desire to say that the surest way to deplete the oil reserves in the United States—that is, the oil in the existing wells—is to compel them to close down by continued cheap importations. If an oil well is closed down, it is destroyed by the inrush of water. The most practicable way to conserve oil in existing wells is to enable the wells to keep producing to a reasonable extent.

The petroleum industry in the United States is excelled in extent by but two others—agriculture and railways. We have an oil-fueled Navy, a 62 per cent oil-burning merchant marine, and 25,000,000 automobiles propelled by gasoline.

In this industry $11,000,000,000 are invested, and 1,250,000 workers are employed. It has tankage facilities for the storage of 800,000,000 barrels of crude oil and refined products. It has 330 refineries, which can make from 3,000,000 to 4,000,000 barrels of crude oil into these refined products every day. These products include aviation and automobile gasoline. They include fuel oil, which has placed sea transport on a new and more efficient basis, which has made railway operation possible in areas where no other fuel is available, and which has cheapened the cost of operating stationary engines everywhere. They include lubricating oils and greases of great number and value, medicinal oils, paraffin wax, asphalt for surfacing roads and for roofing.

About 9,000 persons, firms, and corporations are engaged in the production of oil in the United States.

Three or four mammoth concerns, with their subsidiaries and affiliations, produce probably a third of the crude oil in this country, and, through ownership of most of the oil transport and refining facilities, hold the thousands of smaller operators who produce the rest at their mercy. The smaller operator takes most of the risk in finding new supplies of this vital necessity of our modern civilization. Time after time he goes into regions where agriculture has been reduced, by conditions over which it has no control, to the lowest ebb, and, through the rentals he has paid for land on which to make an uncertain and hazardous experiment, representing frequently his last dollar, his last margin of credit, revives business and ushers in a new and more prosperous day. He may become bankrupt, but the benefit of his entry into that region remains. If he wins, the whole area wins with him, and larger cities, better schools, churches, roads, larger revenues for local and State governments follow. To show the perils surrounding him, let it be said that half of the oil ventures in untried sections fail; and yet every year about 30,000 new wells are drilled. Every year the producer must go to greater depths, and the cost increases in a greater ratio than does depth.

Fifteen years ago a well 2,500 feet deep could be drilled for $20,000 or $25,000. Now, a well 4,500 feet deep costs $65,000 to $75,000. A well nearly 6,000 feet deep was recently drilled in Logan County, Okla., and the cost was $190,000. We hear much of wells brought in that produce thousands of barrels in a day; but the average daily production of the 330,000 producing wells in the United States is between 7 and 8 barrels a day. Of these, 250,000 are producing an average of about 1 barrel per day.

While the thousands of smaller, independent producers are undergoing all these risks, the few big companies bide their time. These companies know that under existing conditions, if oil is found, the courageous pioneer discoverers, the crusaders of the oil age, must sell to them and at practically their own price.

In 1926 they paid the crude-oil producers $2.04 per barrel; in 1929, $1.20. At the same time they charged the American people more for gasoline in 1929 than in 1926. Thus, they lay the lash of economic domination on both the consumer and the small producer. The result is that they are driving the independent oil operators out of existence, or reducing them to penury. Already they have beaten down the price of crude oil to a point below the cost of production without giving the consumer any reduction in the price of gasoline. Thousands of independents are facing disaster, and thousands of unemployed in the oil-producing regions are facing hunger and want. The entire economic and social structure of vast areas of our country now largely dependent on oil production is on the edge of collapse. The loss of a tremendous buying power in the markets of the Nation, caused by the conditions in these areas, will drag the entire country downward.

The strongest weapon of the few big companies against the independent operator in this country has been secured through the acquisition of oil lands and the establishment of both drilling and refining machinery in foreign countries, notably Venezuela. In these foreign countries cost of production is so low that decent Americans, accustomed to American wages and living standards, can not compete with them. At the present time there is no tariff rate on either oil or gasoline. This condition enables these big oil companies to bring in either crude oil or gasoline at will, and thus to complete the subjugation of the independent operator in the United States. The American independent producer is the last barrier between the oil monopolists and the subjection of the world. His is the last stand of individualism against monopoly in one of the basic earth-wide industries. If the independent oil producer goes down, it will mean encouragement to combinations and chain systems in every other line of business and industrial organization. If he is given a chance to live, it will hearten the smaller groups in all other phases of American industry, who are also battling for economic life against the financial Tamerlanes and Attilas of modern times.

The small producer of petroleum is appealing to Congress for a tariff rate on oil and gasoline which will equal the difference in cost of production between the foreign and the home-made article. The Democratic national platform of 1928 specifically commends a tariff of this nature.

It costs about $1.75 a barrel to produce crude oil on a reasonable basis in this country, while the big companies can take it out of their foreign wells and lay it down in New York for 75 cents a barrel. This leads the home producers to ask for a tariff of $1 a barrel on crude oil.

It costs about 6 cents a gallon to produce gasoline in the United States, while the big companies can make it in their foreign refineries and bring it here for about 3 cents. This causes the home producers to ask for a tariff of 50 per cent ad valorem, based on American valuation.

These tariff rates will enable the independent home producer to remain in existence. As long as he is in existence he is a check on the would-be monopolies in the matter of prices for gasoline and other refined petroleum products. While he does not make these products on an extensive scale as yet, the fact that it is easily possible for him to do so with an assured and stabilized price basis for the raw article which the desired tariff affords will serve as a salutary and effective restraint on prices asked by the big concerns.

The best interests of the American people require the preservation of the independent oil pioneer and producer. It will not do to surrender the oil industry of the United States to combination and monopoly. Observe what has happened to the price of gasoline in countries where the world oil monopoly is in complete control. While gasoline is selling in the United States, where independents are still in operation, at 18 cents less tax to consumer, it is selling at the following prices in countries where the independents are virtually nonexistent: London, England, 34.5 cents per gallon; Paris, France, 34.3 cents per gallon; Munich, Germany, 28.9 cents per gallon; Genoa, Italy, 40.7 cents; Vera Cruz, Mexico, 31.8 cents; Caracas, Venezuela, 32.8 cents; Bogota, Colombia, 61.7 cents.

It is reasonable to assume that the same experience will be had with the other refined products of raw petroleum.

On the question of the sufficiency and permanency of the supply of petroleum in this country, let it be said that the pessimistic reports of a few years ago have been contradicted by further studies. It is now known that there are sufficient reserves in oil-bearing sands and in workable substitutes to supply the world for hundreds of years. It is true that from the discovery of oil in the United States in 1857 until 1927 the United States produced over 10,000,000,000 barrels of crude oil, over 65 per cent of the total amount produced in the world for that time, and that our domestic output now exceeds 900,000,000 barrels per year, or about 70 per cent of annual production of the earth.

In 1919 Eugene Stebinger, of the United States Geological Survey, estimated the oil reserves of the world to contain 43,000,000,000 barrels, and Dr. David White, also of the United States Geological Survey, has since added 20,000,000,000 barrels to that estimate. Every time the scientists make an estimate as to the possible amounts of oil reserves in the world they seem to increase the estimate.

Oil was distilled from oil shale in Europe for commercial use before the petroleum industry developed. It is made to-day mainly in Scotland from shale on a commercial, profit-making basis. The United States Federal Conservation Board figures that 92,000,000,000 barrels of crude oil may be produced from oil shale in the United States, and 104,000,000,000 barrels from bituminous and lignite coal in the United States.

It is the estimate of the Bureau of Mines of the State of Colorado that in one shale deposit in that State there are 60,000,000,000 barrels of recoverable oil.

Remembering that oil shale and coal are widely distributed throughout the world, the figures already given must be substantially enlarged when the possible world output of oil from these sources is considered.

Remembering further that existing fields may be doubled or more than doubled in production by new methods of extraction and deeper drilling—that further fields may be developed in many regions hitherto unknown and unsuspected—it will be seen how difficult it is to assess any limit on possible production.

The surplus of consumption over production and importations of crude oil last year was about equaled by these importations which come from the foreign holdings and plants of the few big, dominating companies. Of what avail will be the efforts of independents to restrain production, efforts which they are making in good faith and at such expense to-day, if these efforts are to be neutralized by a flood of oil produced by cheap and underpaid foreign labor? The proposed tariff will help the cause of conservation by assuring a fair market for systematized production. Oil from existing wells must be produced or sold to some extent, because entire closure means destruction by an unavoidable inrush of water. The proposed tariffs will prevent unreasonable price exaction for finished products by virtue of the actual and potential competition of which the independents will always be capable if permitted to exist.

Mr. President, the fundamental issue in this case is far more than an ordinary tariff issue. It is the issue between combination and monopoly on the one side and the smaller, independent units on the other. It is an issue that is developing in almost every branch of American industry and business, an issue between freedom of opportunity for the masses and the economic imperialism and tyranny of the few. When the few shall be able to say what the many shall be paid, by what methods they shall live, and on what substance they shall exist, American liberty will have passed away forever.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Nevada [Mr. PITTMAN] to the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. PITTMAN. Mr. President, I wish to have the amendment read again.

The VICE PRESIDENT. The amendment will be read.

The READING CLERK. It is proposed to add at the end of the amendment the following subparagraph:

(c) This paragraph shall become null and void on January 1, 1934, and no duties thereunder shall be charged or collected when and during the period standard 36 gravity crude petroleum in the States of Texas of Oklahoma commands a market price in excess of $1.75 a barrel at place of production.

Mr. PINE rose.

Mr. PITTMAN. Does the Senator from Oklahoma prefer that we should discuss this amendment later?

Mr. PINE. Yes; I should prefer that.

Mr. PITTMAN. Very well.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 875. An act authorizing C. N. Jenks, F. J. Stransky, L. H. Miles, John Grandy, and Bruce Machen, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Savanna, Ill.;

S. 3197. An act granting the consent of Congress to the Morgan's Louisiana & Texas Railroad & Steamship Co., a corporation, its successor and assigns, to construct, maintain, and operate a railroad bridge across the Intracoastal Canal;

S. 3297. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River approximately midway between the cities of Owensboro, Ky., and Rockport, Ind.; and

S. 3405. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Decatur, Nebr.

REVISION OF THE TARIFF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes.

Mr. SMOOT. I ask unanimous consent that when the Senate concludes its business to-day it take a recess until 11 o'clock to-morrow.

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

Mr. PINE. Mr. President, the independent domestic oil-producing industry is in a critical condition. On February 3, 250 members of the Independent Petroleum Association of America came to Washington to advise the Members of Congress of the actual conditions, and to urge that relief be given by the enactment of an adequate protective tariff. They have shown conclusively that the business is depressed and demoralized, and that the independent producers face extermination.

For two years they have tried to meet the situation by conservation, by the restriction of drilling, and by curtailing the production taken from the wells, but as they reduced their production they found that the great importers increased their importations of cheap foreign oils, and used them to flood the domestic market. They are here demanding that protection which this Government gives to all others similarly situated. They demand, and they have a right to demand, the American market for their American oil. They produce their oil under the American flag and under the American standard of living, which makes it cost more, and for that reason, and for many other reasons, they have the first claim on the American market, the best market in the world. They buy on a protected market, and to deny them protection on their product is to destroy them. For the owners of the Nation's oil production; for the 600,000 laboring men who get their living by working in that industry; for the million landowners, farmers who receive millions annually in rentals and royalties; for the million merchants and business men who depend on this industry for their business, I demand that same measure of protection given by this Government to all other great industries.

The chief beneficiary in this unfair and unequal competition is a great foreign company, in which a great foreign government is interested. The oil is produced on foreign soil, with cheap foreign labor and cheap foreign material and equipment, and it is brought to our shores in ships sailing under a foreign flag. This Government can not deny protection to a great domestic industry when it faces immediate destruction by such competition.

CONSERVATION

The Nation has been flooded from coast to coast with oil-conservation propaganda. Through the newspapers and the magazines and over the radio and from the lecture platform has come the misinformation that we are rapidly approaching the end of our petroleum resources. Much of what many Senators know and think about the oil business is what some one wants them to know and think. I know of one organization that sends out bulletins containing information, and concealed misinformation, to 5,000 newspapers each week.

The conservation now urged is not true conservation. If the father of conservation were here, he would be unable to recognize his own child. In the days of Theodore Roosevelt conservation meant the development and the use of the natural resources by the people without waste and without monopoly. That was and is the correct application of the policy, and has been so declared in the Republican and Democratic platforms again and again. No honest conservationist ever intended that it should be so administered as to destroy any industry. No party or candidate ever proclaimed that it meant the withholding of American products and the delivery of the American market into the hands of the foreign producers.

The conservation of Theodore Roosevelt prevents monopoly. The conservation of all the Republican platforms and of all the Democratic platforms prevents monopoly, but the conservation of the propaganda of 1929 and 1930 promotes and makes certain the complete monopolization of the Nation's petroleum resources. The conservation of the propagandists is a misuse, an intentional misapplication of the term for the purpose of misleading, deceiving, and defrauding the public. As applied by them to the oil industry, it means the withholding of the American oil supply from the American market and the supplying of that market with foreign oil. That is not conservation; it is hoarding; it is reservation; it is centralization; it is monopoly.

Let us see what is involved in this transaction. Let us examine it to see how it fits into President Hoover's program for

prosperity. When we reserve the American oil supply and get our requirements from foreign fields, then we transfer this great oil-producing industry to foreign soil and take employment from 600,000 loyal Americans. When they work they buy at high prices clothing made in America, thereby adding to the prosperity of the textile and clothing industries; they buy food produced here, thereby affording a market for the products of the farms. They buy their shoes, their lumber, their radios, their automobiles, and all their requirements from American producers at American prices. Do Senators realize that one-eighth of all the Nation's steel production is taken by the oil industry? Transfer this business to foreign fields—and remember it is now being transferred—and those engaged in producing that oil for the American market will buy their steel and other equipment, their food and clothing and all other requirements, amounting to billions annually, from foreign producers. That part which is bought from America will not be bought at American prices but at world prices, which are lower. It is proposed to transfer the Nation's second largest industry to foreign soil. If it is successful, it will affect adversely the interests of every industry and every laboring man in the Nation. It will benefit only a few internationalists who know no God, who bear allegiance to no country, and who worship at the shrine of the almighty dollar.

There is no reason whatever for giving special attention to the conservation of our oil supply. Our supply of oil is as certain as our supply of other natural resources. The Washington Post in an editorial on February 4 said:

> The United States is drawing on its oil resources at a reckless rate.

That is no more true of oil than it is of iron, zinc, copper, timber, soil fertility, and all other natural resources. The conversion and use of our natural resources is the one thing in which we excel, and it is the thing that makes this the greatest nation in the world. Twenty years ago conservationists were worrying about the early exhaustion of our coal supply. To-day when coal lands in some places are selling for the taxes we marvel at their ignorance and lack of understanding.

Recently an engineer who had made a study of the problem told me that a million tons of silt and soluble salts passed down the Mississippi River by the city of Memphis on an average every day in the year on their way to the Gulf of Mexico. Think of a million tons of silt and soluble salts each day going down the Mississippi River to the Gulf of Mexico—365,000,000 tons a year! This is the cream of the American soil, the Nation's future bread supply, and we are doing nothing about it. Our efforts greatly accelerate this waste. If this is true, then the streams of the Nation carry more plant food to the oceans than we utilize. Waste! Waste! Actual waste, and nothing is done!

In the United States Daily of February 19 one of our distinguished Senators is quoted as saying:

> There are many reasons for opposing such a tariff, but that of conservation is sufficient to end it all. If we can use the other fellow's oil and keep our own, that is enough.

This Senator also said that the question of national defense is involved in view of the general agreement of experts that the best naval vessels must be oil burners and that coal burners are handicapped. That is the thing China is doing. She buys her oil from America. The less use she makes of her natural resources and the more she buys from other countries the poorer and the more defenseless she will be. The more we develop and utilize our natural resources and the more we sell to other nations, the richer and the stronger we will be. It is now proposed to reverse the established policy that has made this the richest and strongest Nation in the world.

I was amazed at the argument made to-day by the Senator from New York [Mr. COPELAND]. He proposes to reverse the policy of this Government—that policy which has made this the strongest nation in the world. He proposes to conserve our natural resources and to utilize the natural resources of other countries.

Now, let us be fair. Let us be honest with each other. What will be the result if we encourage the importation of wheat because we want to conserve our soil fertility? To use the language and logic of the Senator, we would say, "If we can use the other fellow's soil fertility and keep our own, that is enough." We can also say that the national defense is involved, for there is no greater necessity than food. Then, too, we can say that when soil fertility is gone it is gone forever. This logic will apply with equal force to steel, zinc, lumber, lead, copper, and all of our natural resources. There is not a single reason for getting our oil supply from abroad that does not apply with equal force to steel and other commodities. Our known supply of oil is greater than our known supply of steel or copper or bread-producing material, if you please. The nonproducing and abandoned farms of one State far exceed the abandoned oil leases of all the States. The possible oversupply of domestic oil far exceeds the possible oversupply of domestic wheat. There is no reason whatever for thinking that we will exhaust our oil supply before we exhaust our other resources. The misinformation is chargeable entirely to the propaganda sent out by those desiring a monopoly.

One Senator complained that for some unaccountable reason the price of gasoline was higher in his State than in any other. His State probably produces more oil than it consumes, although it has undeveloped oil riches undreamed of by its inhabitants; yet in February of last year the American Automobile Association found that gasoline was higher in that State than in any other except Idaho. If the Senator will do a little investigating, he will probably find that there are fewer independents there than in any other oil-producing State. The monopoly is more nearly complete, and, of course, the price of gasoline is higher. When I was in that State last year I drove out to see a proven but not fully developed oil pool. No oil was being marketed. Monopoly was conserving that oil, and the consumers were paying the highest price for their gasoline. That is an excellent picture of the situation developed by this false conservation.

It is now proposed further to postpone the development of the known and the hundreds of undiscovered oil pools in that State, while the people there pay the highest prices for their gasoline. Thousands of people on the plains of Montana and Nebraska are inconvenienced to-day because of an inadequate fuel supply and because of high prices for their motor fuel, when just a few hundred feet below many of them in the earth is an adequate supply of the best fuel in the world. If I were searching for the greatest undiscovered oil field in the world, I do not know of a better place to begin than at McCook, Nebr.

I might say, Mr. President, that for many years in the State of Oklahoma the Indians suffered the inconvenience of an inadequate fuel supply; many suffered hardships, many died from exposure because they did not have sufficient fuel to keep them warm; but at the same time, 800 feet below them there was practically an inexhaustible supply of fuel.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. SMOOT in the chair). Does the Senator from Oklahoma yield to the Senator from Nebraska?

Mr. PINE. I yield.

Mr. NORRIS. I am very much interested in the place where the Senator is going to start his operations, for it is my home town. I will say to him that if he has any idea of commencing operations immediately, I will be glad to give him letters of introduction to the best people there, so that he may have no trouble in inaugurating the enterprise.

Mr. PINE. Mr. President, oil is now being discovered in places where it has heretofore been said that oil would never be found. I speak of McCook, Nebr., advisedly. The oil produced at Amarillo, Tex., is found on a buried mountain. The Black Hills in South Dakota are an uplift rising above the surface; at Amarillo the ridge lacks about 3,500 feet or more of reaching the surface. The very anticline from the Black Hills has been traced as far as Norton County, in Kansas, and on down toward Amarillo, Tex.

Mr. NORRIS. The Senator, I think, refers to Norton County, Kans.

Mr. PINE. Yes.

Mr. NORRIS. The Senator said Nebraska.

Mr. PINE. But it goes entirely across the western part of the State of Nebraska.

Mr. NORRIS. Norton County, however, is in the northern tier of counties in the State of Kansas.

Mr. PINE. Yes, sir, I know that; but the buried mountain ranges where the petroleum supply is found have been traced, one of them from southern Nebraska down through Eldorado, Kans., into Oklahoma; and it is quite likely that there are other buried mountain ranges parallel to that one and the one I have in mind, extending from the Black Hills in South Dakota to Amarillo, Tex., which pass through western Kansas and western Nebraska.

The point I want to make is that at this time there are people living over great deposits of oil and great deposits of gas who are paying very high prices for their fuel supply, and it is now proposed that the United States Government shall use its power so as to withhold that supply from the market and have our consumers supplied with oil from foreign countries. It is an absurd proposition and is based on the misunderstanding that we are approaching the end of our oil supply, when, in fact, we are just beginning to get some idea of the supply of petroleum that is actually in the country.

I have prepared some charts, to which I hope to refer before I shall have concluded. They may be seen on the rear wall of the Senate Chamber.

Let there be no mistake; the independent oil men stand for and advocate conservation, true conservation, honest conservation; that is, they stand for use without waste and without monopoly.

They are only opposed to fake conservation and to the misinformation that is put out for the purpose of aiding the monopoly of this great industry.

ADEQUATE SUPPLY

Mr. President, in the year 1929 the United States produced 1,005,598,000 barrels of oil. In 1900, only 30 years ago, the Nation produced a total of only 63,000,000 barrels. It required but five years to double that production, and in 1905, 134,000,000 barrels were produced. In eight years the production was doubled again, and in eight years more it was doubled again, and in eight years more it was doubled again, which brings us to 1929, when, for the first time in the Nation's history, a billion barrels were produced.

I wish Senators would get that picture. In 1900 we were producing 63,000,000 barrels of oil annually; in five years we doubled the Nation's production; in eight years we doubled it again; and in eight years more it was again doubled.

In 29 years the annual petroleum production of the United States was multiplied by 16. During all that time the so-called experts, official and unofficial, employed and unemployed, have been saying that the slump was just around the corner and that we would soon be out of oil.

Beginning away back in 1900, scientists began predicting the early exhaustion of our petroleum supply. I want to say to the Senate that in 1903 I saw my first oil well, and the oil-producing business looked to me like a good one. It appeared to me if a man could drill a hole in the ground, pump out the oil, and sell it for hard money, that was a good business. I was at Chanute, Kans., and I wanted to consult some one who knew something about it. So I got in touch with a man by the name of Harry Scott, who was superintendent of the Prairie Oil & Gas Co., the Standard Oil Co. in that section of the country. He told me that there never had been but one real oil field, and that was the Pennsylvania field; that there was some black oil in Ohio, and some black oil in California, and some in Texas, but that was not real oil; that, as I have said, there was only one oil field, there would probably never be another, and that one was found in the State of Pennsylvania. He said that the production in Kansas and Oklahoma would never amount to anything; and at that time he was the best-informed man in the oil business. We were then producing less than 100,000,000 barrels of oil annually.

From 1859 to 1929, inclusive, from the beginning to date, in a period of 71 years, the United States has produced a total of 12,248,000,000 barrels. The production is now over a billion barrels per year, with the production curve on the up grade. Almost every day of the year we produce 3,000,000 barrels of oil in the United States, and yet there is such little development in the Nation that 50 per cent or more of our people never saw an oil well. If the demand continues to increase, we will again double the output in eight years, and, in my opinion, it is possible to do it in three years, and this will give us a production of 2,000,000,000 barrels each year.

In 1913 the United States produced 248,000,000 barrels. In 1929 Oklahoma alone produced over 250,000,000 barrels, or more oil than the entire United States produced in so recent a year as 1913. Oklahoma produces a billion barrels of oil each four years; it is capable of producing a billion barrels each year if the demand called for such development. The same thing is true of Texas and California. It is highly probable that any one of the States of Oklahoma, Texas, and California can produce as much oil as the entire United States has produced to date. The oil resources of these States loom larger with each passing year. They are getting the exploration. Other States would leap forward correspondingly if corresponding development were done within their borders.

It is significant that the two greatest oil pools in the world are the last two to be discovered. I wish you would get that. The two greatest oil pools ever developed in all the world's history are the two last pools to be discovered. They are also the deepest, the oil being found at approximately 7,000 feet. The Kettlemen Hills field in California is about 8 miles long and a mile and one-half wide, and the geologists estimate that it will produce about $4,000,000,000 worth of oil.

When Secretary Wilbur was at Colorado Springs June 10, 1929, he said:

> Estimates vary, but those most expert in the field expect our present volume of production to last less than a decade.

He was recently in California, and found that this little patch of 7,500 acres alone contained enough oil to supply our present volume of production for at least one-fourth of his decade. One pool that he did not know anything about last June has been opened up and developed since that time, and contains one-fourth of the oil that he said the experts thought existed in the United States. The importance of this little dome will be apparent when we learn that during the 70 years we have been producing oil only four times this amount of oil has been produced by all the States in the Union. One little patch out there, 8 miles long and a mile and a half wide, covering less than 7,500 acres, contains a quantity of oil equal to one-fourth of all the oil that has been produced in the United States since the discovery of oil in 1859.

The other great oil pool is at Oklahoma City. No estimate has been made of the production, because the limits of the pool not yet have been found; but it is sufficiently developed so that it is known to be the greatest pool in Oklahoma, and one of the greatest in the world. The initial well is 7,180 feet deep, and cost $250,000. For 20 years, to my personal knowledge, the experts said that Oklahoma City was located where the red beds were the thickest; that it was near the bottom of the great red bed basin, and that no oil would be found. I suspect I have written a hundred letters myself, explaining just why no oil would be found in Oklahoma City. The best experts in the Nation a few years ago said that there would be no oil where this greatest oil pool in Oklahoma is now located. Under the present restriction program, when a well is completed in this pool it is shut in for 65 days. Then it is opened up, and only 25 per cent of its production is taken.

Since the words that I have read to you were put in type they have again cut the production from that pool, and at this time they are arranging to run only 12½ per cent of the potential production of the wells in that pool.

The Yates oil pool in Texas is the greatest shallow pool ever discovered. The three pools named will alone produce from five to seven billion barrels of oil—enough to supply the Nation at the present rate of consumption for from five to seven years. In addition we have the 330,000 other wells in 20 States that produced a billion barrels last year.

One well in Texas is producing from a depth of 8,525 feet and is producing over a million barrels each year. There are not 10 holes in the entire Nation that deep.

The largest well ever drilled in New Mexico and the first producing well ever drilled in South Dakota were completed this month.

On the north coast of Alaska, within the Arctic Circle, we have a petroleum reserve about the size of Indiana. Probably two-thirds of the Members of the Senate did not know that. On the south coast of Alaska there are known deposits; and just east of the boundary, at Fort Norman, on the McKenzie River, in British America, a large well was completed several years ago, but has been shut in because there is no market. Known oil deposits on the north coast and on the south coast and a proven reserve just over the east boundary, with great coal deposits in the interior, assure us of a great petroleum reserve in Alaska. It is quite probable that there is more oil in Alaska than this Nation has produced up to this time, more than 12,248,000,000 barrels.

Deeper drilling in the tested territory will double the present production, and not more than one-fifth of our potential territory has ever been tested.

I have here a map prepared by the technical committee of the Independent Petroleum Association of America. The yellow area indicates the territory covered by sedimentary rocks, which is the possible oil-producing territory. Not more than one-fifth of the possible producing territory in the United States has been tested to a depth of 2,000 feet. Not more than one-tenth of the possible oil-producing territory in the United States has been tested to a depth of 3,000 feet. Not more than 1 per cent of the possible oil-producing territory in the United States has been tested to a depth of 5,000 feet. Not more than one one-hundredth of 1 per cent of the possible oil-producing territory in the United States has been tested to a depth of 7,000 feet; and I just told you that there is a well in Texas producing from a depth of 8,525 feet, and it produced 1,000,000 barrels of oil last year.

The man who predicts the early exhaustion of our petroleum supply is either without information or has a wrong motive.

I wish I could give you the correct picture: The American oil producers shutting in their American wells that cost millions, withholding three-fourths of their oil from the American market, while the importers supply the market with cheap foreign oil on which they make enormous profits. The imports in 1927 were 71,736,000 barrels; in 1928 they were 91,557,000 barrels, an increase of 27 per cent; and in 1929 they were 108,619,000 bar-

rels. As the domestic producer restricted his production, the importer increased his importations. These producers are here demanding of the Congress the American market for their American oil.

There is no domestic overproduction, because the production is now geared to the demand. The margin of oversupply which is causing the depression and ruin is composed entirely of imported oil.

The development of geophysical equipment within the last five years eliminates much of the hazard from the industry and is of very great assistance in locating new pools. Hundreds of prospective pools have been located; and the oil companies carry under lease millions of acres of undeveloped lands, at enormous expense, in order to make certain the future supply.

By the old methods of production not more than 15 to 25 per cent of the oil in the sands was recovered; but in the last 10 years new methods have been developed, and in some cases the recovery has been doubled. I was told yesterday by a man from the State of Kentucky that they had a number of oil leases, and their engineers had made a survey of their property, and they found that by this new method of recovery of oil from the sands it was possible to recover 100,000,000 barrels from wells that were practically exhausted. By the new method they would be able to recover more oil from these wells than had been recovered up to this time.

This accounts for the fact that without the discovery of new fields in Pennsylvania the production curve is again on the upgrade. Even with this improvement, half or more of the oil remains in the sands. The development of a process for recovering it will double our petroleum resources. In one or more places in Europe the sands are mined, and all the oil is taken out. Pennsylvania has been producing for 71 years, and the production last year was slightly above the average for the entire period.

In addition to this, after they have made this recovery by this new method, then more than 50 per cent of the original supply of oil remains in the sand, remains there as a reserve, to be recovered when we develop sufficient intelligence to get it. It is known to be there.

Mr. President, to determine what will happen in the United States, I have prepared a graph showing what has happened in the State of Pennsylvania with respect to the production of oil. I have selected Pennsylvania because it is the oldest oil-producing State in the Union.

The production of oil was started in Pennsylvania in 1859 and reached the first peak in 1881, when that State produced 27,376,000 barrels of oil. Then, there was a reduction in the production, and 10 years after 1881, or in 1891, another peak was reached, when 31,424,000 barrels were produced. There has since been a decline in the production until in 1921 it reached the low point of 7,418,000 barrels. Since 1921 the production of oil in the State of Pennsylvania has been increasing until in 1929 there were produced 11,805,000 barrels.

Pennsylvania has been producing oil for 71 years, and in 1929 the production for that year was slightly greater than the average production for the 71 years.

This increase has occurred through the development of a better process of recovery. They are able to increase their production, and if the repressure methods now in use are as successful as it appears they will be in Kentucky, we will again reach the high peaks in Pennsylvania.

I call attention to that graph in order that Senators may visualize—that they may project out in the future—the possible production in the United States. The history shown in the State of Pennsylvania is the best evidence of what we may expect in the United States.

Within the last 10 years, by improvements in the refining process, the quantity of gasoline taken from a barrel of crude oil has been doubled, and within the last year the hydrogenation process has been perfected, and it is now possible and practical to make 100 per cent of the crude oil into gasoline. One of the great companies is now building three large refining plants to do that very thing. They tested it out fully at Baton Rouge, La., and now have under construction three refining plants to manufacture crude oil into gasoline—to manufacture all of it into gasoline by the hydrogenation process.

Each of these plants is to have a daily capacity of 5,000 barrels; and one is located at Bayway, N. J.; one at Baton Rouge, La.; and the other at Baytown, Tex.

Within the last 10 years the gasoline motor has been improved so that we get twice the power from the gasoline, and developments are now being made that will again double the power produced.

The consumer need have no fear about the supply of motor fuel. A monopoly is the only thing that can prevent his having an abundant supply at reasonable prices.

In the oil shales of the Nation we have an oil supply that is beyond the comprehension of the average mind. In one deposit, in the one State of Colorado, there are 80,000,000,000 barrels of oil. This shale is in sight; it has been surveyed and tested by the world's best geologists and engineers, and the accuracy of the figures can not be questioned. In 70 years this Nation has produced and consumed twelve and one-quarter billion barrels of oil, and in this one shale deposit there is a reserve of 80,000,000-000 barrels, or about six and one-half times as much as we have utilized since the discovery of oil.

On page 444 of the hearings before the Finance Committee on Schedule 16, held July 11, 12, and 13, 1929, I find the following regarding oil shales. Mr. Carroll H. Wegeman, of New York City, was on the stand:

> Senator REED. You still have not answered my question. How high would gasoline have to get in order to make an oil-shale industry possible commercially?
>
> Mr. WEGEMAN. That estimate would be more or less of a guess on my part. I think I can say three times its present price.
>
> Senator SMOOT. No; not three times the present price. I think in Colorado they can produce it, for from 20 to 25 cents a gallon; I mean extract the gasoline from the shale. My information is that if gasoline was between 20 and 25 cents they could produce it from shale. Of course, that is prohibitive now.

Think of it! Here in this one deposit of shale is a reserve of 80,000,000,000 barrels of oil, from which gasoline can be produced by present methods at a cost of from 20 to 25 cents per gallon. When we have experimented with and developed the methods of handling this shale, as we have the oil-refining processes, we will be able to divide the present cost of production by two. That will give us gasoline from shale at from 10 to 12 cents per gallon.

The German people are now making motor fuel by hydrogenating coal and are using the same process the Standard Oil Co. is using in hydrogenating oil. One of the Standard companies has the patents for the United States. We have unlimited motor-fuel supplies in our coal and lignite deposits.

I say to you that for 100 years the American demand for motor fuel can be supplied from American soil at reasonable prices. Seventy-five years before that period has expired there will be no demand for what is now known as motor fuel.

Mr. FLETCHER. Mr. President, the Senator refers to hydrogenating coal and hydrogenating oil. Will he give us a little idea about what that process is? Does it mean forcing the hydrogen into the material?

Mr. PINE. Gasoline, kerosene, crude oil, fuel oil, asphalt, lignite, coal, are all hydrocarbons. Coal is composed of the same elements which compose gasoline. The percentage of carbon in coal is greater than in gasoline. The percentage of hydrogen is greater in gasoline than in coal. All that is necessary is to cause the coal to take up more hydrogen, and you have gasoline.

Out in the streets of Washington, when you are on an asphalt pavement, the material in the gasoline that is in the tank of your car is the same as the material in the asphalt pavement, and by this hydrogenation process it would be possible to take the asphalt pavement up and make gasoline out of it. That is what I mean to say.

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

Mr. PINE. I yield.

Mr. ODDIE. I should like to call the attention of the Senator from Oklahoma to the fact that there are by-products to be recovered from the oil shale which are of great value, and which will reduce the estimated cost of producing gasoline from these shales to quite an extent in the future.

Mr. PINE. I thank the Senator.

We will make as much progress in the next 25 years as we have in the last 25. In 1955 there will be as much difference between motor fuel and our gasoline as there is now between gasoline and hay. Hay, corn, and oats were the motor fuels of 25 years ago.

We have been taught that God created man in his own image, gave him dominion over the world, and commanded him to subdue it. The natural resources are limited only by the capacity of man to comprehend and subdue. China is not lacking in natural resources but is lacking in that peculiar intelligence and understanding necessary to develop and utilize. Our present supply depends on our present wisdom, and the future supply depends entirely on the future intelligence of mankind.

At one time the flint hills of America were the most valuable of all natural resources. From flint, arrows were made; arrows were used in warfare, and the tribe that retained possession of the flint hills was able to dominate the known world. In a few years oil will be about as important a factor in world domination as flint is to-day. The strength of the Nation depends on

a proper development and a proper use of our natural resources. A miserly policy is un-American, contributes to monopoly, and is destructive.

Before we accept the estimates of the present experts and destroy this great industry by buying our oil from foreign countries, let us examine the estimates made by former experts and determine whether we are warranted in relying on their predictions.

In 1908 Dr. David T. Day, a man of wide information and international reputation, estimated a minimum of eight and one-half billion barrels and a maximum of fifteen to twenty-two and one-half billion barrels. From 1908 to 1929, inclusive, the United States has produced 10,441,447,000 barrels—all of Day's minimum, plus 23 per cent—and the production for 1929 was six times the production in 1908.

I wonder if Senators fully understand that when Doctor Day, the best informed man of his time, made this prediction he estimated there was a minimum of 8,500,000,000 barrels of oil and that we have produced 10,000,000,000 barrels of oil up to date and that last year we were producing six times the amount of oil that we were producing at the time he made his prediction.

In 1914 Dr. Ralph Arnold, of California, one of the best informed petroleum engineers in the Nation, estimated future production at 5,700,000,000 barrels. From 1914 to 1929, inclusive, the United States produced 9,178,396,000 barrels, all of Doctor Arnold's estimate, plus over 61 per cent.

In 1915 the United States Geological Survey estimated future production at 7,600,000,000 barrels. From 1915 to 1929, inclusive, the United States has produced 8,912,633,000 barrels—all of that estimate plus 17 per cent.

In 1918 Doctor White estimated future production at 6,700,000,000 barrels. From 1918 to 1929, inclusive, the United States produced 7,995,446,000 barrels—all of Doctor White's estimate, plus nearly 20 per cent.

In 1921 certain geologists of the American Association of Petroleum Geologists estimated future production at 9,150,000,000 barrels. From 1921 to 1929, inclusive, the United States produced 6,818,222,000 barrels—nearly 75 per cent in 9 years.

In 1925 the Committee of Eleven estimated future production from proven acreage on present methods of 5,300,000,000 barrels. From 1925 to 1929, inclusive, the United States has produced from these properties and new pools 4,342,161,000—almost 82 per cent.

In the face of all these repeated failures, the so-called experts continue to predict the early exhaustion of our oil supply, and it is an astounding fact that many of our people and many of the officials of the Government continue to accept these predictions and take them seriously and base their action on them long after they have been discredited by the actual developments. For 30 years the oil developments have far exceeded the expectations of the most sanguine; millions have been expended in the preparation and in the circulation of this false propaganda. Heretofore it has been used to add to the profits of the circulators, but now it is being used more aggressively to monopolize the business.

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

The PRESIDING OFFICER (Mr. JONES in the chair). Does the Senator from Oklahoma yield to the Senator from Ohio?

Mr. PINE. I yield.

Mr. FESS. I do not like to disturb the Senator in his magnificent address, but it is pertinent to say in connection with what he just stated that when the gas field was opened at Findlay, Ohio, it had been stated by a geologist of world-wide recognition, whose name would be well known here to every Senator, that it was simply impossible to have gas in the strata that was then known. When they discovered one of the largest wells that has ever been discovered he was called to see the performance, because the well was burning. He said, "Yes, it is there, but scientifically it is impossible."

Mr. PINE. I thank the Senator. That story as it came to me in 1903 ran something like this, that when they started the well up in northwestern Ohio he told them they had just as well burn their money as to drill there, because it was impossible to find oil or gas in that territory. That statement was made by the man who is the father of petroleum geology in the United States, one of the best-informed men of his time.

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

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Florida?

Mr. PINE. I yield.

Mr. FLETCHER. I have heard it predicted by so-called experts that oil would not be discovered east of the Alleghenies in the United States. I see from the Senator's map on the wall that Florida and a good deal of territory east of the Alleghenies is included as possible oil fields. I do not know whether the Senator has heard such a statement as that or not, that we could not expect to find oil in the United States east of the Alleghenies.

Mr. PINE. When that statement was first made they had in mind the territory east of the Alleghenies in Pennsylvania and West Virginia. It is quite likely that there will be no oil developed in New Jersey and New York, but when we get down into Florida and along the coast in Georgia and South Carolina we get into possible oil territory.

MONOPOLY PROCLAIMED

In an editorial in the Wall Street Journal of February 7 we find the reaction of big business to the demands of the independent producers for a protective tariff on oil. It shows an utter disregard for the rights of the producers and the consumers and it shows supreme contempt for the Congress. It is typical of those who are drunk with financial and industrial power. It is frank, unsympathetic, brutal. It is entitled "Inviting the Worst," and is as follows:

> That a tariff on imports would help the oil industry in a country which exports more than it imports and producers more than it knows what to do with is a grotesque dream. There is little danger that President Hoover will be misled, but there is a chance of imposing upon a Congress whose clearest understanding of the tariff is that it has something to do with votes.
>
> It is conceivable that a tariff duty of $1 a barrel on crude petroleum would initially make some impression upon the present excessive supply and temporarily bolster a demoralized market. Likewise, it would provide the pretext for advancing the price of gasoline to the consumer where local conditions allowed. But the oil industry is in the very act of demonstrating that low prices for crude are the only hope of curbing reckless and wasteful production, voluntary restriction having failed to make headway alone. Nullify one of these measures with a tariff and a rising oil market, and the floodgates of domestic production will be reopened wider than before. So inevitable is such a train of events that the demand of a certain group of oil producers for a tariff is explainable only on the theory of unthinking desperation. Be it noted that it comes from "the little fellows." One who is drowning, whether in water or in oil, will clutch at a straw.
>
> In reality the proposal to "protect" oil is a proposal to put this part of the natural resources of the United States at the disposal of the world, encouraging other countries to conserve their supplies against a time when our own flush production has passed. So far as it could have any effect, a tariff on oil would operate as an export bounty, to be paid by domestic consumers, to enable producers to dump their excess upon the world market, for they would have to meet world prices to hold their customers, and could only hope to recoup themselves by compelling domestic consumers, if and while they could, to foot the bill.
>
> There is, of course, every prospect that this pretty scheme would defeat itself. To think for a moment of the almost insuperable difficulties that have attended the restriction movement the past two years and the precarious footing on which the restriction so far achieved still rests is to realize that a tariff-made advance in crude prices would be like pressing liquor upon an inebriate already delirious.
>
> Much as some of us may dislike it, the only hope for oil stability is further centralization of ownership. Oil lands must pass more and more into the hand of corporations able and willing to defer recovery. The cry of the small owner, when he is not alarmed by real danger of drainage, is that he must realize within his lifetime.

I wonder if the people of the Nation think it is unreasonable for an owner of a property to desire to realize on his property within his lifetime.

> He must do that by drilling, or take his chances in bargaining with one or two possible buyers for the sale of his holdings.
>
> His position is not enviable; but a tariff on oil, making demoralization relatively permanent, offers him worse than nothing.

In the opening statement of this editorial let us substitute the word "steel" for the word "oil" and see how it sounds. Then it will read:

> That a tariff on imports would help the steel industry in a country which exports more than it imports, and produces more than it knows what to do with, is a grotesque dream.

It is not so grotesque, and it is not so much of a dream, when we apply it to the steel industry. This country exports far more steel than it imports, and has the capacity to produce far more than it can sell, yet the industry is dependent on a protective tariff. We have been told again and again by the senior Senator from Pennsylvania [Mr. REED] that even a reduction in the tariff rate would destroy the steel industry. A protective tariff on oil will be just as effective as is the tariff on steel. The controlling fundamentals are the same.

Another part of this editorial worthy of our consideration is as follows:

Nullify one of these measures with a tariff and a rising oil market, and the floodgates of domestic production will be reopened wider than before.

If we are to have a flood of oil, then I say let it be domestic oil. Then it will give employment to American labor and it will be produced by material and equipment from American factories. It will give the consumers the oil products at a low price, and the money paid therefor will all be retained in the American channels of trade where it will continue to stimulate business.

Again let us quote:

So inevitable is such a train of events that the demand of a certain group of oil producers for a tariff is explainable only on the theory of unthinkable desperation. Be it noted that it comes from "the little fellows." One who is drowning, whether in water or in oil, will clutch at a straw.

This demand does come from a certain group of oil producers—the independent oil producers of America. They are in desperation, and they are drowning. The producers and the Wall Street Journal agree that the independent producers face extermination. In their desperation they are asking this Congress to do for them exactly what we are doing for every other depressed industry. The Republican Party must redeem or repudiate its pledge, and do it now. This is a new and epoch-making declaration, and in order that Senators may get the full import I shall read the last two paragraphs again:

Much as some of us may dislike it, the only hope for oil stability is further centralization of ownership.

As I understand this editorial, the only hope from the New York viewpoint is further centralization of ownership, and the argument of the distinguished Senator, quoted by me from the United States Daily, leads in the same direction—centralization of ownership—

Oil lands must pass more and more into the hands of corporations able and willing to defer recovery. The cry of the small owner, when he is not alarmed by real danger of drainage, is that he must realize within his lifetime. He must do that by drilling, or take his chances in bargaining with one or two possible buyers for the sale of his holdings.

His position is not enviable, but a tariff on oil, making demoralization relatively permanent, offers him worse than nothing.

This, no doubt, is a correct statement of the position of those who dominate. By the manipulation of economic law the guaranties of the American Constitution are nullified. That proclaims to the world that a monopoly of the industry is inevitable, that in the economy of the oil industry there is no place for the independent producer. That is the law of the jungle. If we had no government it could not be worse. There could not be less restraint on those who have great economic power and are dominated by selfishness and greed.

During the last two years, under our conservation program, 4 per cent of the world's oil-producing business was shifted from the United States to foreign countries. Of course there is depression and ruin in the domestic industry. We spend millions of dollars annually in direct effort and in subsidies in developing our foreign trade, but here we have a case where we deliberately, by our own action, transfer 4 per cent of a great industry to foreign fields.

We deliberately shut in our own wells, leaving practically the world to be supplied with oil—and that is including our own territory—from foreign fields. I wish that Senators could understand that proposition. The Senate would not vote for such a thing if they fully understood it. Our Government, our experts, our oil producers are deliberately shutting in their oil wells and transferring the oil-producing business from the United States to foreign countries. I am not talking about something that might happen or something that may happen. Within the last two years 4 per cent of the oil-producing business of the United States has been so transferred.

Our producers restricted their drilling and curtailed their production, while the internationalists supplied our market with increasing quantities of cheap foreign oil. There are enormous profits in producing oil in Venezuela at 18 cents per barrel and selling it in Washington, D. C., at 18 cents per gallon.

That is what we are fighting here. That is why the producers are here—250 of them, principally from the States of Oklahoma, Texas, Kansas, Arkansas, and Louisiana. The Government has been transferring this business to foreign fields, and the internationalists have been moving in that direction because of the enormous profits in the business.

CONSUMERS

The consumers of petroleum products are vitally interested in this matter. It is now apparent that a complete monopoly is contemplated. Monopoly is woefully inefficient, and can thrive only when it is able to force the consumer to buy less goods for more money. Monopoly controls the price by controlling the output, and an advance in the price is certain when the independent producers are exterminated.

They have been rather persistent in trying to interview Senators since February 3. Some Senators have resented their persistent efforts along that line, but the internationalists propose to exterminate those independent producers.

We need not be in doubt that when the monopoly controls the price is advanced, because there is a practical monopoly in Pennsylvania, and the price of crude oil there is more than twice the price paid for the same oil produced at Oklahoma City. The industry is now and always has been dependent on the independent producer for the new oil supply.

All the great oil pools in Oklahoma were discovered by the independent producers. I do not know of a major oil pool in that State that was opened up by a major company. Glenn Pool was discovered by Galbraith and Chesley, struggling independents; Cushing by Slick, Jones, and Shaffer; Tonkawa by Marland; Healdton by Franklin, Johnson, Apple, and others; Wewoka by Smith; Cromwell by Joe I. Cromwell; Seminole by Garland and Independent Oil Co.; and Oklahoma City by Franklin and Cromwell. The Industry in Oklahoma, at least, is wholly dependent on the independent wildcatter for the discovery of new oil pools. Eliminate him from the picture, and in less than two years gasoline will be selling for at least 50 cents per gallon.

In order that the Senate may understand the situation, I will give the development figures for 1928. During that year 22,331 wells were completed at a cost of approximately $750,000,000. These wells had an initial production of over 8,000,000 barrels per day. The decline, however, was so rapid that at the end of the year the total production from all wells was only 100,000 barrels per day greater than at the beginning.

Think of that, Mr. President—22,331 wells were drilled during the year at a cost of $750,000,000; those wells had an initial production of 8,000,000 barrels a day; but at the end of the year the total production was only 100,000 barrels more than at the beginning of the year.

It is a business in which continuous drilling is necessary, and not only continuous drilling but continuous wildcatting, and it is the independent producer who does the wildcatting.

There is at this time little or no relation between the price of crude oil and the price of gasoline. I desire to have printed in the RECORD, at the end of my remarks, a statement handed me by Mr. Wirt Franklin, president of the Independent Petroleum Association of America, which covers 52 representative cities and shows that in February, 1926, when mid-continent oil was selling for $2.04 per barrel gasoline was selling at a slightly lower price than it was in February, 1929, when the same oil was selling for $1.20 a barrel. When the price of oil went down 40 per cent gasoline went up. September 27, 1929, I placed in the RECORD a letter from Halbert E. Watkins, commercial attaché at Caracas, Venezuela, and this letter states that oil is produced in that country and transported to our Atlantic coast ports at a cost of 75 cents per barrel. The Franklin statement shows that the consumers in Baltimore, Washington, New York, Philadelphia, and Boston pay more for the gasoline made out of this cheap foreign oil than the consumers in Chicago, St. Louis, Tulsa, Dallas, and Kansas City pay for their gasoline, which is made from the higher-priced American crude. The price of the crude has nothing to do with the price of gasoline.

My colleague [Mr. THOMAS of Oklahoma] referred to the cost of gasoline delivered in New York City. In an article in the February 12 issue of the New York Herald Tribune it was stated that gasoline can be produced at the Royal Dutch Shell refinery on the island of Curacao from Venezuelan oil at a cost of less than 3 cents per gallon. Millions of gallons of that gasoline are coming into this country, but the consumers are receiving no benefit. For that gasoline they pay the same price as they do for that made from Pennsylvania crude oil, which now costs more than 7 cents per gallon at the well. The price paid by the consumers for that imported gasoline would be no higher if we had an adequate tariff. The importers would make less profit. In nine foreign cities, where the business is probably monopolized, the average gasoline retail price is 35.6 cents, while the retail price here in Washington, exclusive of tax, is 18 cents. The 3-cent South American gasoline can be transported to Europe and to the United States at approximately the same cost, and the lower price in Washington is due to the fact that monopoly here is not complete. As soon

as it is completed we can expect to get our supply from the sources where it can be produced at the lowest cost and pay the European monopoly prices.

The consumers and the independent producers are in the same boat. They are together—sink or swim. The independent producer is the only protection the consumer has against monopoly prices. To vote against the pending amendment is to vote for a monopoly.

LABOR

Mr. President, the average labor cost per barrel of oil in Venezuela is not more than one-fifth of the labor cost in the United States. This is a fact that can not be contradicted. The official representative of our Department of Commerce at Caracas states that the total cost at the well averages 18 cents per barrel. In America the labor cost alone is many times the total cost in Venezuela, and our cost can not be reduced except by pauperizing, reducing the purchasing power of American labor.

Mr. NORBECK. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from South Dakota?

Mr. PINE. I yield.

Mr. NORBECK. I dislike to interrupt the Senator, and possibly he has already answered the question which I am about to ask him; but will the Senator tell the Senate what wages are paid in connection with the production of oil in the State of Oklahoma? What wages, for instance, are paid to drillers?

Mr. PINE. Drillers receive from $12 to $20 a day, depending on the depth of the well and the experience of the men.

Mr. NORBECK. And the wages received by similar labor in Venezuela are much smaller than the figures named by the Senator?

Mr. PINE. The drillers there receive high wages; but practically all the other labor employed is the cheap labor found in that country.

Mr. NORBECK. I thank the Senator.

Mr. PINE. I thank the Senator from South Dakota for his interruption.

The conditions under which oil is produced in Venezuela are very much like the conditions under which pig iron and steel are produced in India. Remove the tariff on steel and the domestic steel industry will be destroyed. If we shall fail to place an adequate protective tariff on oil the domestic independent oil industry will be destroyed. This Government has the same obligation to protect the laborers in both industries. We must eliminate sectionalism from the pending bill.

TAXES

Mr. President, the oil industry pays higher taxes than any other industry. In Oklahoma a gross production tax of 3 per cent of all oil and gas produced is paid to the State. An ad valorem tax is paid. State corporation and State income taxes are collected and, in addition, a gasoline tax of 3 cents per gallon is collected for the construction and maintenance of highways. Oil is frequently found in inaccessible places, and the producer must build his own highways and bridges. Then at the end of the year, if he has any net income, he pays a Federal income tax. In addition to all the taxes paid for the support of the county, State, and Federal Governments, in order to make other industries prosperous he pays a protective tariff on practically everything he buys. It has been estimated that the protective tariff on steel alone adds 14 cents per barrel to the cost of his oil. The taxes alone paid by the Oklahoma producer exceed the entire cost of oil produced in Venezuela. I should like to know how the independent producer is going to meet Venezuelan costs. The transportation charges from Oklahoma to the centers of population in the United States are greater than the transportation costs from Venezuela to those population centers.

The question to be determined here and now is, Shall the internationalists be permitted to produce their products at low costs in the nations having a lower price level and a lower standard of living and sell them in America where we have a higher price level and a higher standard of living? By trafficking in that twilight zone between nations having different price levels and different standards of living they are making billions of dollars in profits. It costs 18 cents per barrel to produce oil in Venezuela and $1.70 in Oklahoma and Texas. The difference, $1.52 per barrel, measures the contribution made by the American oil producer to make this the greatest Nation and the greatest market in the world. Shall this Government continue giving to the foreign producer this market which has been built up and is being maintained at the expense of the domestic producer? To do this is to destroy the independent oil-producing industry, create a monopoly, and deliver the American consumer into the hands of the internationalists.

Mr. TYDINGS obtained the floor.

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

The VICE PRESIDENT. Does the Senator from Maryland yield for that purpose?

Mr. TYDINGS. Yes; I yield.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Allen	Dale	Kean	Sheppard
Ashurst	Fess	Keyes	Shortridge
Baird	Fletcher	La Follette	Smoot
Barkley	Frazier	McKellar	Steiwer
Black	George	McMaster	Stephens
Blaine	Glass	Metcalf	Sullivan
Blease	Glenn	Norbeck	Swanson
Borah	Goff	Norris	Thomas, Idaho
Bratton	Goldsborough	Nye	Thomas, Okla.
Brock	Grundy	Oddie	Trammell
Brookhart	Hale	Overman	Tydings
Broussard	Harrison	Patterson	Vandenberg
Capper	Hastings	Pine	Wagner
Caraway	Hatfield	Pittman	Walcott
Connally	Hayden	Ransdell	Walsh, Mont.
Copeland	Heflin	Robinson, Ind.	Waterman
Couzens	Johnson	Robsion, Ky.	Watson
Cutting	Jones	Schall	Wheeler

The VICE PRESIDENT. Seventy-two Senators have answered to their names. There is a quorum present.

Mr. TYDINGS. Mr. President, it is now 27 minutes after 5 o'clock, and I promised to yield the floor by 6 o'clock.

I should like to say a few words against the imposition of the tariff proposed to be levied on oil. To start with, I think it is absolutely foolish to advance the argument that a tariff will not increase the cost of oil and gasoline. If it were not for the fact that it would increase the cost of oil and gasoline, there would not be anyone here asking for it. Everyone knows that the purpose of the protective tariff, whether it is 1 cent or $100, is to increase to the consumer the cost of the article on which the tariff is imposed.

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

Mr. TYDINGS. I should prefer not to yield. I will yield later, at the end of my remarks, if the Senator will make notes; but I desire to try to conclude in half an hour. However, if the Senator wishes, I will yield at this time.

Mr. PINE. I should like to ask the Senator if the Farm Board has not been created to do that very thing?

Mr. TYDINGS. The Farm Board! Nine hundred and two million barrels of oil consumed in the United States in 1928! A dollar a barrel will put a tax of $902,000,000 on the people of this country, if it is effective. Where, then, will be the work that the Farm Board is supposed to do? Answer that question.

The total appropriation to help the farmer was $500,000,000. If this tax is effective on 902,000,000 barrels of oil, it will mean that the increased cost to the public will be $902,000,000 a year. You can not get away from that to save your souls; and if the tax is not effective, why, in Heaven's name, should we put it upon oil?

Talk about relief for the farmer. I am sick of it, absolutely stuffed to my capacity with "relief for the farmer" by coming in in one item and putting an annual tax on the people of America of $1,000,000,000 for the gasoline and the oil that they will consume.

Who can deny that if the tariff tax is effective, if a dollar a barrel on oil is effective, and if it is distributed over the entire American production, it will increase the cost a dollar a barrel? That was the burden of the song uttered here by the proponents of the tariff for oil. It means a tax on the American people of $902,000,000 a year; and you can not get away from it.

You can have a tariff to break up a trust, and sometimes people argue for free trade to break up a trust. You can take the tariff act and argue any way you wish with it; but if oil is now selling for 95 cents a barrel, as claimed by the proponents of this tax, and you put a dollar a barrel tax on it, making it cost $1.95 a barrel, who pays the bill? Why, the American consumer pays it in the end; and he will pay $1,000,000,000 a year in increased oil taxes.

What will that mean to the State of Kansas, where the farmers raise wheat? I will tell you what it will mean: It will mean an increase in the cost of gasoline to the men who work on the farms in that State of $18,000,000 a year. What will it mean to Iowa? It will mean an increase in cost to the people of Iowa for their gasoline and oil of $20,000,000 a year.

Farm relief! If putting a tax of $20,000,000 on each of those two agricultural States is the way to help the farmer, then we will soon help him all the way to the point where all he will need will be an undertaker and a hearse.

On December 31, 1928, the Department of Commerce stated that there were 697,000 trucks and 4,729,000 automobiles on American farms—a total of 5,426,000 motor vehicles. Let us

assume that the farm tractor works only 100 days in the year, and let us assume that the average truck or automobile on the farm works 300 days a year, and consumes 4 gallons of gasoline. This tax on crude oil, translated into gasoline, means an increase in the cost of gasoline of 4 cents a gallon, and you can not get away from it. If those figures are correct, and the tariff is written into the law, and the tariff is effective, what does it mean? It means that $320,000,000 which is not now being expended will be expended in the operation of the machinery on the farms of the United States alone.

I have not gone into the cities. These figures apply only to the operation of the farmer's automobile and his tractor and his truck. If anybody, who has been yelling for farm relief and who is for this tariff, goes back home and tells the farmers that he has tried to help them get a better place in the sun, they ought to hang him to the highest apple tree, because he will be the biggest hypocrite that ever walked on two legs.

What do the figures mean for any State you can mention? Take Wisconsin, for example; take the State of Kentucky. It means an increased cost to the people of Kentucky of $14,000,000 a year. It means an increased cost to the people of Tennessee of about $13,000,000 a year. It means an increased cost to the people of Alabama of about $8,000,000 a year. It means an increased cost to the people of Delaware of about $3,000,000 a year. It means an increased cost to the people of Maryland of about $13,000,000 a year. It means an increased cost to the people of New York of about $30,000,000 a year—more than that. And so we might go on through every State in the Union. Is there one tax in this whole tariff bill which will be as expensive to the entire Nation, and reach as directly into the pockets of every citizen, as the tariff on oil will do? Name it if you can. Name one that is as near a direct personal tax in connection with any other article comprised in the bill.

If this tax is effective—and I believe it will be largely effective—what does it mean? It means a per capita tax to every man, woman, and child in this country of $8, or about $30 to $40 a family all over the entire United States.

What else does it mean? It means that people working in the asphalt plants, taking this crude petroleum and making it into paving material and thereby getting employment, must pass on the increased cost either in lower wages or in a higher price for the road-building material that goes into the highways of this country. Why, Senators, you know that gasoline is already taxed almost to death. There is hardly a State in the Union that has not a tax of 2 or 3 or 4 and in some cases 5 cents a gallon for road-building purposes; and now are you coming along and putting on this one commodity a tax of 4 cents more a gallon? For what purpose? Not that its benefits may be scattered in the form of better highways and more highways and better avenues of transportation—oh, no! Simply because in one section of the country where the price is now low, and where it has been high in the past, the temporary situation is favorable to asking for a high tariff on imported petroleum.

CRUDE OIL

Let me give some of the figures in the use of crude oil in the factories of this Nation. Seventy-one million four hundred and forty-two thousand barrels of fuel oil were burned in the factories and plants on the Atlantic seaboard alone last year, 71,000,000 gallons used to generate the power to turn the wheels in the factories to fabricate the many things which go into use in American life. Increase the cost of generating the power by which those factories operate and theoretically you translate that cost into all the things which are made, which must be passed on to the American people.

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

Mr. TYDINGS. I yield.

Mr. BARKLEY. Do those figures represent crude oil or refined oil?

Mr. TYDINGS. It is what is labeled "oil fuel" in the Department of Commerce statistics.

Mr. BARKLEY. Fuel oil, then?

Mr. TYDINGS. Fuel oil, whatever that may be. It is some form of petroleum.

Mr. BARKLEY. It may be either crude or it may be the residue after the refinement of gasoline out of the crude oil. I do not know what they may have meant in that case.

Mr. TYDINGS. Mr. President, I have no quarrel with the Senators from Kansas, in whose State there are oil fields, but I know there are also great agricultural interests in that State. I know that the prosperity of Kansas depends largely upon the price of its wheat and the extent of its crop, and when they protect the oil producers of the State of Kansas, let them say to the farmers of that State, "Yes, we protected the oil interests, but we passed on to you an increased cost in gasoline of six or seven million dollars a year."

Let all the representatives of the farming sections, when they vote to increase this tariff on gasoline, tell those for whom they bleed and toil and shout, the farmers, the down-pressed farmers, that they, more than any other group in this country are going to bear the burden of this tariff on petroleum.

If any man in this body wishes to vote for this tariff, let him remember that some of the friends of the farmers who do not live in farming sections have voted to put on the free list cement, brick, lumber, gypsum, all of which are produced in our States, that they took you at your word, and believed in your sincerity when you asked us to come along and extend to you a mite of help, and now we wake up at the end of the session and find that you were not sincere, that you did not mean anything at all, that if you can get what the East has gotten, you will take it; it is only a transfer of the right to grab into the public pockets.

It is said that the oil supply will last with us forever. Perhaps it will, perhaps it will not. There is not a man beneath God's sun who can tell whether it will or whether it will not. It is pure speculation and pure conjecture.

I know that the total world production of oil in 1928 was 1,322,000,000 barrels, and I know that 902,000,000 of the 1,300,000,000 were produced in this country. I know that it is estimated that we have only 18 per cent of all the oil resources of the world. With but one-fifth of the world's resources available within our limits, the United States is furnishing over two-thirds of the total world's production, and we are consuming almost three-fourths of all the oil produced from every oil field on the globe.

If conservation means to use more of our oil through keeping out the foreign oil, then I think we would better start all over again to learn how to add 2 and 2 and make it come out 4.

If the way to conserve your money is to spend it when you can get the other fellow to spend his money for you, then we had better turn around our philosophy in this matter and all other matters of conservation in this country.

That theory is packed with sophistry from the highest limb on the tree to the lowest root in the ground. If we are going to have a tariff on oil, then let us cut the whole string, and we fellows along the eastern seaboard who have tried to go halfway with you fellows from the West, to give you some measure of help, and you men down in Texas, who have asked for an increase on cattle and what not, might as well have our articles protected. I have stood up against real pressure on some of these things, and it has not been pleasant, but I have tried to help you all, and I do not want to come here at the last minute and find that I have only sacrificed the interests of my State because you were not willing to meet me halfway and consider some sacrifice on your part. Even in Oklahoma, a big farming State, think how much of this additional burden is going to be put on the farmers of the State through increased cost in the price of their gasoline and fuel oil, even though you help the producers in that State, which is not going to make wheat cost a cent more, but it is going to make it cost more to produce wheat.

I have reached the conclusion that you can make a tariff argument, and make a sound one, on either side, that free trade will destroy a trust or free trade will benefit a trust, or that a protective tariff will destroy a trust or a protective tariff will benefit a trust. You hear some arguments made here one day by one set of men to put over one thing, and the next day the same arguments are used to prove that the converse is so.

Mr. TRAMMELL (in his seat). By the same man.

Mr. TYDINGS. Yes; by the same man quite often. Let us tell the American farmer that there is no farm relief for him, that we do not care for him. Let us be honest about it, and cut out this hypocrisy and this subterfuge, and say, "We have no more respect for you than we have for anyone else. If you do not like farming, get off the farm and go into the city."

Let us not call extra sessions of the Congress for the poor, bleeding farmer, whom we have to lift out of the rut and give him his place in the sun. Oh, how our hearts bleed for him! But you come in at the eleventh hour, and when a tariff bill is about to pass you put the biggest tax on him that is to be found in the bill from top to bottom. Two days after wheat was selling at 98 cents and a dollar a bushel we come and increase the cost of the farmer's gasoline 4 cents a gallon. Yet we are the friends of the farmers!

It is enough to give a man pneumonia to hear these vapid arguments, not supported by any sincere conviction or sustenance in the way of votes.

I myself have transgressed on the side of protection here and there, and perhaps I should plead guilty with the rest of you; but heaven knows that if I have been a party at all to that side of the matter it has been on the side of petty larceny and not grand larceny, which is contained in the oil tariff.

The farmer will know his friends in this Chamber when the sun goes down to-morrow night. I do not care whether you come from an oil State or a State without a drop of oil coming from its ground, there is no tax in this entire bill from top to bottom that will be as oppressive on the farmers of this country, those who really till the soil and bring the crops into being, as an increase of 4 cents a gallon on the fuel, on the power, with which the farmer produces the crop.

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

Mr. TYDINGS. I yield.

Mr. ALLEN. Before the Senator concludes his very interesting address I would like to have him give us his information, or, if not information, then his philosophy, as to why imported oil now sells for more in the United States than domestic oil.

Mr. TYDINGS. I know this much—and the Senator knows it, too—that the more the imported oil sells for the more the American oil will sell for and the more the farmer will pay for it. That is answer enough for that question.

Does the Senator mean to maintain that if oil came in for 10 cents a barrel, total cost, laid down in any city on the seaboard, oil would be selling for a dollar a barrel in the interior? Of course he does not.

Mr. ALLEN. I wanted to find out what the Senator knew about it.

Mr. TYDINGS. I would like to find out where the Senator stands, and I would like to have an answer to this question: If oil came in at 10 cents a barrel, would it be selling in the interior at a dollar a barrel? Will the Senator answer that question? That will prove whether the tariff is effective or not.

Mr. ALLEN. It would depend altogether on the power to fix the price of oil.

Mr. TYDINGS. It depends altogether on how frank and candid and ingenious the Senator wants to be with me in the answer to the question.

Mr. ALLEN. I will answer it. But the Senator has not answered my question yet.

Mr. TYDINGS. If the price is going to be fixed anyway, the Senator's own argument defeats his own statement. What good will a tariff be if the price is going to be fixed anyway by these large oil companies?

Mr. ALLEN. Let me answer that.

Mr. TYDINGS. I will let the Senator answer.

Mr. ALLEN. It will mean that the price they fix will have to be upon American oil, not upon oil they have brought in here which costs them only 18 cents a barrel.

Mr. TYDINGS. That certainly is new. In other words, if we put a tariff of a dollar a barrel on this oil, the large companies which now own practically all the production in the United States will have to go to the small percentage of producers before they can fix the price of oil.

Mr. ALLEN. It merely means that they can not fix the price of oil unless they take into consideration the cost of the world supply, and in that way we save the independent producer. They will not be able to ruin him.

Mr. TYDINGS. The Senator knows just as well as I do that the large companies would not have to buy a barrel of oil—not a drop of oil—from the independent producer, and they could still have all the markets of the world, because there would be no sale for the crude oil, as the independent producer has not a refinery, where he can turn it into gasoline, or the equipment to ship it out through the country in the tank cars, or the means of carrying it through the pipe lines. The producer would simply get in his hole, and there he would stay, and he would not get a cent for his oil.

Mr. ALLEN. Is the Senator from Maryland saying that the independent producers have no refineries?

Mr. TYDINGS. I am saying that there are hardly any independent producers who have any of the equipment to translate crude oil into gasoline on the corner of Broadway and Forty-second Street.

I know this much, and no one is going to deny it, that if what the Senator says is true, if this is going to stabilize the minimum price of oil, it is going to stabilize the maximum price of oil which the consumer out in Kansas is going to pay for his gasoline. If the Senator wants to make that kind of an argument, and say that the cheapest oil in this country shall be $1.85 a barrel, then he must also tell his constituents that they are going to pay more for the gasoline when it comes in at $1.85 a barrel than they paid for it when it came in at a dollar a barrel.

Mr. ALLEN. Does the Senator from Maryland know what the cheapest price of oil in the country is to-day?

Mr. TYDINGS. No; I do not.

Mr. ALLEN. I observe that.

Mr. TYDINGS. I know, and I do not think the Senator will seriously question the statement I made just before his question was directed to me, that while he may take care of his oil interests—and I do not blame him for that—I know as a matter of absolute honesty he ought to admit that he has to pass a part of the increased cost on to the farmers of his State, making their net revenue from the production of crops much less than it would be if gasoline were cheap.

Mr. ALLEN. Mr. President, will the Senator from Maryland give us his idea as to why from the very beginning of the receipt of this tremendous amount of foreign oil there has been no relationship between the price of oil and the cost of gasoline?

Mr. TYDINGS. The Senator said, "A tremendous amount of foreign oil." Let us look at the figures. In 1928 crude imports were 79,000,000 barrels, and the United States production was 902,000,000 barrels. About 7 per cent of the total consumption was imported. I showed here in one of my arguments for an increased tariff that the amount of imports of hats was equal to 50 per cent of the amount of domestic production, but did I get any tariff on account of that fact? Notwithstanding the imports were about 50 per cent of domestic consumption, I thought I had somewhat of a case when I could show that if the American hat manufacturer was driven out of business the foreign monopoly would only take advantage of the situation and thereby eventually make a hat cost more than it would cost if we had some fair amount of domestic and foreign competition. But the Senator cast his vote against that tariff, and may I ask him now why he voted against that tariff when the imports were practically 50 per cent of the total home consumption, and why he now comes in and wants a tariff where the imports are only 7 per cent of the total domestic production?

Mr. ALLEN. In the one case I am trying to save an American industry, and in the other case the American industry was safe.

Mr. BARKLEY. What were the figures of importation that the Senator gave?

Mr. TYDINGS. In 1928, according to the Department of Commerce, we imported 79,000,000 barrels and that year the United States production was 902,000,000 barrels.

Mr. BARKLEY. How do those figures of importation compare with previous years?

Mr. ALLEN. Mr. President, referring again to the incident of the hats, was that the instance in which the Senator from Maryland changed his opinion over night?

Mr. TYDINGS. Yes; and I am hoping the Senator from Kansas will change his opinion over night.

Mr. ALLEN. I am afraid I can not do that. The Baltimore Sun has no circulation in my State. [Laughter.]

Mr. TYDINGS. I did not think it had, from many things I have observed in my short career here. [Laughter.]

May I say to the Senator from Kentucky in reply to his question that the imports of foreign oil are decreasing and the production of domestic oil is increasing?

Mr. BARKLEY. Mr. President, if the Senator will yield further——

Mr. TYDINGS. Certainly.

Mr. BARKLEY. What I had in mind was to ascertain whether the imports of foreign oil had kept pace with the increase in the production of domestic oil during the last 10 years.

Mr. TYDINGS. I would say to the Senator that the domestic production is increasing by leaps and bounds over foreign importations.

Mr. BARKLEY. Two years ago there was quite an agitation with reference to the importation of oil from Mexico. From the daily press I gathered the impression that some three or four years ago the production of oil in Mexico had very materially decreased.

Mr. TYDINGS. I have the exact figures here.

Mr. BARKLEY. Then the field of foreign operation was transferred from Mexico to Venezuela and other South American countries. It would be illuminating to me if I could ascertain in what respect the importation of oil has either gone along with the increase in domestic production or has fallen away from that increase.

Mr. TYDINGS. In 1922 the imports of oil from Mexico was 129,000,000 barrels. They declined in 1923, 1924, 1925, 1926, 1927, and 1928. In 1929, instead of 129,000,000 barrels, there were 12,663,000 barrels imported. The imports from Venezuela since 1922 have increased. There has been a slight increase in the imports from Colombia and a slight increase from the oil field known as the Venezuelan-Colombian field.

Mr. BARKLEY. What was the year in which 129,000,000 barrels came from Mexico?

Mr. TYDINGS. That was in 1922.

Mr. BARKLEY. At that time was there any oil being imported from Venezuela or other sections?

Mr. TYDINGS. Yes; 735,000 barrels of oil were imported from Venezuela that year.

Mr. BARKLEY. What were the total importations from all countries that year?

Mr. TYDINGS. About 130,000,000 barrels of oil.

Mr. BARKLEY. Practically all of which came from Mexico.

Mr. TYDINGS. To-day there are just about 130,000,000 barrels of oil coming from all sources—from Mexico, from Venezuela, and from Venezuela-Colombia—so that the amount of imports of crude oil to-day is just about the same as it was in 1922; while the local production, as shown by the chart of the Senator from Oklahoma [Mr. PINE] displayed on the wall of the Senate Chamber at this time, has increased by leaps and bounds.

Mr. President, I said I would surrender the floor at 5 minutes after 6 and it is now that time. I shall conclude with this statement: If Senators want to put a tariff on oil, I have no objection to it. If Senators do not want to put a tariff on oil, I have no objection to that. But, regardless of whether we do or do not, let us draw the line and cut out this bunk about farm relief. Let all of those who want to defeat the largest tax that this tariff bill contains for the farmer vote against this tariff on oil, and let those who vote for it know that they have voted for the greatest burden which the whole bill contains that can be applied directly to the increased cost for the farmer in producing his crops. Let us cut the bunk, and when the roll is called, let us be men or mice about the thing and be honest about it.

Mr. HATFIELD. Mr. President, proceeding upon the theory suggested by the Senator from Maryland [Mr. TYDINGS], I am rather impressed with the thought that we would be better off in this country in case his theory were carried out and we had free trade altogether.

The crude oil which is imported is of low grade and yields a small amount of gasoline and a large amount of fuel oil. Crude oil is the oil as it comes out of the ground, and fuel oil is the residue after the gasoline and other refined products have been distilled off. Refined products would mean kerosene, furnace distillates, such as are used in residences, and in certain cases lubricating oils.

It is the opinion of those who have given careful thought to the matter that a reduction of such imports, brought about through the medium of a tariff, would have little or no influence on the gasoline market, for the reason that it does not yield a large percentage of gasoline, but eventually would open up a large market to fuel oil produced from domestic crude oil.

I am told that Venezuela crude oil, which represents the greater part of our imports, yields only 12 per cent of gasoline under ordinary refining methods. That would mean that less than 2 per cent of our supply of domestic gasoline comes from foreign crude oil, but it furnishes a large part of the low-grade industrial fuel oil used along the Atlantic seaboard.

As to whether a tariff would affect the price of fuel oil to the consumer immediately is doubtful, due to the fact that there is to-day both an actual and potential overproduction of domestic crude oil. In fact, the amount of oil that is held back to-day and not being produced, although it is immediately available, is sufficient to supply the entire country's requirements, and this surplus could and should be placed in a position by protective tariff to supplant the one hundred million and odd barrels of oil which is being imported into this country annually.

Disregarding temporary fluctuations, which afford an opportunity for one to prove almost anything that is desired, the general tendency for the past few years has been for crude-oil prices to decline and gasoline prices to remain approximately stationary. While this is true as to these two basic elements, the low-grade by-products from a barrel of crude oil have declined even more than the price of crude oil and absorbed this decline without benefiting the users of gasoline.

For example, if the market value of fuel oil declines $1 per barrel, the refiner either has to buy his crude oil cheaper to offset the smaller return from his fuel oil or he has to charge more for his gasoline.

It is my opinion that any advance in the market price of fuel oil will naturally result in a lower price for gasoline.

There is a very strong likelihood that the advance in the fuel-oil market, which I believe eventually will come as a result of this tariff on fuel oil, will actually have the effect of reducing the price of gasoline.

I make this statement that an advance in the fuel-oil market might have the effect of reducing the price of gasoline, because a decline in the fuel-oil market has held up the price of gasoline at a time when crude oil, the raw material of both products, has dropped more than 40 per cent.

It is easy to understand why a tariff would be opposed by the major oil companies; they are the principal producers and importers of foreign crude oil and the principal buyers and refiners of domestic crude oil the price of which is being depressed by their imports of foreign crude oil.

Some one may ask whether the large oil companies do not also suffer as a result of the present low prices for crude oil. The answer to that is that the larger oil companies are in most cases even larger refiners of crude oil than producers, and it makes no difference what they charge themselves for their crude oil as they take their profit out of the final price of gasoline, lubricating, and fuel oils, sold to the public.

The coal and oil industries have been even more "deflated" and depressed than agriculture. Probably the coal industry can be helped only directly, and it may take years to get it up on a profitable basis, but everyone agrees, I believe, that it would be benefited greatly if the price of fuel oil were returned to its proper economic level.

At this point I wish to read so it will appear in the RECORD a letter from Mr. John Lewis, president of the United Mine Workers of America, as follows:

UNITED MINE WORKERS OF AMERICA,
Indianapolis, Ind., June 8, 1929.

Hon. HENRY D. HATFIELD,
United States Senator, Washington, D. C.

MY DEAR SENATOR: As president of the United Mine Workers of America and speaking for that organization, I earnestly urge upon the Senate and House of Representatives of the United States Congress the vital necessity of a tariff on the import of foreign-produced petroleum oil imported into the United States. And I request that in the preparation of a tariff law, a task with which Congress is now engaged, you provide for such tariff on oil. This action will be in the best interests of the general public of the United States, because it will aid very greatly in affording employment for many thousands of now idle men in the coal-producing industry, thus enabling these men to earn a living for themselves and their families.

The free importation of cheap oil from foreign countries into the United States has had a depressing effect upon American-produced coal, and we see no good reason why this great, vital, fundamental American industry should be thus penalized in favor of foreign industry and foreign labor. There is no question but that consumption of many millions of tons of coal have been displaced by the use of oil produced in the United States. This of itself has done vast injury to the coal industry. To permit the continued free entry of many more millions of barrels of foreign oil simply means still further shrinkage in the consumption of American coal and the wrecking of this great American industry. Just how this thing works will be made clear when I point out that the 431,067,000 barrels of fuel oil used in the United States in 1927 displaced 110,000,000 tons of coal, or approximately 20 per cent of the normal output of American coal mines. Even this displacement was so disastrous as to close a vast number of mines and to throw many thousands of mine workers out of employment. And, now, if this Government permits the continued free entry of foreign-produced oil, it will mean the closing down of more mines and the unemployment of more thousands of men.

When hundreds of thousands—aye, millions—of men are out of work, as is the case at present, there must necessarily follow a slump in business and commerce of the country. These men, with no opportunity to earn a living, have no money to spend. They can not buy the products of mills, factories, and shops. They can not trade with local merchants and business men. Consequently, the entire business and industrial structure of our country suffers from business depression. Especially is this true in those countless communities—once prosperous, but now practically bankrupt—where coal mines either are wholly idle or operating but a few hours a week and where the earnings of coal-mine workers have shrunk almost entirely, if not altogether, to the vanishing point. Coal is produced in 30 States, and these conditions exist in each and every one of these 30 States. We contend that Congress should not take any step that would further aggravate this intolerable condition, and this is what would happen if foreign oil were given continued entry free of tariff duty into the United States.

We contend, further, that it is the duty of Congress to protect the interests of American labor rather than that of foreign labor. Americans are not employed to any appreciable extent in the production of oil in foreign countries. Wages paid for labor performed in the production of oil in those foreign countries goes to inhabitants of those countries. They receive American money for producing oil that would be shipped duty free into the United States and throw thousands more American workingmen out of employment. There would be no justice in such a plan from the standpoint of the best interests of the American public. On the other hand, an adequate tariff on foreign oil, whether it comes from Mexico, South America, or anywhere else, would strengthen the demand for American oil and American coal for fuel purposes in this country, and it would mean employment, earning power, food, clothing, shelter, education, and progress for countless thousands of good, loyal American citizens. It would mean a revival of the coal industry, now so near to the industrial graveyard. It would mean improvement in industry, trade, commerce, and transportation. It would mean more business for the merchants and business men of the 30 coal-producing

States. I may state it clearly as our position that these considerations far outweigh any benefit that could possibly accrue to the people of the United States by permitting foreign oil to enter this country duty free.

Our understanding of the matter is that tariff duties are levied for two purposes, viz, to raise revenue for the Government and to protect American industry and American labor from the destructive competition of pauper wages paid to labor in many foreign countries. I do not hesitate to say that Congress can find no other American industry that needs this kind of protection to-day more than does the fuel industry.

Therefore, in the name of the United Mine Workers of America and in behalf of American labor, I again earnestly urge that Congress levy an adequate tariff duty on the import of foreign oil into the United States.

Very truly yours,

JOHN L. LEWIS, *President.*

Mr. President, along the line of the letter of Mr. Lewis let me say that the bituminous coal industry represents an investment of $3,000,000,000 and employs 635,000 wage earners, representing a population of dependents of 2,414,000. Over 525,000,000 tons of bituminous coal are produced annually and 28 States are directly interested in the production of coal.

The condition which now confronts this vast industry is comparable—more so than in the case of any other industry—to the situation of agriculture, about which we have heard so much and for the relief of which every effort has been put forth by this body to increase tariff rates on farm commodities.

I wish to remind the Senate that there are no unrelated industries in this country, but they all stand or fall alike, measured by the ability of the individual personally or the industry individually to exchange commodities in the realm of trade and commerce. It will therefore do the farmers little good to raise tariff rates in order to exclude imports which compete with their products if the Congress shall fail to afford proper protection that will enable them to keep the American market, so that the consuming power will be reflected to the individual consumer and thus enable him to purchase farm commodities.

Take coal as an example. It is not unlike raw materials of other natures, such as iron, shale, limestone, and so forth, which are worth only a few cents in the ground, but when developed they reflect their favorable balance in the industrial world, which in turn affects the people in every walk of life.

Let us take, for illustration, a coal mine, an individual unit of the coal industry, producing 1,000,000 tons of coal annually, and trace its ramifications throughout the land. It will give employment at least to 900 men. Multiply that number by four, which represents the average family, and we have 3,600 people. Such a coal mine will have a pay roll of approximately $950,000 annually. This industrial unit will purchase possibly $180,000 worth of supplies throughout the Nation yearly. Its power bill will amount to $60,000; $450,000 worth of merchandise will be consumed by its 900 employees and their families. Taxes to the district, county, State, and Federal Government will amount to $12,000 or $15,000. Incidentals in the way of traveling expenses, telephone, telegraph messages, and stamps will amount to $5,000 and royalty to $50,000. Compensation for the purpose of indemnifying the employees in case of injury will result in an expenditure of $34,000. Its mine supplies, such as explosives and equipment, come from every section of the country, as do the meats, flour, shoes, textiles, and woolen goods purchased through the commissary by its employees throughout the year.

The transportation charges, which keep railway labor employed and the railways equipped, add materially to a continued employment for the workingman and afford a return to the railway company. The distribution of the million tons of coal will bring a freight revenue, based upon $2 per ton, amounting to $2,000,000.

In other words, this mine, that produces and sells this tonnage, puts into circulation in this country $3,500,000. If a million tons of coal put into circulation $3,500,000, it is easy to understand what 525,000,000 tons of bituminous coal do yearly in the way of contributing to the well-being of our 120,000,000 people.

I am impressed with the thought that this statement as to an individual unit of one of our basic industries, which is indispensable, demonstrates that the industry itself is entitled to sympathy and support when the facts are indisputable. This revelation of facts, I believe, proves conclusively that there are no unrelated industries and that the measure of the prosperity of any industry is largely determined by the success of other industries of a different nature.

The average price for coal last year in the markets of the country under the tipple was $1.99. In West Virginia the price was even less than that, being $1.72 to the producer, due to the penalization in the way of differentials, which we as West Virginians feel is an injustice, even to the point of an abrogation of the Constitution, which guarantees to all States the right to sell like commodities on an equal footing in the commerce of the country. The coal industry is being encroached upon from many angles, but the most destructive is the cheap oil that is being imported from the Caribbean Sea section.

In 1928 fuel oil displaced 113,000,000 tons of coal. The coal producers are not complaining of being brought in competition with the American oil and gas producers. They have accepted this experience as one that is to be contemplated in the field of industrial competition; but they do object that at least 25,000,000 tons of their business has been lost to imported oil, and the loss caused by foreign-produced oil is increasing each year at an alarming rate.

When it comes to letting the bars down to a foreign invasion in the form of a cheap oil commodity, which is not only destroying a like industry at home but a kindred one in the shape of coal, I feel that patriotic duty as well as economic necessity demand that a halt should be called and a tariff invoked sufficient to prevent an impending disaster to our own people engaged in these two basic industries unless relief shall be afforded.

It is important to understand that the term "fuel oil" includes a number of widely different products.

There is the grade of fuel oil which we use in our domestic furnace. That grade of oil is not a low-grade residue product, but it is a distillate of only slightly lower grade than kerosene, but of a much higher grade than the low-gravity fuel oil used for industrial purposes.

As we all know, the price of domestic light-gravity furnace oil has not declined nearly so much as the low-grade oil. In other words, the general public has not received the benefit of the low cost of imported oils.

It is not just a coincidence that domestic fuel-oil prices and domestic crude-oil prices have declined together. In that connection I want to point out that certain grades of fuel oil compete directly with crude oil as a raw material from which gasoline is produced; and the market for those grades of fuel oil exerts a double influence on the crude-oil market.

Another grade of fuel oil is a residue oil obtained from domestic crude oils which is of much higher gravity than the residue oils obtained from imported oils, and has an added value because it can be further processed by so-called cracking to obtain a further yield of gasoline. In fact, I am told that in most cases a larger percentage of gasoline is obtained by cracking these higher-gravity domestic fuel oils than is obtained from crude oil by the straight distillation which was the only method used until the last few years. In producing gasoline, the first process involves only heating, while the cracking process involves both heating and high pressure.

This grade of fuel oil is often referred to as "straight reduced fuel oil," or "topped crude," or "cracking stock." It should not be used for fuel-oil purposes.

When the price of crude oil is low it is frequently cheaper to "skim" gasoline out of crude oil than to crack it out of fuel oil. Many refiners are finding it more profitable, under present conditions, not to fully process their oil, merely skimming the crude oil for gasoline and kerosene, and selling the residue of "topped" crude as light-gravity fuel oil, instead of cracking it and taking out 50 per cent of gasoline, but leaving a residue of heavy industrial fuel oil, of which there is a surplus at this time, and for which the market is very low, because it competes with the low-grade oils from foreign crude. Thus it will be noted that low prices on industrial fuel oil not only result in its being used for uneconomical purposes but actually encourage wasteful refining methods.

I should not feel that I was doing my duty if I did not add my protest against this most wasteful use of one of our natural resources.

This economic waste goes back to the fact that both fuel oil and crude oil are too cheap. Their use is not unlike the old method of producing coke, where 90 per cent of the by-products were lost in the air.

I know of a refinery within a few miles of my home in Huntington which each month is shipping to fuel-oil users over a million gallons of light-gravity fuel oil, from which there could be "cracked" profitably over a half million gallons of good gasoline if crude-oil and industrial fuel-oil markets were only slightly higher. The same condition exists in many other refineries.

Certainly low prices and conservation do not go together.

If crude-oil prices could be raised 75 cents per barrel, on an average, and fuel-oil prices made to absorb the greater part of the advance—which I believe they would eventually, if foreign competition were reduced by a tariff—enough fuel-oil consumption would be converted into gasoline to more than offset the reduction in imports of foreign crude. In other words, the amount of domestic crude oil which we are at present produc-

ing and consuming would be sufficient to take care of our entire present petroleum requirements, if all of it were economically refined and if the use of fuel oil were confined to the only markets which would be available to it under slightly higher price levels.

The importing of oil does not have the effect of conserving our domestic supplies. On the contrary, it forces the fuel-oil market to such low levels that more oil is wastefully burned as a substitute for coal than is imported. More than enough gasoline could be produced from this fuel oil that is burned than is now being obtained from all of the oil that is imported. That is not conservation.

This country would be far better off if that fuel oil were cracked into gasoline, and our idle coal mines given an opportunity to supply the market now being wastefully supplied by fuel oil.

To the extent that conservation is a matter of consumption, it can be accomplished only by raising price levels.

To the extent that conservation is concerned with overproduction of crude oil, it seems to be only slightly affected by prices.

It has been stated that the only way we can stop the present overproduction of crude oil is to make the price so low that they can not afford to produce it; but I am impressed with the thought that the overproduction of crude oil can not be stopped by low prices, because the overproduction comes from flush fields where the cost of production is so low and the incentive to produce is so great that it is impossible to regulate production merely by lowering or raising prices. Prices have been declining, yet potential and immediately available production has been increasing. Overproduction, in my opinion, can be curbed only by voluntary and State regulation, such as is being successfully practiced at this time. However, such restrictive measures would be much less objectionable to producers and royalty holders whose oil is being held in the ground if they could foresee a curtailment of imports. There is little incentive for them to forego present profits for the purpose of improving markets, which with unrestricted and steadily increasing importing promise to remain low for years to come. Many of them can see only a sinister motive, aimed at their extermination, in the unwillingness of the major companies to practice adequate restriction of production in their foreign fields, which I am told are owned by them wholly; while, at the same time, they urge restriction in domestic fields in which independent operators hold large interests. As to whether those views are justified I can not say; but my recent conversations with operators who own substantial shut-in production lead me to believe that continued restriction of domestic production, both voluntary and by State authority, will be accomplished with increasing difficulty if no restraint is placed on importing.

Referring further to the impressions of many people that the regulation of production, and thus the conservation of oil, can be accomplished by low prices long before production in flush fields—involving relatively few wells—can be shut off by reducing prices, 85 per cent of all the wells in the country must be operated at a loss, and such continued unprofitable operation can mean only their abandonment. Certainly that would not be conservation.

These small wells, of which there are more than 250,000 in this country and almost 20,000 in my State, West Virginia, each produce not more than a few barrels per day, but in the aggregate they supply about 20 per cent of the entire domestic production, and they afford a very important protection against a possible shortage of oil in the future. Particularly in the case of our West Virginia wells which produce an average of less than one barrel of oil per day, their abandonment is a great economic waste, since they produce so-called Pennsylvania grade of crude oil, which furnishes the finest lubricants that the world has ever known. Under ordinary pumping methods, such as have been used generally in connection with these wells, more than 80 per cent of the original oil remains in the ground. It has been discovered, however, that by pumping gas or air under high pressure back into these sands in the old fields a very much larger percentage of oil can be recovered. This is called repressuring. In repressuring one of the old wells is used as an intake well, through which the gas is pumped. This gas works its way through the oil sands far beneath the earth's surface and comes out through adjoining wells, bringing with it an increased flow of oil. In many fields where repressuring has been applied the amount of oil recovered by that method has been greater in volume than the total amount of oil originally recovered by the usual methods.

The abandonment of wells in West Virginia is going on at the rate of approximately 500 each year. Each of these wells represented an original investment of close to $10,000, which is lost forever. Think of it—abandoning wells each year which cost over $5,000,000 to drill and equip, with over 80 per cent of the oil still in the ground, which may be needed by some future generation; and yet we abandon them merely because of the extra dollar which is needed in the posted market for this crude! I say that these wells are lost forever, since unless crude oil should sell for a much higher price than I believe will prevail at any time during the next few generations it would not be profitable to redrill these wells, involving an expense of over $100,000,000.

Even under the low prices prevailing at this time it has been found profitable to repressure certain favorably located leases; and as a result of this repressuring the production of valuable Pennsylvania grade of crude oil is being increased steadily, after having previously declined over a period of a great many years. If given slightly higher prices, the production of Pennsylvania grade of crude oil could be made to reach higher levels than ever existed during the days of flush fields and gushers when Pennsylvania and West Virginia were the oil centers of the world.

Given only slightly higher prices, and instead of abandoning these wells repressuring could be developed on a much larger scale, thereby making it possible for users of automobiles to have increased supplies of the fine lubricants made only from the oils produced in Pennsylvania, West Virginia, western New York State, and eastern Ohio, known as Pennsylvania grade crude oil.

In this connection I want to call attention to the fact that the consumer's price of lubricating oils made from Pennsylvania grade of crude oil is actually higher at this time than when the posted market value of this oil at the well was twice as high as at present. I believe the price of crude oil does not have much to do with either the price of gasoline or the price of lubricating oils; but it does determine whether the thousands of small wells can continue to be operated.

At present low prices all the wells in Ohio, West Virginia, Kentucky, Pennsylvania, New York, Indiana, and Illinois are being operated at a loss. So far as I know, that fact is not denied by anyone. Think of it; 180,000 wells being operated at a loss—wells which produce the finest grades of lubricants, and which represent an original investment of hundreds of millions of dollars. The only reason more of these wells have not been abandoned is that their owners are hoping for an increase in price which will permit them to be repressured, and by bringing back their flush production repay the losses which they are now sustaining.

I can picture the thousands of small producers and royalty holders whose livelihood is tied up in these properties which they are anxiously hanging onto, hoping for better days and looking to us for assistance. I feel that we of the oil-producing States, who have first-hand information of the poverty which has been brought to these fields by the recent decline in prices, would not be doing our duty if we failed to point out and remedy the condition of great economic disaster in which the country finds itself to-day and which is threatening to become much worse.

The plight of thousands of farmers whose wells have been abandoned for farming and given over to the production of oil is especially unfortunate, now that their livelihood from oil royalties is being cut off.

One of the independent oil companies which operates small wells in the valley of the Big Sandy River, which separates West Virginia from Kentucky, is spending in excess of $250,000 on a repressuring project which they have reason to believe will add not less than 8,000,000 barrels to the amount of oil that would have been recovered by ordinary methods. Whether the recovery of that additional oil will add to their profits depends on future markets. Laboratory examination of the rock bored from new test wells drilled in the area discloses that there remains in the ground in that one field more than 100,000,000 barrels of oil, which is more than ten times as much oil as has been taken out. Gas pumped back into the oil sands under high pressure is already finding its way out through adjoining wells and bringing with it greatly increased production.

Let me give an example of how the $250,000 referred to is being spent. Roughly, one-third goes for large compressors manufactured in western New York State and in Ohio. These compressors are being used to compress the gas and air to the high pressure necessary for injecting it into the oil sands. Another third, roughly, of the expenditure is for new high-pressure tubing for the wells, and for many miles of pipe for the distribution of gas from the central compressor station to the five or six hundred wells involved. In all, I am told, over 60 carloads of pipe have been purchased within the past few weeks for this project; that means additional business for the steel companies to repay them for any slight increase in cost which they might have to absorb in the cost of their fuel oil as a result of the higher price for crude oil which is necessary

to make possible the reclamation of these old fields. Roughly, the other third of the $250,000 will go for transportation of these supplies and to labor necessary for the installation.

If given the stimulus of only slightly better prices, millions of dollars will be spent in the rejuvenation of old fields, and literally hundreds of millions of barrels of oil will be removed from wells which are now threatened with abandonment.

It should be borne in mind that these old wells which are threatened with abandonment, and which in most cases are capable of being reclaimed by these methods, represent the greater part of the entire investment of the oil-producing industry to-day. I feel that the least that we can do is to stop this influx of low-priced, low-grade foreign oil, and give our domestic producers a sufficient advance in crude-oil prices to bring their operations back to a profitable basis, and thus avoid the irrecoverable loss of this wonderful natural resource. I would consider myself derelict in my duty to future generations if I failed to exert every effort to avoid this economic loss. If we fail to take proper action on this matter to-day, it may be years before we have an opportunity to correct our mistake, and then it will be too late.

Those of us who believe in the principles of a protective tariff, whether it be on oil or whether it be on lumber or some other commodity produced in this country, should give our earnest consideration to the matter of protecting the things produced in the United States. It is the only way possible to insure a continuation of the high standards of living of the laboring people of this country. It is the only possible hope the industries can have to be able to produce as they have been producing, maintaining the high standards of wages they have established, which commodities have made this Nation grow and become prosperous, develop, and become the leading country of the world.

I have voted in accordance with the principle of the protective tariff, because I believe that is the fundamental principle of the Republican Party. I have not hesitated to vote for protection for the Eastern States, for the Western States, for the Southern States, for the Northern States, or wherever I was convinced the principles of the protective tariff would be a benefit to the American wage earner and to American industry. I shall continue to do so, with apologies to no man or set of men as long as I am in the Senate of the United States.

Mr. THOMAS of Oklahoma. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FESS in the chair). The clerk will call the roll.

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

Allen	Dill	Johnson	Shortridge
Ashurst	Fess	Jones	Smith
Baird	Fletcher	Kean	Smoot
Barkley	Frazier	Keyes	Steck
Black	George	La Follette	Steiwer
Blaine	Glass	McKellar	Stephens
Blease	Glenn	McMaster	Swanson
Borah	Goff	Metcalf	Thomas, Okla.
Bratton	Goldsborough	Norbeck	Townsend
Brock	Gould	Norris	Trammell
Brookhart	Grundy	Nye	Vandenberg
Broussard	Hale	Oddie	Wagner
Capper	Harris	Patterson	Walcott
Caraway	Harrison	Pine	Walsh, Mass.
Connally	Hastings	Pittman	Walsh, Mont.
Copeland	Hatfield	Ransdell	Waterman
Couzens	Hawes	Robinson, Ind.	Watson
Cutting	Hayden	Robsion, Ky.	
Dale	Heflin	Sheppard	

The PRESIDING OFFICER. Seventy-four Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Nevada [Mr. PITTMAN] to the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. BLAINE. Mr. President, in my opinion the Senate and the country are entitled to know the devious means and methods that have been used by the so-called independent petroleum producers in their attempt to influence tariff legislation and particularly to influence Senators to vote for a tariff on oil.

In the early part of our history the slave trade was being practiced, but it became outlawed. Then in later years there developed what was known as the white-slave industry. Congress enacted a law to outlaw that industry. In this day the lobby which has been actively engaged in promoting a tariff on oil has organized a new industry, a trade in Senators.

Before the committee investigating lobbying it developed this morning that the chief of the lobbyists, the man at the head of all the forces, is a gentleman by the name of Mr. Wirt Franklin, a reputed multimillionaire, president of the Independent Petroleum Association of America, who came to town not long ago and established headquarters in that palatial hotel known as the Mayflower. It developed in the testimony that the conduct of the business in the headquarters of this lobby is costing all the way from $1,200 to $1,500 a day. I doubt if there has been another lobby before the Congress so active, so aggressive, and so ruthless in its methods and in its approach to Senators. Men were brought here in carloads to importune Members of the Senate. They came in groups of four and five from many States of the Union. They set to work. Every method known to lobbying was practiced by this lobby.

Mr. ALLEN. Mr. President——

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

Mr. BLAINE. I yield.

Mr. ALLEN. Will the Senator give us some of those methods?

Mr. BLAINE. I am going to do so, if the Senator will restrain himself. I shall outline some of the methods practiced by this lobby, the most nefarious and damnable methods, that were intended to bring into public disrepute honorable Members of the Senate, such as the Senator to my right, the junior Senator from Vermont [Mr. DALE]—not he alone, but many other Senators. I shall review some of the activities of this lobby.

They attempted to obtain the influence of farm organizations, and succeeded so far as concerns one farm organization in the State of Oklahoma and another different organization in the State of Texas. They attempted to obtain the influence and power of labor organizations, going to Chicago to get the indorsement of the electric workers.

They planned a campaign of publicity the like of which was never known, not newspaper publicity but personal solicitation of Senators by the home folks. In one instance they planned 5,000 telegrams to flood the offices of two Senators. In the letters that were sent out containing requests for these telegrams from their constituents, they attached a dollar bill or remitted a dollar that might be used to pay for the telegrams.

They went to the supreme court of one of the States of the Union to induce and procure a member of that court to bring about a trade in votes. They were not buying votes with money. No, no! It was an exchange of oil for sugar, and sugar for oil. That is the modern exchange that has been set up here in the last few days by the oil lobby.

They have endeavored to reach Senators personally. I doubt if there is a Senator on the floor of this Chamber who has not been solicited by them. Senators have been called out of the Chamber by them or called upon at their offices. They became bold, daring, brazen about it. They finally became boastful to the extent that they said, "No longer are we seeking appointments or engagements. We are letting the Senators come to us." If they could not get a Senator by one method, then they devised other methods. They sought out the business relations of Senators. If they could find a Senator who owned stock in one of the so-called independent oil companies, then they were to bring influence to bear upon him to vote for a tariff on oil because he owned stock in an oil company. They proposed that the way to obtain another Senator's vote was to offer him increased tariffs on refined products.

They went to my State. In one of their communications or telegrams I think my name appeared first because it came first in the particular alphabetical arrangement of the names in the communication. They went down the line of western and northwestern Senators—BLAINE, BROOKHART, FRAZIER—a long list of the western and northwestern Senators. They made up lists of Senators, grouped them, and set about to influence them by reason of some sectional matter perchance in which those Senators might be interested. I shall not undertake now to name all of the Senators whom they importuned or describe how they importuned them. It is wholly unnecessary.

Mr. President, they were even willing to trade in the President of the United States on this deal. They proposed to carry to him a rumor that they said was prevalent in the mid-continent oil region that he was a large stockholder in petroleum-producing companies in South America, to extract from him a denial, and then use that denial to advance their cause.

Mr. President, this lobby organization would trade Senators, they would trade the President, they would trade anybody if it would advance their cause. I am going to read some of these communications; for instance, the telegram of only a few days ago, dated February 20, sent by Mr. F. E. Tucker, executive secretary of the Independent Petroleum Association of America, to Wirt Franklin, at the Mayflower Hotel, Washington, D. C., from Ardmore, Okla. They had no timidity whatever in offering any suggestion or making any suggestion that might carry out their plans. Mr. Tucker telegraphed to Mr. Franklin:

> Would it be impertinent and/or impolitic for me to write a courteous letter to President Hoover suggesting that he answer the charge which is being circulated throughout the mid-continent field that he is heavily interested in South American oil?

What would be the purpose of asking the President of the United States that sort of a question? If he were to answer, of course, they assumed that the answer might be used for their benefit. They were going to be cautious about it. They proposed to go to the chairman of the Committee on Foreign Relations and, perchance, by making such suggestions to him they would be able to obtain from him his position as to oil. They were not frank; they were not outspoken in many of these instances. They had a subtle, slimy method, designed to extract some information from the President and from the chairman of the Committee on Foreign Relations, so that they might use it to advance their cause. No other conclusion can be drawn from that telegram.

Mr. President, let me read more from these telegrams. I am going to read a telegram from Mr. George Gibbons, of Zanesville, Ohio, to his chief, Mr. Wirt Franklin, dated February 13 last. He wired Mr. Franklin:

> You mentioned that GRUNDY's secretary suggested change in schedule to make higher tariff on refined products. Just a reminder to look into this further before too late.

That is the sort of a campaign they were putting on, peddling about untrue statements, charging them to Members of the Senate, as they did in the case of the junior Senator from Vermont [Mr. DALE]. I shall not read that letter.

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

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Vermont?

Mr. BLAINE. I yield.

Mr. DALE. How did that letter get before the committee?

Mr. BLAINE. It was in the files of Mr. Wirt Franklin and was obtained by the committee through the subpœnaing of Mr. Franklin.

Mr. DALE. Was Mr. Franklin subpœnaed to appear and bring his letters with him?

Mr. BLAINE. Yes. I say "subpœnaed." These witnesses came on request. I think we issued a subpœna only in one or two cases, but the result is the same. He was asked to appear before the committee and bring with him his files. That Mr. Franklin did. He brought the files, and in the file was the letter to which the Senator refers.

Mr. DALE. Did Mr. Franklin say that he had no recollection of that letter?

Mr. BLAINE. I do not recall whether he said he had no recollection of that letter or not. The examination covered about two hours and a half and included a great many details, and so I do not recall whether Mr. Franklin made that statement or not, I will say to the Senator from Vermont.

Mr. DALE. Does the Senator from Wisconsin recall whether Mr. Franklin made any comment, one way or the other, about the letter?

Mr. BLAINE. I do not recall; I was not examining him with respect to the particular file in which this letter was found. My attention was directed to other matters.

Observe, Mr. President, with what certainty they express the success they expect. Mr. Earl Callaway, who is a member of the organization, and a very important assistant to Mr. Franklin, wired to Mr. Bartlett, of Texas—I will not read all of the telegram:

> We have been able to secure all the time we want for debate, and I am glad to advise to-night—

This was on February 25—

> that we have secured the support to-day of two of our most obstinate opponents whom we had dreaded on the floor of the Senate, and I believe that by Friday morning we will have at least two more strong men in the Senate who have opposed us heretofore and will appear in our favor in the debate.

Who those Senators are, I do not know.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. BLAINE. I yield.

Mr. BORAH. The writer of that telegram must have presumed upon the ignorance of somebody when he stated that they had finally succeeded in getting sufficient time for debate.

Mr. BLAINE. I have stated that they were cocksure of everything. This same lobby approached Senators on the golf courses; they went to dinners which Senators attended.

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

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Oklahoma?

Mr. BLAINE. I yield.

Mr. PINE. Is there any reason on earth why they should not do that if they want to?

Mr. BLAINE. I am not making any defense of these gentlemen at all; I am stating what the facts are. Some one else may have the pleasure of defending them, if he so chooses.

Mr. PINE. Does not the Constitution give them that right?

Mr. BLAINE. I am not saying anything about their right; I am telling what these gentlemen have done, and the methods they have employed in seeking a tariff on oil.

I did not know that the Constitution expressly or impliedly afforded these citizens the right to peddle out unfounded statements, and to convey rumors to the President of the United States in order to drag from him some denial which they might use in promoting their scheme. Of course, the Constitution does not forbid that, but good morals and honorable conduct deny to them that sort of thing.

Mr. Earl Callaway, on February 24, sent a telegram to S. D. McIlroy, of Amarillo, Tex., from which I quote as follows:

> I do not want to be too optimistic, but each day I feel more secure of our position. I think some of our most effective work has been done yesterday and to-day. This is not to be released at this time at all, but Tom has said that he would stay with SHEPPARD. In my mind, there is no doubt about his vote. I was in contact yesterday with several Senators on the golf course all day. Franklin and myself are going to a dinner party to-night where there will be several Senators.

I am merely reading these telegrams in confirmation of my statement in my introductory remarks.

Now, see with what cocksureness they are filled. They no longer want appointments. Mr. Callaway, who was assistant general to Mr. Franklin, speaking in the plural for the lobby organization at the Mayflower Hotel, says:

> We are not asking for appointments with anyone now, but are trying to arrange our appointments so that we can take care of the requested interviews.
>
> The Senators are seeking all the information they can possibly get.

And so during the last day or two Senators have no longer been importuned, for it is now up to the Senators to importune this lobby if they want to know anything about oil or to get any information concerning oil.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. BLAINE. I yield.

Mr. NORRIS. Even now, while the Senator is speaking, I understand that Mr. Franklin is the guest of some one in the senatorial gallery and he is somewhat amused at the remarks which the Senator is making about him.

Mr. BLAINE. Mr. Franklin nods his delight from the Senators' gallery, and all eyes are turned upon him. But, Mr. President, his smile may come off, as I have not come to the interesting portions of this testimony. On February 15 they were not so cocksure about their position.

Stanley Draper was in room 383 at the Mayflower Hotel, part of this lobby. He reported to a chamber of commerce in Oklahoma; and, with his chest swelling, he wires:

> Affairs increasingly promising. Not to exceed 10 additional votes necessary in Senate. Believe chance dollar tariff.

I am reading just what their copy of the telegram states. Now, why should not Mr. Franklin smile? Here is an encomium to him:

> Franklin doing great work. Having dinner entire delegation Monday night to check up everything.

The smile is beginning to come off, I notice. Yes, Mr. President; and shame should bring to the conscience of these men a realization that they do not hold in their pockets the votes of Senators.

They not only carried on their operations here but they went over to the House side; and I am going to read this letter without comment.

> WASHINGTON, D. C., *February 24, 1930.*
>
> Mr. WIRT FRANKLIN,
> *President Independent Petroleum Association of America,*
> *Mayflower Hotel, Washington, D. C.*
>
> DEAR MR. FRANKLIN: I have your letter inclosing tabulation of the prices of gasoline in several foreign countries.
>
> I can assure you that I am 100 per cent for the program that is now being carried out by the independent oil companies.
>
> I wish to state that I had a personal talk with the Republican floor leader, Hon. JOHN TILSON, and he confirmed the statement which I made, that if the Texas and Oklahoma delegations, who claim to be vitally interested in a tariff on oil, would agree to vote for the tariff bill when it comes before the House with $1 tariff on oil added, that he would personally intervene at this time and assist in securing the tariff you are asking for.

I submitted this proposition to Mr. Barritt Galloway and asked that he transmit it to you.

If the Democrat members of Texas and Oklahoma delegations are sincere in wishing to aid the independent oil producers and royalty owners of Texas and Oklahoma they should not hesitate to go on record at this time, and by so doing secure the much-needed $1 tariff on oil that the independent oil men are asking for.

I think I speak for the Republican members of the Oklahoma delegation when I say that each and every one will support the tariff bill, and I feel that it is no more than fair that the Democrat members make a plain statement as to where they stand with reference to this matter.

That letter, with another paragraph which I need not read—it is in the testimony, and will be printed—is signed by U. S. STONE, Representative, fifth district, Oklahoma.

Now, Mr. President, coming down to the modern commercial transaction of trading in Senators, it started on February 8, 1930. As I recall, the first suggestion came from C. L. McMahon, who was at Palm Beach, Fla. We have not gone far enough to determine just who Mr. C. L. McMahon is. This is addressed to Wirt Franklin, Mayflower Hotel, Washington, D. C.:

Regret not seeing you before leaving to wish you success for your sake and fellow producers. Understood delegation was to leave Thursday on arriving in Washington. Made reservations for Florida, otherwise should have remained. From watching Senate actions feel you will need guaranty from majority, as the possibility of trade is unlikely. Best regards.

They had discussed how they were to trade oil for sugar, and sugar for oil; but Mr. McMahon suggested, from watching the actions of the Senate, that they had better have a certain guaranty that a majority of the Senate was in favor of oil, "as the possibility of trade is unlikely."

On the same day—now, just observe the influences they sought—on February 8, the same day, a telegram sent out, I think, just one minute before the telegram I just read, was sent from Palm Beach, Fla., from C. L. McMahon, to Mr. Winbourn, attorney general, Colorado, Mayflower Hotel, room 383. That is the main room where they assemble up at the Mayflower when they go to see General Franklin:

Would appreciate report on Franklin's dinner with President.

We have not ascertained whether or not they peddled any rumor to the President. We have not got to that yet.

Was sorry to leave, but had reservations south.

He is repeating to the attorney general of Colorado the same warning that he gave to Mr. Franklin.

Think you will need a guaranty of majority Senators—

What did Mr. Winbourn, the attorney general of Colorado, have to do with the conduct of the Senate of the United States? And yet Mr. McMahon was telling him—

Think you will need a guaranty of majority Senators, as there is small possibility of trade. Wire Biltmore, Coral Gables, Fla., present outlook.

These subsequent telegrams will divulge clearly the part that the attorney general of Colorado played in this matter and the part that an associate justice of the Supreme Court of Colorado played in this matter.

That was on February 8.

On February 14 there is a telegram from Earl Callaway—Callaway is the assistant generalissimo in charge at the Mayflower Hotel, room 383—to Mr. Mayer, of Texas:

It is very essential that we have a good man here from Colorado to stay until the fight is over. Neither Senator from Colorado will support the tariff. Can't we bring some pressure to bear?

Then came the telegram of February 17. Here is exhibited what has been an unseen hand. We do not know when or where the associate justice of the Supreme Court of Colorado entered the drama; but he had been in it somewhere, some time prior to February 17. This telegram is dated Denver, Colo., February 17, 1930, and is directed to Wirt Franklin, Mayflower Hotel, Washington, D. C.:

Court hearing oral arguments to-day.

Now, remember, that Mr. Callaway said that—

It is very essential that we have a good man here from Colorado to stay.

Court hearing oral arguments to-day, but attorney general and I discussed your project this afternoon, and are in full accord.

Of course, the attorney general of the State of Colorado had been in Washington, and he discussed this matter with the signer of this telegram.

Are considering best line of immediate action and will advise you later. When do you leave? Can you return via Denver? You could help materially. Regards.

JOHN T. ADAMS.

And John T. Adams is an associate justice of the Supreme Court of Colorado, I am informed.

But that is not all. I am just leading up to this new commercialism of trading in Senators, not by the use of greenbacks, not by the use of gold, but by exchange of commodities; exchange of votes for votes; oil and sugar; sugar and oil.

February 19 another telegram from John T. Adams to Wirt Franklin, Mayflower Hotel:

WATERMAN much interested in your proposition, but his support not absolutely assured. He wires that Oklahoma Senators should see value of sugar tariff, in which Colorado and West are vitally interested.

Concludes the telegram:

Follow this up.

JOHN T. ADAMS.

Mr. President, Mr. Wirt Franklin testified frankly this morning, "Why, certainly there were propositions to trade votes."

He offers no excuse for it, no apology for it. He was perfectly frank about it. The offer to trade votes, in my opinion, as the testimony will disclose, was initiated by Mr. Franklin, the chief of these lobbyists. He proposed to trade Senators for Senators in votes.

I will read another telegram, getting down closer to the present time. The attorney general of Colorado and the associate justice of the Supreme Court of Colorado formed a sort of copartnership, and they signed the telegram, "Adams and Winbourn." It is dated Denver, Colo., February 21, 1923.

WIRT FRANKLIN,
Mayflower Hotel, Washington, D. C.:

Must stress necessity of all your people recognizing importance of WATERMAN'S suggestion about sugar tariff. Believe if you do he will become aggressively active. See WATERMAN. Use our names if desired. Wire progress.

ADAMS AND WINBOURN.

That is February 21, 1930. Mr. Wirt Franklin had gone to the attorney general of Colorado and to Judge Adams, no doubt sought them out in order to obtain their influence, and they in turn were to influence Members of the Senate. So he wired to—

JOHN T. ADAMS or ROBERT WINBOURN,
State Capitol, Denver, Colo.:

Yours received. Saw WATERMAN yesterday and again to-day, and believe have matter satisfactorily arranged for support of both PHIPPS and WATERMAN for oil tariff; but, nevertheless, suggest that all support possible be given them from Colorado.

Note what Mr. Wirt Franklin was doing in exchange for votes. He—

Secured two votes for his cause, which will help Colorado also.

Mr. BROUSSARD. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Louisiana?

Mr. BLAINE. I yield.

Mr. BROUSSARD. The Senator is a member of the lobby committee. Is he making a report from that committee?

Mr. BLAINE. I am making my remarks in my own right as a Member of this body.

Mr. BROUSSARD. Have you concluded the hearings on the charges made that there has been bartering and trading on oil, lumber, and sugar?

Mr. BLAINE. Mr. Franklin was excused until next Tuesday morning at 10 o'clock a. m.

Mr. BROUSSARD. Have you concluded your hearings on this proposition?

Mr. BLAINE. Oh, no; we excused Mr. Franklin until next Tuesday, when he will return.

Mr. BROUSSARD. You are not yet finished with him?

Mr. BLAINE. Oh, no.

Mr. BROUSSARD. Of course you will have other witnesses?

Mr. BLAINE. Oh, yes.

Mr. BROUSSARD. Therefore you have heard one of the State witnesses, or one of the opposition witnesses?

Mr. BLAINE. Oh, no; we have heard the principal lobbyist and aggressor in this campaign for a tariff on oil, Mr. Wirt Franklin.

Mr. BROUSSARD. Certainly.

Mr. BLAINE. The head of the lobby organization.

Mr. BROUSSARD. I say, you have heard him?

Mr. BLAINE. He is not a witness for the State, for the public.

Mr. BROUSSARD. You have heard one witness. You expect to hear some more, do you not?

Mr. BLAINE. It is very evident to anyone who has a mind and can hear that we have heard Mr. Wirt Franklin.

Mr. BROUSSARD. I believe that. I am satisfied you have. Now, you are casting aspersions on every Senator on this floor by talking about the trading in the Senate without naming many people. You have named a few States. As a member of that committee are you prepared to come here and report that these Senators are guilty of what you are charging them with now?

Mr. BLAINE. I have not charged that any Senator is guilty of anything.

Mr. BROUSSARD. No——

Mr. BLAINE. I have charged that the new commercialism of this lobby has been attempting to trade in votes, oil for sugar and sugar for oil, and the testimony discloses that.

Mr. BROUSSARD. Why should you make those charges here unless it applies to Senators? Are you charging that against another lobbyist or against Senators on this floor?

Mr. BLAINE. Mr. President, if the Senator had listened to my speech——

Mr. BROUSSARD. I have.

Mr. BLAINE. He would know exactly what I have charged.

Mr. BROUSSARD. You said you had a letter against the Senator from Vermont. You have not read it. The public will want to know what that letter is.

Mr. BLAINE. The Senator from Vermont will take care of himself. He has made his reply public, I am informed. I think it was the most reprehensible thing that could be perpetrated on a Senator, and I think, Mr. President, the attempt of Mr. Franklin to trade the votes of Senators from any State, oil for sugar or sugar for oil, ought to be condemned by every right-thinking American citizen.

Mr. BROUSSARD. But as a judge sitting on that committee——

Mr. BLAINE. Mr. President——

Mr. BROUSSARD. As a judge sitting on that committee, you come here and you say that there is a certain letter about the Senator from Vermont, which you will not read, but you intend thereby to influence votes on the floor of the Senate. Is not that true?

Mr. BLAINE. Mr. President, I am not a judge on that committee.

Mr. BROUSSARD. Why not?

Mr. BLAINE. I am an examiner.

Mr. BROUSSARD. Yes; and you will vote on the report you are going to make. I want to ask the Senator—he has proceeded with one witness, and he is proposing to come here and make a report to the Senate as to what his conclusions are, and if he were a judge on the Supreme Court, and, after hearing one side of a case, went before the public and made a speech such as he is making, the public would demand his retirement. If he were a juror and did that, the judge would force him out.

Mr. BLAINE. Mr. President, the Senator from Louisiana has a perfect right to demand my retirement if he so chooses.

Mr. BROUSSARD. I think you should retire after the remarks you have made.

Mr. BLAINE. I am quite willing to meet that proposition whenever the Senator is ready to proceed to carry out his wishes on the issue involved.

I think the orderly course of procedure in this debate demands that I decline to yield further to the Senator.

Mr. BROUSSARD. I am talking about the propriety of your remarks to-night as a member of that committee——

The VICE PRESIDENT. The Senator declines to yield.

Mr. BROUSSARD. And if the Senator refuses to yield, it is all right.

Mr. BLACK. Mr. President——

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

Mr. BLAINE. I yield.

Mr. BLACK. I would like to ask the Senator if he would object to the calling of a quorum, in view of the fact that some Senators have been mentioned who are not on the floor. I think it would be proper.

Mr. BROUSSARD. All of them are absent.

Mr. BLAINE. I have no objection, but I just want to state that I have concluded reading these telegrams and letters and propose to conclude my remarks very shortly.

Mr. BLACK. If the Senator has finished the telegrams——

Mr. DALE. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Vermont?

Mr. BLAINE. I yield.

Mr. DALE. The Senator from Wisconsin says that he is about to conclude his remarks, and he also stated to the Senator from Louisiana that the Senator from Vermont could take care of himself. The Senator from Vermont has been wondering in just what position that leaves him. As nearly as he can come to some conclusion respecting that matter, he would have to get up and charge himself with something, because there is nothing before the Senate for the Senator from Vermont to answer.

Mr. BLAINE. With the Senator's permission, I will read the letter.

Mr. DALE. The Senator has no objection whatever to the reading of the letter.

Mr. BLAINE. I had no desire to read it. If the Senator chooses that I read it so that he can here reply to it, I would be very happy to afford him that opportunity.

Mr. DALE. The Senator has not anything to reply to. He has no anxiety to reply to anything, but there is nothing before the Senate to reply to at present.

Mr. BROUSSARD. Will the Senator from Wisconsin yield for just one question?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Louisiana?

Mr. BLAINE. I must decline to yield to the Senator from Louisiana.

Mr. BROUSSARD. Has any Senator charged before the committee been given a chance to explain?

The VICE PRESIDENT. The Senator declines to yield.

Mr. BROUSSARD. No Senator has been given a chance.

Mr. BLAINE. With the permission of the Senator from Vermont, I will read the letter to which I referred, to show how reprehensible some of these lobbyists have been.

Mr. BROUSSARD. Will not the Senator yield to me?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Louisiana?

Mr. BLAINE. I decline to yield.

The VICE PRESIDENT. The Senator declines to yield.

Mr. BROUSSARD. Has the Senator from Vermont been given a chance to explain to the committee whether it is true or not?

Mr. BLAINE. This letter is addressed to "Mr. Brown." I will say that the letter will be printed in the printed testimony; therefore I am divulging nothing that has not already become public property. I am reading this so that the Senator from Vermont will have opportunity to make his statement on the floor, and I think he is entitled to that opportunity. So that if there is any misapprehension about it, in my opinion the Senator from Vermont will clear it away.

Mr. BROUSSARD. Why do you not ask him to come before your committee?

Mr. BLAINE. I decline to yield.

The VICE PRESIDENT. The Senator can not interrupt the Senator from Wisconsin without his permission.

Mr. BROUSSARD. He will not yield.

Mr. BLAINE. The letter reads:

> Did not see Senator HALE, from Maine, as per your request, but had a nice talk with Senator DALE, from Vermont, and he advised me not to see HALE if I did not know him well enough to press it. He said Senator PINE didn't know that he (DALE) had told me he would vote for the tariff, and PINE had told him if he wouldn't help on oil tariff that he (PINE) would not help him, and he said that was the way to do it. He said he couldn't trade with HALE as well as PINE or THOMAS could, as he didn't have enough to trade, like they did. He introduced me to Senator NYE, and the only promise we could get out of him was that he certainly would be there at the presentation on the Senate floor, and if it was like we told him he'd be for it, but hadn't made his mind up yet. DALE said our Senators were in special good position to trade, as heretofore they had been against them in the North and East and many Senators would like to trade with them. Also said we should get to the leaders all we could. Am leaving on the 6.30 unless you say to stay.
>
> (Signed) CHARLES FLINT.

That is on the letterhead of the Mayflower Hotel, Decatur 1000, with the number which corresponds to the headquarters of the oil lobby, room No. 383.

Mr. President, I am very glad to yield to the Senator from Vermont [Mr. DALE], if he so chooses, for any statement that he may desire to make.

In conclusion I want to say that the lobby which has been set up by these so-called independent oil producers has gone beyond all bounds of decency. Its members have undertaken methods that are scarcely known in the history of legislation. They have attempted to besmirch Senators, to trade them, oil for sugar and sugar for oil. To what extent they have succeeded does not lie in my mouth to say. The record made on the vote will

determine the degree of success obtained by Mr. Franklin and his companions and cooperators. But, Mr. President, in my opinion, it exhibits a situation before the people of the country, if this sort of thing is to succeed, that will forever damn this method of making tariffs.

Mr. ALLEN. Mr. President, I think it would be unfortunate if we should close this debate with some of the echoes in our ears that have just been put there. I have known Mr. Wirt Franklin and his work for quite a long time. I knew when he was coming to Washington that he was coming to present what he believed to be the facts touching the very serious emergency that exists in the independent oil industry in the United States. I was told by men in the oil industry in Kansas and in Oklahoma that he was bringing a trainload of oil men, and in spite of being used "ruthlessly," as the Senator from Wisconsin [Mr. BLAINE] accuses them of being used, they were rather open and ingenuous. He brought along some men who were evidently rather foolish in the writing of telegrams and letters. I would hate to have any man, with the purpose to defeat any legislation and with freedom to make any use of his investigation, go through anyone's files for use before the present lobby investigating committee for the defeat of some issue opposed by the lobby.

Undoubtedly Mr. Franklin has brought some reckless men, who have written some indefensible telegrams and letters, but he came here with an honest mind, with an open purpose, with a frank declaration. The first meeting which Mr. Franklin held in this Capital City was in the caucus room of the House of Representatives, and there, in the presence of Senators and Members of the House who had been invited to hear Mr. Franklin explain the emergency into which the oil industry of the independents had sunk, Mr. Franklin presented their case.

From the way in which he explained the situation, the prospect of this amendment being adopted became a little better, because he brought to us a new realization of just what has been happening in the oil industry. He brought to us a realization that while these independent oil men were really good fellows, as they always are, and had kept their obligation of proration and had reduced their production, at the same time the great petroleum companies, the monopolies who to-morrow will be singing the praises of the Senator from Wisconsin, were deluging the country with cheap oil from Venezuela, and as fast as the independent refiners and producers withdrew their production to help the situation, the importers increased their importations.

Mr. Franklin explained the situation thus created in unanswerable fashion. He was entirely frank in asking all the friends of the industry to bring to bear upon their friends in the Senate and in the House whatever influences they could in a perfectly proper way to get them to understand the grave need of the independent petroleum industry in the country to-day. Of course, he did not understand that it was not proper to speak to a Senator on the golf links about a tariff matter. He did not understand that it was not right to go to a dinner with a United States Senator and even contemplate what that Senator was thinking about touching a tariff matter. These men who have struggled with this industry until they have established, against every opposition and every disadvantage, the only safeguard which the United States has to-day against monopoly in oil, thought they could come here and talk it over.

We have seen here for a good many years the ambition that seizes upon a man who comes to help enact legislation to appear to have accomplished something. This idle tale which has been told by some silly member of the party at the expense of the Senator from Vermont [Mr. DALE] is not amazing when we know the weaknesses that seize upon a man immediately when he comes here into this atmosphere and finds himself hopelessly lost, when he wants to make somebody believe that he has amounted to something, and so he tells the story. My friends, great business interests have been paying real cash for just such silly stories as that. We have had recently an investigation in which an idle talker disclosed the fact that he had collected some $60,000 for just such imaginings.

But, Mr. President, these unfortunate circumstances which have developed out of the group of enthusiastic men coming here with the desire of saving their industry, do not affect the merits of the case at all. The Senator from Wisconsin [Mr. BLAINE], who has been making an enthusiastic and an insidious use of lobby material, the lobby committee having sent for Mr. Franklin this morning for the very purpose of doing that thing, would have us believe that Senators in this body have been traded, and yet he was very careful not to name any Senator who had been traded.

Mr. President, I am in favor of the pending amendment that gives a tariff on oil. No one has approached me about trading. I believe that this is one of the most important pieces of legislation that will challenge me while I am here, and I am very anxious, for the sake of this great industry and for the sake of the consumers of oil in general in the country, that it shall succeed. Yet, I have not approached anybody. I do not believe there has been one single thing of effectiveness accomplished by this visitation of these oil men that has not been perfectly proper to have been accomplished. They have been presenting their case. The very openness with which they have been presenting it is itself an answer to the charge that it has been either ruthless or subtle. It has been the earnest effort of a stricken industry to come here to us who alone can give it any relief and to ask for that relief. I think we are doing them a poor turn, Mr. President, when to-night we seek to blacken by insinuation and innuendo men who have builded in the United States that which these men have builded in our country. For 18 years Franklin has been adventuring in oil. For 18 years, every step of the way along, he has had to fight the Standard Oil Co. and the other monopolies. He has been brave and clever at his business, so that with the good luck which he has had in the exploitation of fields which he thought contained oil he has builded in Oklahoma a great industry which represents a $50,000,000 investment. Every community that is touched by that industry has been enriched by it.

And now comes the cause and effect of the present situation. Oil can be produced in Venezuela for 18 cents a barrel. It can be sent to the point of debarkation at a price which brings it to 35 cents a barrel. It can be landed in New York or Philadelphia or Baltimore at 76 cents a barrel. There has been no tariff upon oil. It costs $1.76 a barrel to produce it out in the Middle West, and we are asking for a tariff that will equalize the cost of oil brought from Venezuela to the United States with the cost of producing oil in this new territory, which depends for its very life upon its ability to sell the oil it produces.

We have had a great deal of perfectly legitimate discussion to-day about the need of conserving oil as a natural resource. We have always had that debate. I can remember when we discussed the necessity of conserving coal, when we shuddered at the prospect that our coal mines would soon be exhausted. To-day the flattest industry in the United States, month in and month out, is the coal industry. Why? Because coal was not conserved? No. It is because coal is becoming obsolescent in so many industries.

China has been conserving for 4,000 years.

Mr. President, there is no guaranty that with the increasing advance of science our great oil fields will not be obsolescent in 25 years. To-day every proven source of knowledge comes challenging us with the estimate that there is enough oil already of known resource in this country to last us 700 years. Whether it be 700 years or less, at any rate it has been distinctly proved that as we protect the smaller producer we guarantee the exploitation of the smaller fields, and as we exploit the smaller fields we not only add a constant increase in the production of oil but we add to the safeguard that belongs to this country by reason of the fact that ours is the only country that has any protection against monopolistic oil control.

Mr. President, I am grateful to the independent oil men of the United States for the sacrifices they have made in the great oil industry, and I make bold to say that I am grateful for the visit which Wirt Franklin has made to Washington in behalf of this industry, because he has brought here a larger sum of exact knowledge upon the situation than has ever been brought here before. He has gone about this Capital pleading for the privilege to tell his story. I am always sorry when I see a man from out in the West somewhere trying to make an impression upon the United States Senate through a process of lobbying. What do they know about such purists as the Senator from Wisconsin, Mr. President? How can they understand such perfection as speaks from his heart? How can they know that such altitude of thought and moral perfection may exist? Why, they are just plain folk, Mr. President; they have the fundamental feeling about morality, but they can not grasp the high spiritual levels that govern us here where we are all so honest and so auspicious. However, Mr. Franklin—and I am going to close with this, because I should like to have his statement before us—sent us some very accurate information. That information deals with the merits of this proposal. We are going to vote in a few moments not upon the suspicions entertained by the lobby-investigating committee, but we are going to vote upon the merits of this proposal. Here are some of the merits:

At the oil conference in Denver in June, 1920, it became apparent, for the first time, to the independent oil producers that a few large American and foreign companies were well on the way to securing a complete monopoly of the oil business of the United States. This result was being effected through the importation of ever-increasing quantities of cheap oil from South America, the curtailment of Ameri-

can production correspondingly, and successive reductions in the price of crude oil to the American producer, who was thereby gradually but surely being forced entirely out of the oil business.

Under the plea of conservation, oil producers of the United States were asked to curtail production in order to prevent a surplus, accompanied by the inevitable waste which follows a surplus. This curtailment and shutting in of production was advocated by the Secretary of the Interior and other high officials who had enlisted in the cause under the banner of conservation. The oil men responded to the request for curtailment and have been shutting in production throughout the major oil fields of the United States. This shutting in was done with the thought that a decrease in production would naturally benefit the market for oil, the price of which was even then below the cost of production.

But as rapidly as the oil producers curtailed their production, the large companies, who were demanding and insisting on such curtailment, increased their importations of oil, so that the situation as to surplus oil was not remedied, and the market not benefited. Instead of there being an increase to the producer in the price of oil, there actually have been further severe and drastic reductions in that price, these reductions being put into effect by the same companies who at the same time were increasing their importations.

This process of curtailing domestic production, increasing importations, and reducing the price to the American producer is assuming such tremendous proportions that the independent producer is being rapidly destroyed and eliminated from the business. Unless this movement be checked in the near future it will result in driving out of business practically every small independent producer and result in an almost complete monopoly in the hands of a few large American and foreign companies.

COMPARATIVE COSTS OF FOREIGN AND DOMESTIC PRODUCTION

There is now being imported into the United States approximately 300,000 barrels of oil per day. There is no tariff on oil, so that the cost of this oil laid down in this country is the cost of production in foreign countries plus transportation to this country. The major portion of the importations comes from the northern South American countries, largely, at present, from Venezuela.

There is practically no limit to the amount of oil that can be produced from the present known oil fields in northern South America. The wells are shallow and the production per well enormous. The cost of production of oil averages 18 cents per barrel.

The cost of transportation from the well to seaboard is about 22 cents, and the freight from seaboard to such ports as New York, Philadelphia, Baltimore, or other Atlantic ports, approximately 35 cents per barrel, so that the cost of this South American oil laid down at the North Atlantic ports to the United States is approximately 75 cents per barrel. (See letter of United States commercial attaché in appendix.)

The cost of production in the United States, as shown by an exhaustive study of the Mid-Continent Oil & Gas Association, is not less than $1.70 per barrel in the field. To this cost must be added the cost of transportation to the Atlantic seaboard of 76 cents per barrel, making a total cost of $2.46 per barrel against the 75-cent cost of the foreign oil. The present price of oil in the field for ordinary gravity is $1.20 per barrel, or 50 cents below the cost of production.

The result is that all the smaller wells of the United States are gradually being shut in and abandoned, and the men engaged in this production are driven out of business and forced to seek other lines of employment. As the smaller producers are forced out of business and the larger independents compelled to face ever increasing losses, the larger companies gradually acquire the properties, usually at their own valuations. So that this process of eliminating the independents and restoring the oil business to the same monopoly which originally had the entire business within its grasp, is rapidly taking place.

Mr. President, there has come as one of the cogent arguments in this controversy the suggestion that the levying of a tariff on oil will increase the cost of oil. As a matter of fact the dollar a barrel which the independent oil producers ask is not to increase the price of oil—that is not what governs the price of oil—it is to equalize the cheap cost of producing oil in Venezuela with the cost of producing oil in this country.

Mr. President, the price is not fixed by tariffs, and the price of gasoline is not fixed by the price of oil; this has been proven time after time in this debate. But if we allow, Mr. President, the present tendency to continue, the independent oil industry in this country will be ruined, it will not be long until we will be paying for gasoline the price that is paid by other countries which are in the hands of an oil monopoly undisturbed by the presence of any independent influence.

In Venezuela where oil is produced at 18 cents a barrel the cost of gasoline is 32.8 cents. Break down this safeguard we have and we will pay more for gasoline; encourage this industry and all the time you will be leading to new fields of production and you will safeguard the public with at least a threat of competition to which the great oil monopolies can not be indifferent; and they are not indifferent at this moment, Mr. President, at the fate of this amendment, which will be decided in a few minutes.

They are grateful to the lobby committee that has made use of the occasion to attack this legislation with insinuation. They are grateful to the Senator from Wisconsin that he has sought to get this debate away from the merits of the question and to cast reproach not only upon his associates in this body but upon the honorable members of the independent oil industry in the United States.

Mr. BRATTON obtained the floor.

Mr. DALE. Mr. President——

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

Mr. BRATTON. I am going to take just a few moments.

Mr. DALE. Very well.

Mr. BRATTON. Mr. President, I do not expect to take much of the time of the Senate to discuss the economic phases of the amendment which is before us. Those are matters about which we may differ. Sufficient it is to say that I intend to vote for a duty on oil.

I am unwilling to give my approval to a situation whereby a limited number of tremendously powerful companies forming a complete monopoly upon their products here may acquire vast properties in foreign countries and there produce the raw material, process much of it, import tremendous volumes of both the raw material and the finished product into this country duty free, especially when it is borne in mind that throughout the history of the oil industry the independent producer has been the pioneer. He is the man who has pushed westward; he is the man who has gone to the outskirts; he is the man who has assumed the risks and the uncertainties of such pioneering; and he is the man who oftentimes has suffered and borne the financial loss. After he has pioneered the way and has developed the existence and presence of oil and gas, then it is that the large companies follow. After the uncertain period has passed and it has been supplanted with certainty, then enter upon the scene the giant companies which are now producing vast quantities of petroleum in foreign countries, notably in Venezuela, and bringing it into this country under unjust and discriminatory economic conditions against which the independent producers can not survive.

However, Mr. President, I rose primarily to submit some observations in reply to what the Senator from Wisconsin [Mr. BLAINE], who, I regret, is not in the Chamber, has said. So far as I know, this is the first occasion in the history of the Senate when an investigating committee of the Senate has acquired files from a private concern in the forenoon and rushed into the Senate Chamber with them in the evening of the same day on the eve of a vote and used them as the Senator from Wisconsin has done. I shall make no comment upon the purpose of that; it would be a waste of the time of every Member of this body for me to do so.

What I want to say is that among those who came here two or three weeks ago to present the problems of their financial existence in an open and aboveboard fashion there were a few men from my State, and so long as I remain a Member of this body I shall never consent that men of their high character and enviable reputation shall be subjected to a cloud in this fashion.

Mr. President, no more honest or upright men ever existed in Wisconsin or elsewhere than those who came from my State to present their problems to both branches of the Congress, not through an insidious, indirect, secret, or highly paid method, but in an open, aboveboard, and frank fashion to talk with Members of the Senate and the House with reference to legislation that will have much to do with their economic and financial existence.

Has the time come, Mr. President, in the history of this country when those who have spent their lives in an industry and feel that they are fighting with their backs to the wall are to be criticized for paying their own way and coming to the National Capital to talk with their representatives about their part in the economic make-up of this country?

Those engaged in the development of oil have the right to exist in this country. They have a right to fight the struggle of life; to wage battle for their economic existence on an equality with every other industry and every other man, as well as every other corporation in the same industry.

Mr. President, these men came here in an open, frank, candid, and aboveboard fashion. They held a public meeting in the caucus room of the House of Representatives, at which some five or six hundred persons were present. Among them were Congressmen and Senators, as well as representatives of the press. I was there. I was there by invitation. I heard Mr. Franklin speak for probably an hour. I have never conversed with him since. I was impressed that they went about their

mission in an honest, frank, and open way, as distinguished from the ordinary insidious way frequently employed to influence Members of the Senate and the House, namely, by the employment of high-powered lobbyists to maintain offices here and undertake to build up sentiment and influence in the Congress. So far as I am concerned, the method used by these independent producers is the kind of a way in which I should like to have problems presented to the Senate; that is to say, openly and aboveboard.

But, Mr. President, what I rose to say, and what I conclude by saying, is that those who came from my State—and they were just a few among many out there—are high-class, honest, upright, straightforward men, with their earnings accumulated throughout a lifetime invested in pioneering the way and in endeavoring to develop a great industry there. They believe, and I join them in the belief, that they are fighting with their backs to the wall. I have no criticism of them for coming here to present their matters to Congress while this bill is pending; and I do not propose to acquiesce silently in any sort of an imputation against their good faith or their right to come here for that purpose.

Mr. DALE. Mr. President, the Senator from Maine [Mr. GOULD], on my right, just asked me who this man Franklin is. If he had asked me that question an hour or two ago, I could not have told him. I did not know who Franklin was until the developments that have just arisen.

Nobody has approached me respecting the duty on oil, directly or indirectly, of which I have any recollection, excepting perhaps to the extent that our leader and one or two others have asked me how I felt about the oil question; and, as I recall my answer to them, I have said that I had not any particular interest in the oil question; that I was interested in my colleague the Senator from Oklahoma [Mr. PINE]; I felt very friendly toward him, and I hoped, if there was anything about this that could help him, that he would be helped by it.

When the matter came up to which the Senator from Wisconsin [Mr. BLAINE] has made reference to-night, I will acknowledge I was a little provoked. Perhaps some who heard my remarks at the time might have drawn the same conclusion. I was provoked; but, frankly, Senators, the more I investigate this letter, and the more I think about it, the less I care about it, and the more it appears to me to be of no substance of any consequence whatever.

When you take the letter and make an analysis of it, you notice in the very first sentence that the writer of it says that he has not seen the Senator from Maine [Mr. HALE], "as per your request"—that is, the request of the man to whom he is writing the letter. Naturally, being here, as I assume, in the service of the man to whom he wrote the letter, he had to give some reason for not seeing the Senator from Maine. Therefore, he says that he has not seen him because he has seen the Senator from Vermont, and the Senator from Vermont advised him not to see the Senator from Maine unless he had the influence by which he could press him.

Mr. President, I do not know just what he meant by that. I do not know why he thought that I felt that he should press the Senator from Maine. Whenever I have wanted anything from the Senator from Maine I have gone to him, and I have not had to press him at all. He has been most courteous and agreeable and has, so far as I know, always immediately granted what I requested of him. I do not know what he meant by that.

He next states in this letter that "Senator PINE did not know that he (DALE) had told me he would vote for the tariff."

I never saw the man before. I never saw him in my life but once, and I assume that was the time when he says he had this conference with me, so that I could not have had any opportunity to have told him anything as to what Senator PINE knew or did not know.

He said Senator PINE didn't know that he (DALE) had told me he would vote for the tariff, and PINE had told him—

That is, had told me—

that if he wouldn't help on the oil tariff that he (PINE) would not help him—

That is, the Senator from Vermont—

and he said that was the way to do it.

The Senator from Oklahoma, Mr. PINE, is on the floor, and he knows that I never talked oil with him in my life. I never suggested to him anything about it, and he never suggested to me anything about it in all his career, so far as I have any recollection. There is not any substance whatever to that, and the Senator from Oklahoma knows it as well as I do.

He says that I introduced him to Senator NYE. That is true. Senator NYE came along while we were in the reception room, and I did present this man to Senator NYE. What the conversation between Senator NYE and this man Flint consisted of, I have no idea whatever. I did not hear it; and I think the Senator who sits here on my right [Mr. NYE] knows that I did not hear it.

Mr. President, how I happened to be talking at all with this man Flint was in this way:

Some time ago a distinguished citizen of the State of Vermont, one of very highest possible character—no man could have a higher character, privately and publicly, than I consider that man to have—came to me and suggested that I use my influence to help a Major Flint, in Washington, who was formerly a resident of Vermont. I told him that if I undertook to help Major Flint in the War Department, it would react on him and hurt him; but he said he wanted it done just the same. I declined to do it until my colleague [Mr. GREENE] came back from Vermont, because my colleague is on the Committee on Military Affairs.

When my colleague came back, he and I did write a letter that we feared at the time would injure the man, and probably it did. A little while after that a card came into the Senate Chamber marked "Flint," and I thought it was this Major Flint that we had tried to help, and went out into the reception room; and out there I met this man Flint who said that he is a brother of Major Flint. We discussed his brother the Major, discussed what had taken place respecting the effort that my colleague and I had made for his promotion; and this man Flint, the brother of the Major, said that he had just come from the Secretary of War, who had taken him in his car and taken him over to his house, and this matter had been discussed while he was with the Secretary of War.

After this matter came up to-day I called up the Secretary of War, and he verified that. He said that Mr. Flint did come to his office, he did take him in his automobile, and they did discuss this matter.

We discussed it at some little length in the reception room, and were talking about it when Senator NYE came along. That was the reason of my going out to talk with Flint. That is what we talked about. That is the only time I ever saw Flint. That is what we talked about to my recollection.

I do not know who this man Brown is. I never knew who this man Franklin is until this afternoon. The whole thing, Mr. President, is not worth the time that I am taking, so far as having any substance in it is concerned; and I would not even say what I have said about it if it were not for the fact that my silence might be misinterpreted as the poor thing faded out.

Mr. ROBSION of Kentucky. Mr. President and gentlemen of the Senate, I shall vote to levy a duty on crude oil and oil products brought into this country. I am not a recent convert. I never saw Mr. Franklin, referred to by the Senator from Wisconsin [Mr. BLAINE]. I made a speech in the House of Representatives in July, 1921, when the Fordney-McCumber tariff bill was under consideration, urging a tariff on crude oil, and I believe that was before the Mayflower Hotel was built.

While the distinguished Senator from Wisconsin [Mr. BLAINE] was casting reflections on most everybody, a fine old minister of the mountains of Kentucky came to my mind. He never held a service without singing a certain hymn, or having it sung, and back in those days they did not have many hymn books, and the minister lined the hymn. One verse of this favorite hymn of his ran as follows:

This earth extends from pole to pole,
And man to sin is given;
There's not an honest man on earth,
And scarcely one in heaven.

I shall not be driven to-night from my duty to the oil producers, to the oil workers, who produce from seven to ten million barrels of oil every year in Kentucky, and to the coal producers and the thousands of coal miners and their wives and children in Kentucky, because of some unfortunate letter or telegram which some person, irresponsible, might have written.

It has been hinted here that those interested in two great oil concerns, the Standard Oil Co. and Dutch Shell Oil Co., the two greatest oil concerns in the world, will read with glee and delight the attacks of the distinguished Senator from Wisconsin on the friends of these independent oil producers.

In 1921, when the fight was made in the House to protect the 16,000 independent oil producers, and to protect the more than 250,000 small oil wells owned and operated by them, and to protect the great soft-coal industry of this country, we were met then with the active opposition of the Standard Oil Co., and I understand that they are still opposed to a duty on oil.

I understand, too, that the Dutch Shell Oil Co. is opposed to this duty. These two great concerns are benefiting more than

anybody else by the importations of this hundred million or so barrels of crude oil every year into the United States.

Mr. President and Members of the Senate, I am a protective tariff Republican and I do not withhold my support for reasonable protection because the commodity or product to be protected is not produced in my own State, and I did not withhold my support when I was in the House of Representatives because the particular commodity was not produced in my own congressional district. I am just as anxious to protect the products of the farm and the factory, the mill and the farmer, as I am to protect coal and oil. The National Coal Association and coal miners' organizations favor a tariff on oil.

In 1921 I had a letter from Mr. John L. Lewis, the president of the United Mine Workers, which was printed in the RECORD in the speech to which I have referred, in which he then urged a tariff on oil, and pointed out that these importations would increase and increase, and that the soft-coal industry would become more and more depressed as the years should come and go.

His prophecy has been fulfilled. In my own State, where the oil is produced largely and almost entirely by the independent oil producers, where the daily production is small, that industry is prostrate. Then I look to western Kentucky and eastern Kentucky, which could produce more than 80,000,000 tons of soft coal every year, and I see that great industry prostrate, thousands of miners and their wives and children hungry and idle, this 100,000,000 barrels of crude oil displacing every year more than millions of tons of soft coal in this country. Whatever may be the attitude of the distinguished Senator from Wisconsin, I think my first duty is to the workers in the oil industry and in the coal mines of Kentucky, rather than to the cheap laborers and landowners of Central and South America.

I think my first duty is to protect and give life and vitality to the oil industry and the coal industry, in which hundreds of millions of dollars of American money are invested, rather than to the investments yonder in Central and South America. I shall not permit anybody's telegram or anybody's letter to drive me from my duty to the people of Kentucky and my duty to the workers and to the industries of the United States.

Is there any reason why we should protect factories, mills, eggs, protect wool, protect wheat, corn, tobacco, grass seed, potatoes, and butter produced in Kentucky and in other sections of this country, and leave those engaged in the business of producing oil and producing coal to the mercies of a cruel and ruthless unfair competition of cheap labor and cheap production in a foreign land? I want first to protect our citizens.

As was well said the other day by the leader on this side, the distinguished senior Senator from Indiana [Mr. WATSON], there are being shipped into this country goods of the value of $5,000,000,000, when three billion and a half of that amount could be produced in this country.

Mr. President and Senators, there are already too many idle people in this country of ours for us to hesitate to protect this great army of idle men and women and prostrate industries without which unemployment may be increased in this land of ours.

I am not taking the stand because of anything Mr. Franklin may have said or may not have said. I have not risen to that point in my service here or retired into that sanctimonious seclusion where any American citizen may be barred from approaching me and laying before me fairly and squarely a thing which concerns a great industry or concerns my State.

Quite a number of gentlemen have come from Kentucky, men of the highest integrity, men of the highest honor. They did not come to Washington because they wanted to come. They did not come to Washington for pleasure. But they saw these hundreds of oil properties idle, with a prospect of more of them being idle. They saw men, workers in the oil industry, who used to be well fed and well clothed, and their wives and children happy and content. They see them now idle, and their wives and children wanting for the necessaries of life.

They see every coal mine in Kentucky idle at least half of the time, with hungry men and women idle, walking the streets, seeking honest employment. They saw millions of dollars of invested capital being destroyed by these millions of barrels of crude oil, costing the small sum of about 18 cents per barrel to produce, coming into this country and displacing American oil, displacing millions of tons of coal to the disaster of these two great industries. They came to Washington to see you and to see me, an honest and laudable purpose, and I trust I may never come to the time or have the attitude of mind when any Kentuckian, however humble, who comes to Washington to see one of the men, and really both of the men, who represent them in the United States Senate, can not see me and place his claims before me.

To show further how our people of Kentucky are concerned, the State Legislature of Kentucky is in session. A resolution was offered in the Kentucky Senate. That body is composed of 24 good Democrats and 14 good Republicans. They passed the resolution unanimously urging the Congress of the United States to give relief to the great oil and coal industries of Kentucky and the country. Mr. President, if I may, I desire to have that resolution printed in the RECORD as a part of my remarks.

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

The resolution is as follows:

Senate resolution

Whereas the petroleum industry in Kentucky is seriously affected by the overproduction of petroleum in the United States, generally resulting in a price cut of crude oil; and

Whereas, following the practice in the mid-continent and western fields of the United States, oil operators have been required to shut down production and new development because of the overproduction of petroleum in the United States; and

Whereas the petroleum industry in both eastern and western Kentucky is one of the main industrial activities in the coal-field regions which are now experiencing a great struggle for their very existence; and

Whereas it is a fact that upwards of a hundred or more million barrels of petroleum were imported into the United States during the past year, this foreign oil competing with domestic oil and the petroleum produced in Kentucky and operating to reduce the demand for Kentucky petroleum and lower the price for same: Now, therefore, be it

Resolved, That the representatives of this Commonwealth of Kentucky in the United States Senate be requested to take immediate steps to restrict the importation of crude oil into the United States in such ways and by such means as is legally within their power, thereby looking toward the improvement of the petroleum and bituminous coal industries of this Commonwealth; and it is further

Resolved, That copies of this resolution be dispatched by the clerk of this senate to the Kentucky Members of the United States Senate.

Attest:

OSCAR WICKER,
Assistant Clerk of Senate.

Mr. ROBSION of Kentucky. Mr. President, the State geologist of Kentucky, a very bright and honorable man, Dr. W. R. Jillson, wires me to use every effort possible to secure protection for the oil industry against the importations of crude oil free. I shall later place his telegram in the RECORD. I have a telegram here from one of the leading Democrats of Kentucky. I wish to take the time to read that to the Senate:

LEXINGTON, KY., *February 17, 1930.*

Hon. J. M. ROBSION,
United States Senate:

Producers of crude oil in Kentucky of whom there are several thousand, are in great distress because of prevailing low price of their product. It is their belief, which is shared by me in fullest measure, that the imposition of an adequate tariff on crude would have the greatest beneficial effect. Your active support of such measure would be greatly appreciated. A decline of more than 40 per cent in the market value of Kentucky crude within the last three years has had a very depressing effect upon this important industry in which many millions of dollars are invested. Paul G. Blazer, who is closely associated with me in business, may perhaps call at your office this week seeking an interview in this connection. I shall deeply appreciate any courtesies which you may extend to Blazer, whom I commend to you unreservedly.

That is signed by the Hon. Thomas A. Combs, president of the Swiss Oil Corporation of Lexington, Ky. Mr. Combs is one of our outstanding Democrats.

Mr. President and gentlemen of the Senate, it may readily be seen that the situation is so acute in Kentucky that many of our Democratic friends who in the years past and gone have condemned the principle of a protective tariff, now, by unanimous vote and unanimous action, urge a protective tariff upon imported oil.

I know it has been urged that if we put a tariff on crude oil the price of gasoline to the consumers will rise. I am sure it has been pointed out at some time to-day that a very small percentage of the crude oil is used for gasoline purposes. Its main purpose is as a fuel. As a fuel it displaces American coal. The Senator from Kansas [Mr. ALLEN] has no doubt stated to the Senate the fact, of which many of us are already aware, that the soft-coal industry of the United States is in the worst condition of any industry of the country.

It may have been pointed out to-day, too, but I want to take a moment to reiterate the showing made by a comparative statement of the prices of gasoline in 52 representative cities of the country. This statement shows the average price of gasoline in 1926 was 18.09 cents per gallon without the tax. The

average price of gasoline in 1929 was 18.39 cents per gallon, showing that the price of gasoline was higher in 1929 than it was in 1926, and yet the average price of crude oil in 1926 was $2.04 a barrel while in 1929 the average price was only $1.20 a barrel. The average price of crude oil in this country in 1929 was 84 cents less per barrel than it was in 1926 and yet the price of gasoline was higher in 1929 than it was in 1926.

The Department of Commerce has submitted a statement of the cost per gallon of gasoline in the various countries of the world. In Colombia, where the cheap oil is being produced that is sent here, the price of gasoline is 61.7 cents per gallon. Why? The two great concerns and others have a monopoly in Colombia and, as has been so well pointed out by the distinguished Senator from Kansas [Mr. ALLEN], that is the very thing to which we are drifting in this Nation if we kill the independent oil producers here.

In Mexico, one of the countries which has furnished us so much cheap crude oil, gasoline is 31.8 cents per gallon, and in Venezuela and other countries furnishing us with crude oil it is 32.8 cents per gallon. In all of the countries of the world recorded here the gasoline prices are higher, some of them two or three times as high, as the price of gasoline in the United States. I can very well appreciate the policy opposing a tariff on oil of some great concern whose operations are not merely nation-wide but world-wide. Do not forget that these great concerns are busy picking up at bargain prices the prostrate independent oil concerns all over our country, and thus enlarging their monopoly and their influence in the oil world.

It is my honest judgment that a tariff on crude oil and gasoline would not in the long run increase the price of gasoline in this country. These American oil concerns are paying taxes and helping to sustain this Government. These American coal mines and coal miners are helping to support this Government of ours. They are as much entitled to some protection against cheap labor and cheap products of foreign countries as are the factories, mills, and the farms and the forests of the United States.

Mr. President, I desire to submit for the RECORD as a part of my remarks the tables and telegrams and letters to which I have hurriedly referred, and also a brief statement which I made before a committee of the House of Representatives some few months ago urging a protective tariff on oil. I would not insist on what I might have said eight or nine years ago or six months ago, but I want to show that Mr. Wirt Franklin or the letters or telegrams referred to by the Senator from Wisconsin that might have been sent here by some person in an ill-advised moment certainly had no bearing on my attitude.

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, the request of the Senator is granted.

The tables, telegrams, and letters referred to are as follows:

FRANKFORT, KY., *February 6, 1930.*

Hon. J. M. ROBSION,
United States Senate Office Building:

Your wire. I strongly favor adequate protective tariff of imported petroleum to make possible immediate resumption of normal activity of oil and coal industries in Kentucky. Oil industry in western Kentucky has been shut down for 45 days and may be for additional 30 or more, creating terrible situation. Coal industry in eastern Kentucky and western Kentucky is on the verge of bankruptcy, with many, many mines shut down, sold and being sold by the sheriff. This State's natural-gas industry knows no foreign competition and is in excellent and expanding condition. Answering your request, volume and value figures on Kentucky-produced petroleum and coal are available in your office now back to 1918 on my new geological map of Kentucky.

W. R. JILLSON,
State Geologist of Kentucky.

WESTERN KENTUCKY OIL MEN'S ASSOCIATION,
Owensboro, Ky., February 6, 1930.

Hon. J. M. ROBSION,
United States Senator, Washington, D. C.

MY DEAR SIR: Answering your telegram of February 4, asking for further information regarding tariff on crude-oil importations.

We in Kentucky who are producing oil are doing so at a very great hazard. When the whole industry is taken into consideration, we have to assume the hazard of dry holes, poor markets due to the flood of oil being produced in the United States, and a further hazard due to the fact crude oil from Mexico and South America can and is being imported to this country at a price below the cost of producing the same grades of oil here.

The total production in the United States per day is about 2,650,000 barrels, of which about 2,250,000 is used for daily consumption, leaving 400,000 barrels per day of our own production to go into storage.

In addition to this overproduction here there is about 350,000 barrels per day of imports, duty free, which, as you can see, places an additional burden on the producers in this country.

You, of course, know the situation in Washington, as we do not, but it seems to us that since this tariff bill has gone to the Senate that there could be an amendment offered in the Senate to place a tariff on oil. In that way this bill will be returned to the House and given consideration there also.

You, of course, also know about the delegation from Oklahoma, that has just been in Washington for this purpose, and no doubt can get a more complete report on the entire industry from Mr. Wirt Franklin, president of the Independent Petroleum Association of America, who headed that delegation, or from a representative of his, who I am sure he left there to watch proceedings.

Assuring you that we greatly appreciate your interest in this measure, and if there is any further information that we can furnish you we will gladly do so.

Yours very truly,

C. E. CURRY, *President.*

OWENSBORO, KY., *February 3, 1930.*

JOHN M. ROBSION,
Member of Senate, Washington, D. C.:

Western Kentucky Oil Men's Association, representing over 200 men, with investments of several million in the State required to develop oil and gas resources, in which every Kentuckian participates in revenue accruing, are confronted with serious handicap as result of free entry to America of crude oil. Recently forced to 60-day shutdown of operations to prevent drastic cut in price of our oil. Hazards of drilling operations are made doubly burdensome by reason of large inflow of duty-free oil, causing us to hold production down in conformity with national needs. Please consider the advisability of equitable tariff on oil importations and thus prevent serious hampering of Kentucky operations. We are acting in accord with Independent Petroleum Association of America representatives now in Washington.

C. E. CURRY, *President.*

SWISS OIL CORPORATION (INC.),
Lexington, Ky., February 19, 1930.

Hon. JOHN M. ROBSION,
United States Senate, Washington, D. C.

MY DEAR SENATOR ROBSION: Supplementing my wire to you, permit me, please, respectfully to say in support of our appeal, that in spite of the tremendous increase in the use of petroleum products, the market value of eastern Kentucky crude oil at the wells recently has dropped to $1.37 per barrel as compared with a market of $4.50, 10 years ago, and $2.60, 5 years ago.

Although Kentucky oil-producing properties have a current value in excess of $25,000,000, they would have a value of more than twice that amount if crude oil were selling at the same prices as prevailed a few years ago.

Low-gravity industrial fuel oil is selling at a price of approximately 3 cents per gallon f. o. b. Kentucky refineries as compared with 5½ cents a few years ago.

Under present conditions the owners of thousands of small oil wells in this State are receiving for their oil scarcely enough to pay their operating costs, leaving them no return to offset the depleting of their underground oil supply. A tariff on imported low-grade oils from South America should result in a similar advance in the market for Kentucky crude oil, since the price of industrial fuel oils should increase sufficiently to absorb the extra price which the refiners would pay Kentucky producers.

I hope, most earnestly, that you may see your way clear to lend your support to this movement.

With assurances of great respect, believe me to be,

Most cordially yours,

THOMAS A. COMBS, *President.*

Comparative statement of prices of gasoline at the service station less gasoline tax of 52 representative cities for the years 1926 and 1929

(Cents per gallon)

	February, 1926	February, 1929
Newark, N. J	17	18
Baltimore, Md	18	18
Charleston, S. C	18	18
Norfolk, Va	18	18
Richmond, Va	18	18
Roanoke, Va	18	18
Charleston, W. Va	18	18
Clarksburg, W. Va	18	18
Parkersburg, W. Va	18	18
Wheeling, W. Va	18	18
San Antonio, Tex	15	15

Comparative statement of prices of gasoline, etc.—Continued

	February, 1926	February, 1929
Dallas, Tex	18	18
Peoria, Ill	12.5	15.2
Huron, S. Dak	16	16.3
Casper, Wyo	19	18
Butte, Mont	19	22
Salt Lake City, Utah	21.5	21.5
Boise, Idaho	23	22.5
Charlotte, N. C	18	18
Charleston, S. C	18	18
Boston, Mass	20	18
Springfield, Mass	19	18
Mobile, Ala	19	19
Savannah, Ga	16.5	18
Jacksonville, Fla	19	19
Tampa, Fla	19	19
Pensacola, Fla	16	20
Alexandria, La	17	17
Baton Rouge, La	16	16
Lake Charles, La	17.5	17.5
New Orleans, La	17.5	17.5
Shreveport, La	16	17
Lafayette, La	17	17
Bristol, Tenn	18.5	19
Chattanooga, Tenn	17	18.5
Knoxville, Tenn	18	19
Nashville, Tenn	17	18
Memphis, Tenn	16.5	17
El Paso, Tex	18	18
Houston, Tex	18	18
Helena, Mont	23	22.5
Los Angeles, Calif	16.5	17.5
Fresno, Calif	18.5	18
San Francisco, Calif	18	18
Seattle, Wash	18	18.5
Spokane, Wash	22	22.5
Tacoma, Wash	18	18.5
Portland, Oreg	18	18.5
Reno, Nev	21.5	22
Cheyenne, Wyo	20	19
Omaha, Nebr	17.25	16.25
Washington, D. C	18	18
Average	18.09	18.39

The price of mid-continent crude (the principal gasoline supply) was $2.04 in February, 1926, and $1.20 in February, 1929.

In 1926 we received 35 per cent gasoline from a barrel of oil, and in 1929 we averaged 46 per cent.

One barrel of crude oil in 1926 had an average gasoline content of a retail value of $2.65, while in 1929 the same barrel had a retail value of $3.36.

Authority: Oil Price Handbooks, 1926 and 1929, compiled by National Petroleum News, Cleveland, Ohio.

Relative price of gasoline at service stations (less tax) on December 31, 1929, at cities on Atlantic seaboard and at interior cities

	Cents per gallon
Baltimore	17
Washington	17
New York	17
Philadelphia	17
Boston	18
Chicago	15
St. Louis	16.9
Tulsa	16
Dallas	17
Kansas City	17.9

Authority: Oil Price Handbook, 1929, compiled by National Petroleum News.

Comparative prices of crude oil for years 1926 and 1929

	1926		1929	
	Date	Price	Date	Price
California, 25 gravity	Mar. 11	$1.40		$0.95
Gulf coast, 30 gravity	Mar. 10	1.55	Jan. 26	1.17
Rocky Mountain fields—Prevailing fields, flat gravity	Feb. 2	2.15	Jan. 25	1.36
Mid-continent fields, 36 gravity	Feb. 1	2.04	Jan. 25	1.20

Authority: Oil Price Handbooks, 1926 and 1929, compiled by National Petroleum News, Cleveland, Ohio.

Retail gasoline prices in representative cities of the world as of September 30, 1929

Country and city:	American money cents per gallon
Argentina, Buenos Aires	35.1–48.1
Australia,[1] Sydney	46.5–48.6
Cuba, Habana	28
France, Paris	34.3
Germany, Munich	28.9
Italy, Genoa	40.7
Mexico, Vera Cruz	31.8
England,[1] London	34.5
Venezuela, Caracas	32.8
United States, Washington, D. C	18

NOTE.—Authority, Department of Commerce.

[1] Price per imperial gallon which is approximately equivalent to 1.2 United States gallons.

SYNOPSIS OF STATEMENT MADE BEFORE THE WAYS AND MEANS COMMITTEE BY J. M. ROBSION, ON MAY 18, 1929, URGING A TARIFF ON CRUDE OIL IN ORDER TO AID THE OIL, COAL-MINING INDUSTRIES

* * * * * * *

Mr. Chairman and gentlemen of the Ways and Means Committee, President Hoover in his speech of acceptance last year pointed out that there were three industries that were not enjoying the prosperity comparable to the other industries of this country—the coal-mining industry, textile industry, and agriculture.

I am familiar with the agricultural conditions and somewhat acquainted with the situation in the textile industry, and it is my honest judgment that the coal-mining industry is in the worst condition of any of these three industries.

We must bear in mind that there are about 750,000 miners and tens of thousands of others who are directly engaged in this industry. Billions of dollars are invested. On the average, our coal mines are operating about one-half time only. It is most distressing, indeed, to go through the soft-coal mining regions and see the poorly clad and undernourished men, women, and children. A great majority of them are in need of the actual necessaries of life.

Hundreds of soft-coal mines are idle and have been idle for months, and some of them for a year or two. Many others will be forced to go out of business.

I am here to try to secure some relief, not only for these miners and their wives and children, but for those who have investments in this industry. Your committee has recommended substantial tariffs and increases of tariff on many of the products of the farm and the textile industry. I want to see all classes of American labor and American industries that need protection given protection.

The large importation of crude oil is one of the causes of the distress in the coal-mining industry. Last year we imported in the neighborhood of 80,000,000 barrels of crude oil, and 11,000,000 barrels of refined oil from the West Indies, Central, and South American countries. About 40,000,000 barrels of this oil was used for fuel. This large use of foreign crude oil for fuel hurt the coal-mining industry in two particulars: first, it displaced about 10,000,000 tons of coal, and second, it is cheaper than coal and therefore beats down the price of American coal. It is produced by underpaid labor and much of the material used in producing it costs much less than material produced in this country and used in American mines. The result is that there is disaster, distress, and bankruptcy everywhere in the coal-mining industry. Only the most favored soft-coal mines are making anything like a fair return on the investment and they are very, very few indeed. A great majority of them are losing money every day.

This large importation of crude oil has likewise greatly injured the American oil producers and labor. The records show for the first two months of the present year—and we have no later records—an increase of 25 per cent on importations of crude oil.

I have been in hearty sympathy all the time with agriculture and the other industries. The miners and their families and others connected with the mining operations are consumers of the products of the farm and other industries which are protected, and we think it only fair to protect the miners and the coal industry by a tariff on crude oil.

But some say that we must conserve our oil and a tariff on crude oil will increase the price of gasoline. This foreign oil is of low volatile content. A very small part of it is turned into gasoline. It is largely used for fuel purposes, and, of course, displaces coal. In the second place, a careful check-up of the price of crude oil and the price of gasoline in the last few years will show that the price of crude oil has very little to do with the price of gasoline. In fact, we are confronted with the spectacle many times that when crude oil is at its lowest gasoline is highest, and when crude oil is high gasoline is down.

Furthermore, we have now in storage about 500,000,000 barrels of oil. This is a new high record, and this surplus has been increasing. Those who know claim that oil loses 10 per cent of its gasoline properties by evaporation, etc., every year, and therefore by keeping this oil in storage we are losing in the neighborhood of 50,000,000 barrels per year.

It matters little how large the surplus may be in oil. A few large oil companies so manipulate matters that the price of gasoline keeps up.

There seems to be little danger that we will run out of oil. In 1921 our great geologists told us that we had a potential oil supply in this country of 9,000,000,000 barrels, but the Hon. George Otis Smith, Director of the United States Geological Survey and one of the greatest authorities in the world on this question, stated that there appeared to be an available oil supply of 60,000,000,000 barrels. Only recently the Standard Oil bought a formula from the Germans to make synthetic gasoline, and we may not be surprised to find tens of thousands of our oil wells become valueless because of some new method or process of producing gasoline.

We can not aid the coal industry by putting a tariff on coal, because there is practically no coal shipped into this country, and the only way that we can help the coal-mining industry directly by a protective tariff is to lay a duty of say 50 cents a barrel on the crude oil. This will not keep out all of the crude oil, but it will help to stabilize the price of coal by putting crude oil on a comparable market value as a fuel with coal.

HAZARD COAL OPERATORS EXCHANGE,
Lexington, Ky., February 5, 1930.

Hon. J. M. ROBSION, M. C.,
Washington, D. C.

DEAR MR. ROBSION: The Hazard Coal Operators Exchange at its annual meeting of the membership at Lexington, Ky., on February 1, unanimously passed the following resolution:

RESOLUTION

Resolved, That the Hazard Coal Operators Exchange indorses and approves a duty on crude oil and its products, imported into this country, and hereby urges our Senators and Congressmen to help procure a duty thereon.

In this it is our desire to follow the National Coal Association in such movement as it may initiate to this end.

Attest:

J. E. JOHNSON, *Secretary.*

LINCOLN OIL PRODUCING CO.,
Louisville, Ky., February 4, 1930.

Senator JOHN M. ROBSION,
Senate Office Building, Washington, D. C.

DEAR SENATOR: I note by the press that the people of the United States have finally awakened to the fact that $1 a barrel tariff should be put on imported crude oil.

California, Texas, Oklahoma, and the Rocky Mountain district have all petitioned President Hoover that this be done through the governors of their States. The amount of imported crude oil into this country per day is averaging 313,000 barrels, which is responsible for an overproduction of crude oil, and continually keeping the price of oil down to where the producer can barely exist, and in a great measure assisting in demoralizing the oil business. If you want to have a part in doing a big thing for the States make every effort to get a tariff of $1 per barrel on imported crude oil.

Trusting we may have the opportunity to realize your success along this line, I am,

Yours very truly,

JAS. K. JARVIS, *President.*

Mr. ROBSION of Kentucky. Mr. President, I feel that I ought to apologize to the Senate for trespassing thus upon its time at this late hour, but my heart is in this matter. We need this protection. We need it to protect legitimate, honest investments and industries. We need it to protect tens of thousands of honest American laborers and workers in Kentucky, as well as the larger field and larger investments throughout this country.

Mr. SHEPPARD. Mr. President, I want to say that Mr. Earl Calloway, and the other independent oil men who came here from Texas in behalf of the proposed tariff on oil, are gentlemen of the highest standing and loftiest integrity, gentlemen who came here with an honest purpose, which they have honestly and ably supported. Not one of them would commit any act of the slightest impropriety, and I resent any intimation to the contrary.

I desire to leave just this word with the Senate. This is a contest between Standard Oil and the foreign Dutch Shell and connected groups on the one side and our American independent producers on the other side. Wipe out these independents and our country will be perpetually at the mercy of monopoly. Instead of increasing the price of gasoline, this measure will be a safeguard against a rise in price by preserving the actual and potential competition of the independents. The surest way of fastening unjust and oppressive prices for gasoline on the American people is to defeat this proposal for a tariff on oil.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada [Mr. PITTMAN] to the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. PITTMAN. Mr. President, I ask that the amendment to the amendment may be reported.

The PRESIDING OFFICER. The clerk will report the amendment to the amendment.

The CHIEF CLERK. At the end of the amendment of the Senator from Oklahoma add the following subparagraph:

(c) This paragraph shall become null and void on January 1, 1934, and no duties thereunder shall be charged or collected when and during the period standard 36 gravity crude petroleum in the States of Texas or Oklahoma commands a market price in excess of $1.75 a barrel at place of production.

Mr. THOMAS of Oklahoma. Mr. President, before the vote is taken upon this amendment or upon any amendment, I desire to occupy just a few moments of the time of the Senate. What I shall say will be very largely in response to the remarks made by the Senator from Wisconsin [Mr. BLAINE], and I should like to have his attention.

Mr. President, most of the members of the so-called oil lobby, about which we have heard so much to-night, are residents of my State, the State of Oklahoma. I desire to explain to the Senator from Wisconsin, and to those who may be interested, how this lobby came to be in Washington.

I am a member of the Finance Committee. We had a very brief hearing before that committee in August. At that time but few oil men came to be heard.

A gentleman came from Louisiana to be heard; I think one came from Oklahoma to be heard; and there were one or two who were heard from the city of Washington. The hearing was held, I think, for one day, and was only participated in by two or three witnesses. The reason at that time that the independent oil men did not appear was that they were laboring under the impression that the curtailment program of the President was to be a success, as the promise had been made that it would be a success. The promise was made to the independent oil men of the country that if they would voluntarily limit their production, the big producing companies abroad would voluntarily reduce their importations; and the independent oil men—the business men of Oklahoma, of Texas, and of Kansas—relying upon the expressions and the promises made by the big importing companies that curtailment would solve their problem, that if the independents would curtail locally, the big companies would limit their importations internationally, did limit their production locally.

Then, about the 15th of January, there came a cut from 17 to 41 cents a barrel in the price of oil, the average cut being 30 cents per barrel. When that cut came, reducing the price of oil to a figure where the independent producers could not live, on the 15th of January, the tariff bill being almost at its terminus—at that time we hoped to complete it in January—what could these oil men do?

I want to say that on the special train which came from the West probably 90 per cent of the passengers came from my State. I think I know personally 75 per cent of the men who came here upon that train. I say here and now, without reservation, that the men who came on that train represented the best men in the State of Oklahoma, the best men in the State of Kansas, and the best men in the State of Texas; and I can say as much for those who came from the State of Colorado. They came here, Mr. President, at my invitation; I take the responsibility. When the cut of 30 cents a barrel came in the price of oil, the only relief they had was through a tariff. The big producing companies had failed to keep their agreement; they had refused to curtail their importations. When the independent producers saw what was facing them with this cut, when they saw that their only possible relief would be through a tariff, they appealed to their Members of Congress; they appealed to me.

We did not have many friends in the Senate at that time. These were the Senator from Oklahoma [Mr. PINE], the distinguished senior Senator from Ohio [Mr. FESS], and myself; at this time I can remember no other Senator committed to a tariff on oil. The tariff bill was in its last phase, and the independent producers were confronted with a surplus on their hands and a price under which they could not live. I sent word to Mr. Franklin that the only chance he had to get relief was to bring to Washington a delegation of men who knew the business; not to send high-powered lobbyists; not to send some one who did not know, but to come himself and bring his associates from the oil fields. One man would have been of no benefit. How could one man have come to Washington on the 15th of January and contacted and convinced 93 Members of this body. Only three, perhaps, need not have been seen. One man could not have performed that service. It could only have been accomplished by such a delegation as came by a special train.

I have known this man Franklin for 20 years. I have known many of the delegates who have come here during the entire time that I have been a resident of Oklahoma, which has been for 30 years. The mayor of Oklahoma City was here; the president of one of our leading universities was here; professors in colleges were here; ministers came from that State. That is the type of men who came to Washington from Oklahoma.

Oklahoma is a new State. The populations that make up that State, as a rule, were not born in the State. We have in the State of Oklahoma men and women from every State. One may take a gathering there of 250 people and call the roll of names. Some will rise there and say, "I came from Maine," and one can traverse the United States from Maine to California and men and women will be found in such a gathering who came from each of the States of the Union. So these oil men were not born in Oklahoma; in the main, they came from the

other States. No doubt some came from the State of Wisconsin, and I know some came from the State of Pennsylvania. They came from the North, from the East, from the West, and from the South. We are proud of those citizens who had the ambition and the energy to leave the States of their birth and migrate to the State of Oklahoma.

Mr. President, on the subject of conservation, about which we have heard so much for the last 12 or 15 months, let me say that the idea of conservation did not originate in the mind of the Secretary of the Interior; the idea of the conservation of oil did not spring from the mind of the present administration.

Fifteen years ago I was a member of the Oklahoma State Senate. At that time there was a surplus of oil in Oklahoma; oil was being sold there then for 65 cents a barrel, a price at which the independent producers could not live.

This man Franklin, to whom the Senator from Wisconsin has referred to-night, was then in the oil business. He was a mere youth at that time, perhaps 25 years of age; I doubt if he was that old. He had his wells producing oil and was forced to sell that oil at 65 cents a barrel. Mr. Franklin came to Oklahoma City when the legislature was in session with a well-developed conservation program in his mind. He presented that program to the legislature then sitting. It was a program to curtail and conserve the oil in ground. Fifteen years ago Mr. Franklin, the man who to-day was dragged before the committee and subjected to a cross-examination as if he were a culprit, was——

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

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. THOMAS of Oklahoma. I prefer not to yield. The Senator can take his own time in just a moment. I do not want to be diverted by the question he wants to ask. I am not referring to the Senator from Arkansas; I am referring to the remarks made by the Senator from Wisconsin [Mr. BLAINE].

Mr. CARAWAY. Very well.

Mr. THOMAS of Oklahoma. Mr. President, as I was saying, Mr. Franklin came to the Legislature of Oklahoma and presented his ideas of conservation, and the Legislature of Oklahoma adopted his ideas and passed a law under which we have been operating for 15 years and under which we are now operating there. That was the beginning of the idea of the conservation of oil.

On the 15th day of January, when a reduced price for oil was forced upon the independent oil men, the consideration of the tariff bill being apparently in its last stages, seeing no other chance of relief except through a tariff, I advised them to bring to Washington a delegation composed of men who knew the business and to present their plans and their demands to Congress. So they came. When they arrived upon the scene there were 96 Senators to be contacted with and interviewed, because Senators had no information about this matter in the main. There is no chance to get information to a Senator. It can not be gotten to him through the public press. The public press is not open to the independent oil men of the Nation. The public press is on the other side. That is the purpose of the American Petroleum Institute, namely, to see to it that the public press does not carry press notices and information unfriendly to the big interests in the oil game. Because of that fact I made my recommendation.

When they came here they came in large numbers, something like 225. I attended their meeting; I knew what was going on; I knew that they had a committee appointed to see certain Senators, to give those Senators information which they did not have, and to answer questions that might be asked. What other chance was there to get the information to the Members of this body? It was then thought the consideration of the tariff bill would be completed within 10 days or 2 weeks or 3 weeks at most, and there was no other chance for them. So they came here. They paid their own expenses when they came. Is there anything wrong about that? They did not employ high-powered lobbyists; they came themselves; they presented their case direct to the Members of this body. Is there anything wrong about that?

I made some engagements for some of their committees to see certain Senators. I personally left this Chamber one day and took one committee, consisting of three members, to a corner room in the Capitol to see the Senator from Connecticut [Mr. BINGHAM], and, if I am not mistaken, I introduced members of the delegation to various of my colleagues. Is there anything wrong about that? Has it come to the point where an interest or an industry or a citizen about to be destroyed by the power of organized and centralized wealth, has it come to the point where a citizen being ground down beneath that power, is not privileged to come to the Senate of the United States to present his cause?

They have been here now for two weeks. Most of the oil men have gone back home. They left a committee here. Mr. Franklin has been here all the time and he has been busy. Mr. Calloway has been here and he has been busy. Mr. Brown has been here and he has been busy. They are busy men; wherever they are they are busy, and if the time had come when they could not have been busy in Washington they would have returned to their homes and tried to save what they have in the oil business.

I should like to ask my distinguished friend from Wisconsin or any member of the so-called lobby committee, could a delegation of that kind have done differently from what they have done? They did not have the avenue of the press; the time was limited; they came here and presented their case direct to the Members of this body, open and above board. I contend that that is proper, Mr. President. Is it possible that there is a Senator upon this floor who will vote against this amendment because a delegation has come here and presented their case to the Members of this body?

I sincerely hope not. I will not construe their votes in that way. If any Member upon this floor votes against this amendment, I will construe his vote to be his conscientious conviction that the adoption of the amendment would not be for the best interests of the people of this Republic.

Mr. President, I thought it due that I should make this explanation before the vote is cast.

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

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Kentucky?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. Purely as a matter of information, the Senator mentioned a while ago the American Petroleum Institute, and rather intimated that it was composed wholly of men in the oil business who were against this tariff. I have no information on that subject; and I should like to inquire, What is the dividing line between the independent oil producer and the oil producer who is not independent?

Mr. THOMAS of Oklahoma. In the first place, let me say that I do not charge that all the directors of the American Petroleum Institute are against a tariff on oil. I do not make the charge that that organization is wholly a big-business institution; but I do charge that that organization is controlled by the big interests, and that its chief purpose is to see to it that nothing is done and that no propaganda is disseminated antagonistic to their interests.

Mr. BARKLEY. Is the American Petroleum Institute supposed to represent the oil industry of the United States as a whole?

Mr. THOMAS of Oklahoma. It is presumed to represent the oil industry.

Mr. BARKLEY. Are independent producers eligible to membership in it?

Mr. THOMAS of Oklahoma. The fact is that Mr. Franklin is a member of the board of directors of that institute.

Mr. BARKLEY. Ordinarily we look upon the Standard Oil Co. as not an independent producer and we look upon the Dutch Shell Co. as not an independent producer; but there are a lot of oil companies in this country whose identity we know by name, but whose identification with any of these groups we do not know so well.

How about the Phillips Petroleum Co.? Is that an independent, or not?

Mr. THOMAS of Oklahoma. Of course, the Senator could ask me a lot of questions that I could not answer. I am not a practical oil man.

Mr. BARKLEY. I do not want to do that. I am really seeking information, because we have had the line drawn here in this debate between the small independent and the big octopus.

Mr. THOMAS of Oklahoma. It is my judgment from my knowledge that the Phillips Co. is not a member of the big combine; but let me answer further and state that many of these companies are so interwoven with the big companies through contracts that they hesitate to express their real sentiments. Further, along that line, let me say that these companies that do not themselves refine—and the Phillips Co. does refine—these companies that do not refine oil must sell their oil, and these larger companies depend for financing and for sales contracts upon the big companies, and oftentimes a company might be large and at the same time would hesitate to commit itself upon this tariff proposition.

Mr. BARKLEY. Are companies like the Humble Oil Co. and the Pan-American Petroleum Co. independent?

Mr. THOMAS of Oklahoma. The Humble Oil Co. is a subsidiary of the Standard Oil Co.

Mr. BARKLEY. How about the Pan-American?

Mr. THOMAS of Oklahoma. I can not answer as to that; but it is a subsidiary of some of the big companies.

Mr. BARKLEY. How about the Independent Oil & Gas Co.?

Mr. THOMAS of Oklahoma. I do not know what the Senator means by that.

Mr. BARKLEY. There is a company that operates in Kansas, and probably in other States, known as the Independent Oil & Gas Co. Is that an independent, or does that belong to the combination?

Mr. THOMAS of Oklahoma. It is my judgment that it is allied very closely with the big companies.

Mr. BARKLEY. How about the Sinclair Oil Co.? Is it an independent?

Mr. THOMAS of Oklahoma. It is my judgment that it is allied very closely with the big companies.

Mr. BARKLEY. Can the Senator give us the names of some of these independent companies that are not allied with the big companies?

Mr. THOMAS of Oklahoma. The independent companies in the main are individuals who go out and get a lease and raise money and drill it and strike oil, and then begin to sell their oil to the purchasing companies. Such a concern would be an entirely independent company. There are a great number of groups that have organized small corporations that are doing the same thing.

The independent companies are not of sufficient importance, so far as the public is concerned, to have their names blazoned on the charts of the oil world. In other words, the independent companies do not have their stock listed upon the stock exchange, or upon the curb exchange, or upon any other exchange, as I understand.

Mr. BARKLEY. Is the Texas Pacific Land Trust Co. an independent or a subsidiary?

Mr. THOMAS of Oklahoma. I could not answer that question.

Mr. BARKLEY. I am not undertaking to embarrass the Senator——

Mr. THOMAS of Oklahoma. I understand.

Mr. BARKLEY. But I am really trying to find out who are the independents and who are not, so as to be able to ascertain whether there is a definite line to be drawn between them.

Mr. THOMAS of Oklahoma. I think I can answer that question to the Senator's satisfaction.

Any oil man or group of oil men or any corporation that produces oil and sells that oil to the pipe-line company or the purchasing company direct would be an independent producer. Any oil company that produces oil, and then has its own refinery, and processes the oil, and sells its own oil to the consuming public through its own distributing system, through its own filling stations—even that might be an independent company; but, as a rule, it is not an independent company.

Mr. BARKLEY. While the Senator is on his feet, I should like to ask him this question:

Assuming that the tariff is effective, and that it raises the price of imported oil a dollar a barrel, and that the effect of that is to raise the price of domestic oil to the same extent, will that so stimulate additional production—will it so stimulate the wild catting, as it is known, in search of oil—as to bring about the same situation that now exists?

We know that the oil business is of such a nature that it attracts men into the most extravagant optimism. I have been a victim myself of that optimism, which induced me to invest money in oil fields, most of which I lost. Will the increase in the price of oil so stimulate that optimistic outlook upon the future as to result in the creation of the same situation against which complaint is made now, that the supply of oil is greater than the demand, and will the price be again driven down by reason of that situation?

Mr. THOMAS of Oklahoma. I do not think so, for this reason: The oil industry now is so organized throughout the United States that in every field they have agreed to this curtailment program. They are now curtailing the production of oil in the Kettleman field, California, that I spoke about this afternoon—a field that is estimated to be capable of producing from two to five billion gallons of oil when developed; a field that could now produce hundreds of thousands of barrels of oil per day, but, through voluntary agreement, has curtailed its production to 14,000 barrels per day.

Mr. BARKLEY. Let me ask the Senator, there, to what extent will this tariff curtail the importation of oil?

Mr. THOMAS of Oklahoma. If it does not curtail the importation it will prevent oil being imported into this country at a less cost than $1.75 per barrel. At the present time the foreign oil costs, delivered in America, 75 cents per barrel. If you add $1 tariff to it, then the importing company will be charged $1.75 a barrel for the oil when it is landed in America.

Mr. BARKLEY. I understand that. That is a matter of arithmetic; but I ask the Senator, to what extent would the levying of this tax prevent the importation of the quantity of oil that is coming in at present?

Mr. THOMAS of Oklahoma. It would limit it only as other tariffs limit the importation of other commodities.

Mr. BARKLEY. Assuming that the figures are correct, that we are now importing something like 120,000,000 barrels a year, would the Senator be willing to hazard a guess as to how much that would be reduced by this $1 tax?

Mr. THOMAS of Oklahoma. It would be only a guess. I could not answer that question. I think it would be reduced, but I could not answer, of course, as to how much.

Mr. BARKLEY. Assuming that it would be reduced 50 per cent, would that reduction be absorbed by an increased production in our own country?

Mr. THOMAS of Oklahoma. I do not think so, because the curtailment program now in process of operation is being extended every day to still further production.

Mr. BARKLEY. But, as a matter of fact, the newspapers every week carry the story that there has been an increased production of crude oil in the United States; and to that fact is attributed the reduction in the price of oil, and the reduction in the market value of oil stocks.

What I am worried about—and it is a thing that I can not get out of my mind in undertaking to decide what is the fair thing to do about this tax—is this: If the curtailment program brought about by necessity in the domestic field should result in either the curtailment or the prevention of importations, would they immediately take advantage of that situation to reopen their own fields and bring about another overproduction in the domestic market that would offset any benefit they might receive from the tariff?

Mr. THOMAS of Oklahoma. The present plan of solving this oil problem embraces three items:

The first item is voluntary curtailment. That is now in process of operation.

The second item of the program is a tariff, either to limit the imports, or, if they do come in, to force them to a price where the American producer can compete with them.

The third item in the program is to limit and discourage wildcatting—in other words, the drilling into territories that are now thought to contain oil, but they will not know it positively until they make the drilling.

Mr. BARKLEY. How can you prevent any man who thinks he has oil under his land from going in there and arranging with somebody to drill a well?

Mr. THOMAS of Oklahoma. It can not be done except by voluntary agreement. That is the only way in which it is being done. That is the President's program. That is Mr. Wilbur's program. They do not seek to do it by legislation. It is done by voluntary agreement.

Mr. BARKLEY. I know; but it does not seem to have gotten very far.

Mr. THOMAS of Oklahoma. On the contrary, it is a success. It is the only relief they have. If the Kettleman field were producing its hundreds of thousands of barrels, if the Oklahoma City field were producing its hundreds of thousands of barrels, if the Yates field in Texas were wide open, what would the conditions be?

Mr. BARKLEY. That is the very thing. To what extent would they have to curtail importations before those operating in the Kettleman field would find that the situation justified reopening their wells and producing more oil?

Mr. THOMAS of Oklahoma. Mr. President, it is easy to ask these questions; and, of course, not being a practical oil man, many of them I could not answer. Probably I could answer but very few of them. I am sorry that I can not answer all the questions submitted by the Senator from Kentucky; but I think I have indicated the line of work that must be followed if any effective relief is accomplished.

Mr. PITTMAN. Mr. President, I desire to take about five minutes to explain these two amendments, because, as deeply as I am in sympathy with the situation, I can not vote for the amendment of the Senator from Oklahoma [Mr. THOMAS] unless the two amendments that I intend to present—the one I have presented, and another—are adopted.

I do not think this tariff should be a permanent tariff. I believe that it should be a temporary emergency tariff, for two reasons:

In the first place, there is danger of the stimulation of overproduction, as suggested by the Senator from Kentucky. If it is known that this tariff is going to cease and terminate in 1934, there will be less danger of preparation of that kind.

In the second place, I provide here that whenever the price of crude oil, 36 gravity, in Oklahoma and Texas goes above

$1.75 a barrel they shall cease to collect duties under this act. In other words, it is limited to that amount. I was willing to limit it to that amount because the testimony discloses that in the great majority of the sales in this country the average cost is $1.75 a barrel.

That is that amendment.

The other amendment is that whenever the price of gasoline rises above what it is to-day, 18 cents a gallon, exclusive of taxes paid by the purchaser, then the duty on gasoline ceases to be charged and collected.

If it is true that this tariff on gasoline is going to tend to raise the price of gasoline, then the duty, when it rises above 18 cents, will make it possible for the gasoline from the outside to come in competition with it. Those are the two provisions I have proposed.

I am urged to support this because I am satisfied that there are three companies in the United States which are seeking to acquire all of the oil lands in the United States. I think every Member of the Senate who knows anything with regard to the situation believes that is true. They are the Standard Oil group, the Shell group, and the Gulf group.

Why is the price to-day the lowest in the history of this country? Is it by reason of competition? It certainly is by reason of competition. Competition between whom? Not competition between the Shell and the Standard Oil and the Gulf, because they have their methods of avoiding that. It is the competition of what they call the independent group.

That is a very indefinite thing to describe, and yet there are 300,000 wells in this country in that group, producing 500,000 barrels daily. A gusher can stand any price, but a well which produces only from one to five barrels per day has to have an average price of $1.75 a barrel.

Do not Senators realize that the Standard Oil group and the Shell group and the Gulf group would put the price of oil up to-day if they could? How are they keeping the price of oil down? They are not keeping it down by pouring the oil out of their land in the United States, they are not keeping it down by pouring unlimited quantities of oil in from Venezuela. They bring only a small quantity in from Venezuela. But it is constantly a club over the head of anyone who has not a refinery, and they say to him, "We will give you so much." If he does not take that they say, "We can cut the price by bringing in some from Venezuela."

The important thing in this proposition is this, if Congress can prevent a monopoly of all the oil lands in the United States which are not to-day owned and controlled by the Standard Oil group, the Shell group, and the Gulf group, it is their duty to do it. I believe this prohibition against this Venezuela oil coming in at lower than the cost of production in this country will tend to do it. I do not believe it will anywhere near accomplish that thing, but it will tend in that direction.

As far as the farmer is concerned in this matter, the farmer uses gasoline, and this same group could, without the tariff, write the price of gasoline up to-day to 35 cents if they wanted to, and everybody knows it. There is no rule which covers them. When the Standard Oil Co. of New Jersey writes up 20 cents a gallon for gasoline, every other institution in the United States, including the independents, writes up 20 cents. Why? Just because the Standard Oil says so.

The Standard Oil Co. in 1926, with a price of $2.04 a barrel for oil, when they were getting only 36 per cent of gasoline out of their oil, charged as much as they do to-day with oil on an average of $1.20 and 46 per cent gasoline recovery. They were making sufficient profit at $2.04 a barrel. They did not dare charge more then, not because they would not do it, but because they knew they were making such a vast profit at $2.04 a barrel that they did not dare do it.

Suppose this tariff on gasoline led them to put it up; then the tariff would instantly disappear when the price went over 18 cents retail in New York City.

That is the whole situation. With that character of modification, I am willing to support the amendment.

Mr. DILL. Mr. President, I would like to know how the Senator arrives at $1.75 as the price.

Mr. PITTMAN. Because the testimony that we had is that that is a fact. It may be true or it may not be true, but I have never heard the evidence contradicted, and I know that when there is a gusher it can stand the price, but experience teaches all of us that when there are 300,000 wells in this country which produce only 500,000 barrels daily, that is less than 2 barrels per day on the average, and that will not pay taxes and interest on any investment in the sinking of wells. I do not know, but the testimony is that that is the cost, on the average, necessary for all these numerous wells. It is not the cost for a gusher, but there must be some average cost.

In 1926, when oil was $2.04 a barrel, the price was not considered high. It was not considered high because the retailers charged only 18 cents a gallon for gasoline, and if it had been considered high they would have charged more.

Mr. DILL. Does not the Senator think that if we are going to fix the price so that the tariff would make it effective, there should be some profit to the oil-well people?

Mr. PITTMAN. I put it at actual cost. I can not figure the cost, and this is even a guess at that, as I am bound to admit, but I do know that in 1926 oil was $2 and something a barrel, and I think I will accept the evidence that $1.75 is the cost for these average low-priced wells.

I just want to say one other thing, and then I will be through. This big group of oil companies are not disturbed by the price of oil. They have their refineries. They make their money out of gasoline. When they can buy oil at an average of $1.20 and make it into gasoline and sell it at retail at 18 cents, they make enormous profits, as the returns from these various big standard groups show by their reports. They can last as long as they can get the cheap oil and make it into gasoline, which has a ready market, but the man who has not any refinery, or the company which has not any refinery, which has to sell to the great group that has refineries, is at the mercy of the group, and in my opinion, though I may be wrong, inside of two years they will all be destroyed, and every bit of the little land they own will be absorbed by this single big group, and once having absorbed them, where is the competition with regard to oil in this country?

As far as the gasoline is concerned, it is perfectly evident that the price of oil from $2.04 down has never had a particle of influence on the cost of gasoline, but if it did have an effect on the cost of gasoline, the removal of duty when it goes above 18 cents will let in the gasoline from Venezuela, where it has been manufactured.

Mr. FLETCHER. Mr. President, it seems to me there would be great difficulty in administering the law. Has the Senator gone into that? Would not the Government encounter almost insuperable difficulties in administering the law so as to put on the duty or take it off? One day the price might go up, and perhaps the very next day it might go down. How would the Government ever administer such a law?

Mr. PITTMAN. The price is the retail price in New York City less taxes, and that retail price is announced every morning, and every customhouse in the United States has it.

Mr. TRAMMELL. Mr. President, I have just read the amendment in regard to the restriction as to 18 cents a gallon in New York City. What if they were selling gasoline at 20 or 25 or 30 cents retail in other cities?

Mr. PITTMAN. I fixed on New York because it undoubtedly will always be sold as cheaply there as anywhere else, and I was trying to limit it so that the price of gasoline could not be raised without wiping out the duty.

Mr. TRAMMELL. I think this prescribes the maximum retail price. If it is restricted to 18 cents in New York City, that would protect New York City, but what would you do with regard to Washington, what would you do with regard to Florida, where frequently they have pyramided it without any excuse or rime or reason? They start in and advocate the price from 21 to 22, to 23, to 24, to 25, to 26, to 27, to 28 cents, carrying it on just as you would a rapid-fire auction sale, advancing the price of gasoline 10 cents a gallon in two or three weeks. We have had that experience in Florida.

It seems to me that if you restrict it to New York, it gives them an unlimited field throughout the country to increase the price to anything they wish over 18 cents a gallon retail.

Mr. PITTMAN. The difference in price is not so great as the Senator thinks. Here is a list of the prices in 1926 and 1929: We find that along the coast points the price was 18 cents in both years. We find that the highest in one year was 21 cents, in Salt Lake City, and that was exceptional, and the other highest was 19 cents. There was not a variation of over 3 cents during the entire years 1926 and 1929. But I picked out the place where gasoline is naturally going to be the lowest, so that if there is a rise in the price then the duty will be wiped out.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nevada to the amendment of the Senator from Oklahoma.

Mr. McKELLAR. Let us have the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. First let the amendment to the amendment be stated.

The amendment to the amendment was as follows:

To add at the end of the amendment of the Senator from Oklahoma the following subparagraph:

"(c) This paragraph shall become null and void on January 1, 1934, and no duties thereunder shall be charged or collected when and during the period standard 36 gravity crude petroleum in the States of Texas or Oklahoma commands a market price in excess of $1.75 a barrel at place of production."

The VICE PRESIDENT. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. GLENN (when his name was called). I have a special pair with the junior Senator from New York [Mr. WAGNER] on the oil item. I do not know how he would vote upon this particular amendment. I accordingly withhold my vote.

Mr. NORRIS (when Mr. HOWELL's name was called). I desire to announce that my colleague, the junior Senator from Nebraska [Mr. HOWELL] is unavoidably absent from the Chamber.

Mr. McKELLAR (when his name was called). I have a pair with the junior Senator from Delaware [Mr. TOWNSEND] which I transfer to the junior Senator from Nebraska [Mr. HOWELL] and vote "nay."

Mr. ODDIE (when his name was called). On this question I have a pair with the senior Senator from North Carolina [Mr. SIMMONS]. Not knowing how he would vote, I withhold my vote.

Mr. SCHALL (when Mr. SHIPSTEAD's name was called). My colleague [Mr. SHIPSTEAD] is unavoidably absent. Were he present he would vote "nay."

The roll call was concluded.

Mr. BLEASE. I have a pair with the senior Senator from Oregon [Mr. McNARY]. Not knowing how he would vote on this question I withhold my vote.

Mr. GEORGE. I have a pair with the senior Senator from Colorado [Mr. PHIPPS]. Not knowing how he would vote on this question I withhold my vote.

Mr. FESS. I desire to announce the following general pairs, and also special pairs, on the oil question. I am not advised how these Senators would vote on this particular amendment:

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Iowa [Mr. BROOKHART] with the Senator from Ohio [Mr. McCULLOCH];

The Senator from Illinois [Mr. DENEEN] with the Senator from North Carolina [Mr. OVERMAN];

The Senator from Pennsylvania [Mr. REED] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Maine [Mr. GOULD] with the Senator from Utah [Mr. KING];

The Senator from Rhole Island [Mr. HEBERT] with the Senator from Massachusetts [Mr. GILLETT];

The Senator from Wyoming [Mr. SULLIVAN] with the Senator from Maryland [Mr. TYDINGS];

The Senator from New Hampshire [Mr. MOSES] with the Senator from Vermont [Mr. GREENE];

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from Idaho [Mr. THOMAS] with the Senator from Montana [Mr. WHEELER].

The result was announced—yeas 8, nays 57, as follows:

YEAS—8

Black	Dill	Hayden	Stephens
Brock	Fletcher	Pittman	Trammell

NAYS—57

Allen	Frazier	La Follette	Smith
Ashurst	Goff	McKellar	Smoot
Baird	Goldsborough	McMaster	Steck
Barkley	Grundy	Metcalf	Steiwer
Blaine	Hale	Norbeck	Swanson
Borah	Harris	Norris	Thomas, Okla.
Bratton	Harrison	Nye	Vandenberg
Broussard	Hastings	Patterson	Walcott
Capper	Hatfield	Pine	Walsh, Mass.
Carawny	Hawes	Ransdell	Walsh, Mont.
Connally	Heflin	Robinson, Ind.	Waterman
Copeland	Johnson	Robsion, Ky.	Watson
Cutting	Jones	Schall	
Dale	Kean	Sheppard	
Fess	Keyes	Shortridge	

NOT VOTING—31

Bingham	Glenn	McNary	Simmons
Blease	Gould	Moses	Sullivan
Brookhart	Greene	Oddie	Thomas, Idaho
Couzens	Hebert	Overman	Townsend
Deneen	Howell	Phipps	Tydings
George	Kendrick	Reed	Wagner
Gillett	King	Robinson, Ark.	Wheeler
Glass	McCulloch	Shipstead	

So the amendment of Mr. PITTMAN to the amendment of Mr. THOMAS of Oklahoma was rejected.

Mr. PITTMAN. Mr. President, I ask for a viva voce vote on my other amendment.

The VICE PRESIDENT. The question is on the amendment of the Senator from Nevada to the amendment of the Senator from Oklahoma, which will be stated.

The CHIEF CLERK. The Senator from Nevada proposes to amend the amendment of the Senator from Oklahoma by adding thereto the following:

Provided, That subdivision (b) of this paragraph shall become inoperative, and no duties shall be charged or collected thereunder when and during any period that standard unmixed gasoline shall sell at retail in New York City, New York State, in excess of 18 cents a gallon, exclusive of any gasoline tax collected from the purchaser.

The VICE PRESIDENT. The question is on the amendment of the Senator from Nevada to the amendment of the Senator from Oklahoma.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question now is on the amendment proposed by the Senator from Oklahoma [Mr. THOMAS], which will be read.

The CHIEF CLERK. On page 35, after line 2, insert the following:

PAR. 99. (a) Crude petroleum, and fuel petroleum, $1 per barrel of 42 gallons.

(b) Petroleum products: Kerosene, benzine, naphtha, gasoline, paraffin, paraffin oil, and all other distillates, derivatives, or refined products of petroleum, 50 per cent ad valorem. The ad valorem rate provided in this subparagraph shall be based upon the American selling price (as defined in subdivision (f) as amended of section 402, Title IV), of any similar competitive article manufactured or produced in the United States. If there is no similar competitive article manufactured or produced in the United States, then the ad valorem rate shall be based upon the United States value, as defined in subdivision (d) as amended of section 402, Title IV. For the purposes of this subparagraph any petroleum product provided for herein shall be considered similar to or competitive with any imported petroleum product which accomplishes results substantially equal to those accomplished by the domestic product when used in substantially the same manner.

On page 265, strike out lines 3 to 6, inclusive, being paragraph 1734.

Mr. McKELLAR. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BLEASE (when his name was called). Making the same announcement as on the previous vote, I withhold my vote.

Mr. VANDENBERG (when Mr. COUZEN's name was called). My colleague the senior Senator from Michigan [Mr. COUZENS] is necessarily absent from the Chamber. If present, he would vote "nay."

Mr. GEORGE (when his name was called). I have a pair with the senior Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the senior Senator from Michigan [Mr. COUZENS] and vote "nay."

Mr. GLENN (when his name was called). On this question I have a special pair with the junior Senator from New York [Mr. WAGNER], who is necessarily absent. If he were present, I understand he would vote "nay." If I were permitted to vote, I would vote "yea."

Mr. NORRIS (when Mr. HOWELL's name was called). I desire to announce that my colleague [Mr. HOWELL] is necessarily absent from the Chamber. If he were present, on this question he would vote "nay."

Mr. McKELLAR (when his name was called). Making the same announcement as on the previous vote with reference to my pair with the Senator from Delaware [Mr. TOWNSEND] and its transfer to the junior Senator from Nebraska [Mr. HOWELL], I vote "nay."

Mr. ODDIE (when his name was called). On this question I have a pair with the senior Senator from North Carolina [Mr. SIMMONS]. If he were present, I understand he would vote "nay." If I were permitted to vote, I would vote "yea."

Mr. SCHALL (when Mr. SHIPSTEAD's name was called). My colleague [Mr. SHIPSTEAD] is unavoidably absent. If he were present, he would vote "nay."

The roll call was concluded.

Mr. FESS. On this question I desire to announce that the Senator from Idaho [Mr. THOMAS] is paired with the Senator from Montana [Mr. WHEELER];

The Senator from Wyoming [Mr. SULLIVAN] is paired with the Senator from Maryland [Mr. TYDINGS];

The Senator from New Hampshire [Mr. MOSES] is paired with the Senator from Vermont [Mr. GREENE];

The Senator from Rhode Island [Mr. HEBERT] is paired with the Senator from Massachusetts [Mr. GILLETT]; and

The Senator from Wyoming [Mr. KENDRICK] is paired with the Senator from Minnesota [Mr. SHIPSTEAD].

If present the Senator from Idaho [Mr. THOMAS], the Senator from Wyoming [Mr. SULLIVAN], the Senator from New Hampshire [Mr. MOSES], the Senator from Rhode Island [Mr. HEBERT], and the Senator from Wyoming [Mr. KENDRICK] would vote "yea," and the Senator from Montana [Mr. WHEELER], the Senator from Maryland [Mr. TYDINGS], the Senator from Vermont [Mr. GREENE], the Senator from Massachusetts [Mr. GILLETT], and the Senator from Minnesota [Mr. SHIPSTEAD] would vote "nay."

I also wish to announce the following general pairs:

The Senator from Pennsylvania [Mr. REED] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Illinois [Mr. DENEEN] with the Senator from North Carolina [Mr. OVERMAN];

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Ohio [Mr. MCCULLOCH] with the Senator from Iowa [Mr. BROOKHART]; and

The Senator from Maine [Mr. GOULD] with the Senator from Utah [Mr. KING].

Mr. SWANSON. I desire to state that my colleague the Senator from Virginia [Mr. GLASS] is necessarily absent and paired; if present, he would vote "nay" on this amendment.

Mr. SHEPPARD. I desire to announce that the junior Senator from Utah [Mr. KING] is necessarily detained from the Senate by illness.

I also desire to announce the necessary absence of the Senator from Arkansas [Mr. ROBINSON] and the Senator from Pennsylvania [Mr. REED], who are delegates from the United States to the Naval Arms Conference meeting in London, England.

The result was announced—yeas 27, nays 39, as follows:

YEAS—27

Allen	Cutting	Johnson	Sheppard
Baird	Fess	Jones	Shortridge
Bratton	Goff	Kean	Steiwer
Broussard	Goldsborough	Patterson	Thomas, Okla.
Capper	Grundy	Pine	Waterman
Caraway	Hastings	Ransdell	Watson
Connally	Hatfield	Robsion, Ky.	

NAYS—39

Ashurst	Frazier	McKellar	Smoot
Barkley	George	McMaster	Steck
Black	Hale	Metcalf	Stephens
Blaine	Harris	Norbeck	Swanson
Borah	Harrison	Norris	Trammell
Brock	Hawes	Nye	Vandenberg
Copeland	Hayden	Pittman	Walcott
Dale	Heflin	Robinson, Ind.	Walsh, Mass.
Dill	Keyes	Schall	Walsh, Mont.
Fletcher	La Follette	Smith	

NOT VOTING—30

Bingham	Gould	Moses	Sullivan
Blease	Greene	Oddie	Thomas, Idaho
Brookhart	Hebert	Overman	Townsend
Couzens	Howell	Phipps	Tydings
Deneen	Kendrick	Reed	Wagner
Gillett	King	Robinson, Ark.	Wheeler
Glass	McCulloch	Shipstead	
Glenn	McNary	Simmons	

So the amendment of Mr. THOMAS of Oklahoma was rejected.

JOINT RESOLUTION INTRODUCED—RELIEF OF DISTRESS IN CHINA

Mr. MCMASTER introduced a joint resolution (S. J. Res. 148) for the relief of the distressed and starving people of China, which was read twice by its title and ordered to lie on the table.

AMENDMENTS TO THE TARIFF BILL

Mr. HARRIS submitted amendments intended to be proposed by him to House bill 2667, the tariff revision bill, which were ordered to lie on the table and to be printed, as follows:

On page 249, line 4, the free list, Schedule 16, strike out all of paragraph 1617, reading "waste bagging, and waste sugar-sack cloth."

On page 258, line 22, in the schedule, paragraph 1684, after the word "Manila," strike out the words "jute, jute butts."

On page 160, line 20, Schedule 10, flax, hemp, and jute, and manufactures of, at the end of paragraph 1001, after the words "hackled hemp, 3½ cents per pound," insert a semicolon in lieu of the period and add the following: "waste bagging and waste sugar-sack cloth, 3 cents per pound; jute and jute butts not dressed or manufactured in any manner, and not specially provided for, 3 cents per pound."

On page 160, line 24, in the same schedule, in paragraph 1003, strike out all after the words "Coarser in size than 20-pound" and insert in lieu thereof the following: "5½ cents per pound; 20-pound up to but not including 10-pound, 7 cents per pound; 10-pound up to but not including 5-pound, 8½ cents per pound; 5-pound and finer, 10 cents per pound, but not more than 65 per cent ad valorem; jute sliver, 4½ cents per pound; twist, twine, and cordage, composed of two or more jute yarns or rovings twisted together, the size of the single yarn or roving of which is coarser than 20-pound, 6½ cents per pound; 20-pound up to but not including 10-pound, 8 cents per pound; 10-pound up to but not including 5-pound, 9½ cents per pound; 5-pound and finer, 11 cents per pound; and in addition thereto on any of the foregoing twist, twine, and cordage when bleached, dyed, or otherwise treated, 2 cents per pound."

On page 164, line 4, in the same schedule, in paragraph 1008, wherever the words "1 cent" appear, strike out the same and insert in lieu thereof "10 cents," so that the paragraph will read: "Woven fabrics, wholly of jute, not specially provided for, not bleached, printed, stenciled, painted, dyed, colored, or rendered noninflammable, 10 cents per pound; bleached, printed, stenciled, painted, dyed, colored, or rendered noninflammable, 10 cents per pound and 10 per cent ad valorem.

On page 167, line 14, in the same schedule, in paragraph 1018, wherever the words "1 cent" appear, strike out same and insert in lieu thereof "10 cents," so that the paragraph will read: "Par. 1018. Bags or sacks made from plain woven fabrics of single jute yarns or from twilled or other fabrics wholly of jute, not bleached, printed, stenciled, painted, dyed, colored, or rendered noninflammable, 10 cents per pound and 10 per cent ad valorem; bleached, printed, stenciled, painted, dyed, colored, or rendered noninflammable, 10 cents per pound and 15 per cent ad valorem."

On page 167, line 21, in the same schedule, in paragraph 1019, after the words "weighing not less than 15 ounces nor more than 32 ounces per square yard," strike out the words "sixtenths of 1 cent" and insert in lieu thereof the words "5 cents"; and in the same paragraph, after the words "weighing more than 32 ounces per square yard," strike out the words "three-tenths of 1 cent" and insert in lieu thereof "5 cents."

RECESS

Mr. SMOOT. Mr. President, I move that the Senate take a recess, the recess being until 11 o'clock to-morrow morning.

The motion was agreed to; and the Senate (at 10 o'clock and 12 minutes p. m.), under the order previously entered, took a recess until to-morrow, Saturday, March 1, 1930, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate February 28 (legislative day of January 6), 1930

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenants with rank from February 24, 1930

First Lieut. Junius Penny Smith, Medical Corps Reserve.
First Lieut. Harry George Armstrong, Medical Corps Reserve.
First Lieut. Matthew Corell Pugsley, Medical Corps Reserve.
First Lieut. Charles Clyde Grace, Medical Corps Reserve.
First Lieut. Cleveland Rex Steward, Medical Corps Reserve.
First Lieut. William A. Dains Woolgar, Medical Corps Reserve.
First Lieut. Joseph Steinberg, Medical Corps Reserve.
First Lieut. Karl Rosenius Lundeberg, Medical Corps Reserve.
First Lieut. Arthur Herman Corliss, Medical Corps Reserve.
First Lieut. Jonathan Milton Rigdon, Medical Corps Reserve.

APPOINTMENT, BY TRANSFER, IN THE ARMY

TO CORPS OF ENGINEERS

Second Lieut. Edward Murphy Markham, jr., Signal Corps (assigned to duty with Corps of Engineers), effective June 9, 1930, with rank from June 9, 1928.

PROMOTIONS IN THE NAVY

Lieut. John V. Murphy to be a lieutenant commander in the Navy, from the 1st day of July, 1929.

Lieut. Joseph H. Currier to be a lieutenant commander in the Navy, from the 7th day of January, 1930.

Lieut. (Junior Grade) Leo P. Pawlikowski to be a lieutenant in the Navy, from the 6th day of June, 1929.

Lieut. (Junior Grade) George R. Cooper to be a lieutenant in the Navy, from the 6th day of September, 1929.

Lieut. (Junior Grade) Jesse G. Coward to be a lieutenant in the Navy, from the 11th day of October, 1929.

Lieut. (Junior Grade) Hubert W. Chanler to be a lieutenant in the Navy, from the 20th day of November, 1929.

Lieut. (Junior Grade) Raymond H. Tuttle to be a lieutenant in the Navy, from the 7th day of December, 1929.

Ensign Almerian R. Boileau to be a lieutenant (junior grade) in the Navy, from the 3d day of June, 1929.

Passed Asst. Dental Surg. Thomas White to be a dental surgeon in the Navy with the rank of lieutenant commander from the 10th day of November, 1929.

Passed Asst. Dental Surg. Robert H. Fladeland to be a dental surgeon in the Navy with the rank of lieutenant commander from the 7th day of January, 1930.

The following-named passed assistant paymasters to be paymasters in the Navy with the rank of lieutenant commander from the 7th day of January, 1930:

Rufus B. Langsford.
Blaine Hunter.
Frank C. Dunham.

The following-named radio electricians to be chief radio electricians in the Navy to rank with but after ensign from the 8th day of November, 1929:

Claude G. Alexander.
Byron Phillips.

Pharmacist Robert K. Mason to be a chief pharmacist in the Navy to rank with but after ensign from the 5th day of November, 1929.

Professor of Mathematics Herbert L. Rice to be a professor of mathematics in the Navy, with the rank of captain, from the 19th day of February, 1930.

Lieut. Guy B. Hoover to be a lieutenant commander in the Navy from the 8th day of November, 1929.

Lieut. George E. Maynard to be a lieutenant commander in the Navy from the 19th day of January, 1930.

Lieut. (Junior Grade) Edwin E. Woods to be a lieutenant in the Navy from the 10th day of November, 1929.

Gunner Herman Bullinger to be a chief gunner in the Navy, to rank with but after ensign, from the 18th day of October, 1929.

Radio Electrician Dee A. Merritt to be a chief radio electrician in the Navy, to rank with but after ensign, from the 8th day of November, 1929.

Machinist John H. McElroy to be a chief machinist in the Navy, to rank with but after ensign, from the 10th day of January, 1930.

Pharmacist Joseph J. Glawson to be a chief pharmacist in the Navy, to rank with but after ensign, from the 5th day of November, 1929.

MARINE CORPS

Maj. Edward W. Sturdevant to be a lieutenant colonel in the Marine Corps from the 26th day of December, 1929.

First Lieut. Henry F. Adams to be a captain in the Marine Corps from the 27th day of November, 1929.

First Lieut. Merton J. Batchelder to be a captain in the Marine Corps from the 10th day of February, 1930.

The following-named noncommissioned officers of the Marine Corps to be second lieutenants in the Marine Corps, probationary for two years, from the 25th day of January, 1930:

Corpl. Vincent Usera.
Corpl. Cornelius P. VanNess.
Corpl. Dwight L. Harris.
Corpl. George H. Cloud.

HOUSE OF REPRESENTATIVES

FRIDAY, *February 28, 1930*

The House met at 12 o'clock noon.

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

Almighty God, our Father, whose bosom is love, whose mission is recovery, and whose purpose is pardon, we would spend a few rapt moments at the altar of prayer. We mourn the loss of one of the Republic's finest products. Just now we think of him whose feet are entering the paths of death. O God, let Heaven's blessing rest upon him and the companion of the years. With music in his heart he sweetened loneliness; and while the flowers of truth and purity are rooted beyond the skies, they blossomed in his gentle life. To him was given an invisible highway that reached to the realm of cheer and tranquillity. The memory of him reminds us of the splendid service he gave our country and the deeds nobly done in the service of others. He softened labor, he refined learning, he exalted our homes, and drew men upward toward wisdom, knowledge, and culture. O Father, while the shadows thicken and the evening comes, let his life be our benediction and lift our souls to God. Amen.

The Journal of the proceedings of yesterday was read and approved.

RETIREMENT LEGISLATION

Mr. LEHLBACH. Mr. Speaker, in behalf of certain members of the Committee on the Civil Service, I ask unanimous consent that they may have until Monday noon next in which to file minority views on S. 15, and while doing that at their request, I couple with it on my motion a request that on Saturday they may have until midnight to file such views for printing, if they so desire. I do this because I intend to procure, if possible, consideration of the bill, S. 15, at the earliest moment, and I suggest that any minority views that they may desire to present be in the hands of the printer this week.

The SPEAKER. Does the Chair understand that the gentleman desires until Monday in which to have this done, or until Saturday night at midnight?

Mr. LEHLBACH. That they may have until Monday noon to file, but that they also may have the privilege, if their views are ready, of filing them until midnight on Saturday.

The SPEAKER. The gentleman from New Jersey asks unanimous consent that all members of the Committee on the Civil Service may have until Monday noon to file minority views on S. 15, and that those who have already prepared minority views may have until midnight on Saturday to submit them to the printer. Is there objection?

There was no objection.

THE BUS REGULATION BILL

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bus bill.

The SPEAKER. The gentleman from Alabama asks unanimous consent to extend his remarks on the bus bill. Is there objection?

There was no objection.

Mr. HUDDLESTON. Mr. Speaker, under leave granted to extend my remarks upon H. R. 10288, the bus regulation bill, I submit the following:

This bill has been reported by the Committee on Interstate and Foreign Commerce, and is now on the House Calendar. A rule has been granted under which the bill will be taken up in the House, for consideration, on next Tuesday, March 4th.

As a member of the committee, I have given patient and thorough consideration to the bill. My conclusion is that the bill is unnecessary, and is wholly bad in principle. The bill was proposed by the bus operators and railroad carriers. The committee had before it the spectacle of bus operators, gathered from one end of the country to the other, demanding with a unanimous voice that they should be regulated. Apparently the public knew nothing of the bill or felt no interest in it, since no representative of those who are using, and will use the busses, was heard.

The fact that the bill was urged only by those having a selfish interest in it is, of itself, enough to excite suspicion. My study of the bill has served merely to confirm the suspicion. It is evident that what the bus operators want is to relieve themselves of competition. Except for the fact that the bill will serve to eliminate competition, the operators would never have been before the committee.

Section 9 of the bill is particularly vicious. It authorizes consolidations without limit, merely upon a finding that they are "in the public interest." In addition to extraordinary laxity in this respect, the bill clothes corporations with Federal powers to consolidate, and so forth. The antitrust acts are set aside and all State laws are stricken down where they interfere with consolidations. Corporations are authorized to consolidate and acquire other corporations, although the charters granted them by the States expressly prohibit such mergers. In this respect, the bill is peculiarly offensive to any who may have a shred of regard for State rights left. It represents an apt illustration of "mergers run mad."

Holding these views, I have felt it my duty to present them through a minority report, as follows:

VIEWS OF THE MINORITY

The undersigned member of the Committee on Interstate and Foreign Commerce is unable to agree with the views expressed on behalf of the majority in the report on House bill 10288. I am unable to support the bill for the reasons stated herein.

This bill provides for a system of regulation for passenger busses engaged in interstate commerce. It provides, as a condition precedent, that the operator of the bus must obtain from the Interstate Commerce Commission a certificate of convenience and necessity. It authorizes the consolidation of bus lines and of bus and railroad lines, both competitive and otherwise, and sets aside the antitrust acts and all State laws forbidding such consolidations.

1. There is no public demand for this bill. It was proposed and urged by the bus operators and the rail carriers, and their affiliated interests. The general public was not represented at the hearings. The public is not pressing this bill, and apparently expects no benefit from it.

2. This bill is a direct attack on the competitive system. The fundamental basis of the bill is in the elimination of competition. The main purpose of its proponents is to secure themselves against competition. This is to be accomplished through the device of the "certificate of convenience and necessity." No bus may operate without such a cer-

tificate. Having secured such a certificate, an operator will be able to present that there is no need for another line on his route, and hence no occasion for the issuance of additional certificates. In this way a monopoly will be secured.

Under existing conditions the public is protected, by competition, from poor service and extortionate charges. By this bill we create a monopoly and remit the public to a system of regulation for protection.

3. The proponents of the bill admitted candidly that its main purpose was to give a monopoly, to eliminate competition. They argued that competition should be forbidden in the interest of efficiency, that an operator can not afford to adequately equip himself and to render regular and dependable service unless he is protected against irresponsible competitors. They argued that, to give good service, an operator must expend large sums for suitable busses and terminals, and that he can not afford to do this except upon an assurance of protection against those who might seek to take the cream of the business without handling the less desirable portion.

This argument is equally applicable to all other kinds of business—to the vast steel industry and to the corner grocer. The grocer, in order to give the best service, must keep an attractive and commodious store, with an ample stock and efficient clerks. It is a hardship on him to be forced to compete with an irresponsible competitor, who, by underselling or some other method, seduces the most profitable customers. In principle, to forbid competition between bus lines would warrant forbidding competition between grocery stores. There is the same, and no more, justification for the regulation of busses than for the regulation of the grocery stores.

4. The only excuse for Government regulation in any case is that the subject of the regulation is a monopoly, either natural or otherwise. We regulate railroads and gas companies because in their nature they can have no real competitors. The consumer is forced to accept the transportation or gas furnished by the particular company because no choice is left to him whether he will accept the service of that company or of another. Without regulation, the company having a monopoly may exact an extortionate price. Regulation in such cases becomes a matter of necessity for the protection of the public.

In the present state of the industry no such argument applies to bus carriers. The bus carrier has no monopoly. He drives his vehicle along a public highway which all are free to travel. Any other at will may acquire a bus and serve the public up and down the same highway. The bus business in its present state is highly competitive. It is expanding rapidly, and, generally speaking, is giving public satisfaction. There are occasional failures among the lines, of course. Sometimes hardships are worked through unfair competition. Occasionally operators are forced to suspend because of the superior efficiency or financial strength of their competitors. That is not peculiar to the bus business, but is common to all competition. The operator forced out may resume when the circumstances warrant. No large capital is required. All that is needed is a vehicle and freedom to operate it on the public highway.

The bus business is not a natural monopoly. There is nothing in its nature, as such, to require regulation. The main purpose of this bill is to create a monopoly in a situation which would otherwise be highly competitive, and then to make of the monopoly an excuse for regulation.

5. It can not be argued that this bill is required for reasons of public safety. The States, under their police powers, have ample jurisdiction to deal with that aspect of bus operation. They may provide for hours of service for employees, safety of vehicles and methods of operation, and fully cover every other element of safety. The committee had before it another bill which covered the safety aspects fully, but which did not attempt to provide for certificates of convenience and necessity or to grant any exclusive privileges or rights. But that bill was not considered. The bus operators and railroads did not want it, for it gave them nothing; it did not dispose of their competitors.

6. There are three economic systems—individualism, collectivism, and Government regulation, of which the latter is a hybrid of the other two. The fundamental on which business is founded, and on which it has attained its present state of unprecedented development, is the system of open, free, and fair competition. Within recent decades regulation has been resorted to as a necessary expedient to turn the edge of monopoly and to protect the public from extortion. At best, regulation is a compromise. It has been invoked by those who wanted to hold on to the ancient competitive system as the soundest and best basis for human activity. Regulation has a proper use only when there is a monopoly, where there is no real competition, and where the principles of competition are, in the nature of things, inapplicable. In all fairness, it must be admitted that regulation, as used, has not been an unqualified success.

In many cases the influence of the interest sought to be regulated and its affiliations has been so powerful that regulation has been a doubtful success, and in some it has been a total failure. Vast aggregations of wealth, acquired and used in monopolistic ventures, frequently have an influence permeating, not merely through the realm of business but through the social and political world—a seigniory not only of economic life and death but of social recognition and political distinction. The hand of government, acting through legislatures, executives, and even courts, is found too feeble for the task of restraining corporate extortion and greed.

Because of its inherent difficulties and deficiencies regulation is to be resorted to only in extreme cases. How foolish, then, to create a monopoly in the bus business merely to have the pleasure of attempting to protect the public by an effort to regulate it.

7. This legislation is merely a part of the general effort of an important school of business men to get away from the competitive system. On that system business, as it has been known in the past, depends for its very existence. Upon it business men have acquired an influence beyond that of any other class. On every hand mergers and consolidations are being consummated. These important business men are decrying the laws designed to force competition and to preserve the competitive system. Even the most casual consideration should lead the beneficiaries of our present system to know that always the choice is before them—shall we have competition or a system of collectivism? That is the issue. Regulation is a poor substitute for either, and it must be recognized that it will not be permanently accepted as applicable to business generally as such a substitute. Business men who sincerely believe in our economic system should fight as for their lives to hold on to such of competition as yet remains and to get back upon the solid ground upon which the business world was founded.

8. Sections 4 and 5 embrace the so-called "grandfather clause," which recognizes, as a vested interest, the business of those who were operating busses on January 1, 1930. It grants to those operators a precedence and a priority, and is intended to secure to them the required permission to continue their operations. This clause discriminates against all those now operating who may have begun after January 1, and all those who may desire to begin operations in future. As a discrimination, it is unsound in principle. If we are to grant certificates giving exclusive rights and privileges, all desiring them should apply on an equal basis, and all applications should be considered upon their merits, without preference or priority, and with an eye single to the public interest.

9. By section 9 consolidations, etc., between bus lines and between bus and rail lines are authorized. Such consolidations are to be permitted without limit when found by the commission to be "in the public interest." No other consideration is to be entertained. This section is subject to every objection which can be urged against the consolidation of railroads, and, in addition, to the objections (a) that there is no safeguard for the protection of short lines and feeders; (b) that the consolidations are not required to be in pursuance of any general plan or system of grouping; (c) that the railroad consolidation bill does not authorize the acquisition of competing bus lines; (d) that a bus company may acquire competing rail lines without number; and (e) that no protection for minority interests in either rail or bus lines is provided.

This section overrides the laws of the States in which the bus companies were chartered. Where they interfere with the acquisition of other carriers, competitive or otherwise, it strikes down all prohibitions and limitations imposed by the State upon its corporate creature as the condition of its creation. It makes of the corporate creature of a State a power superior to the State which created it and which may laugh at the ordinances of its creator. It clothes the corporate creature of the State with Federal powers and probably relieves these corporations of their responsibilities to the State without imposing upon them any corresponding responsibility to the Federal Government.

The bus business is yet in its infancy. With the completion of links under construction, a system of many through national highways is rapidly being developed. When the contemplated highways are completed, we may look for a vast expansion of bus lines, the extension of existing lines, and the creation of many new routes of motor transport. It would seem quite premature, in the present state of development of the bus business, to provide for unlimited mergers and consolidations.

It is significant that in this, the first legislation by which Congress takes cognizance of the bus business, we should provide for wholesale consolidations. By this bill, which for the first time provides for the certificate, a device by which a monopoly is to be created, we also provide for consolidations, a means by which the monopolistic franchise or privilege may be realized upon. By facilitating the transfer of the monopolistic privilege, we encourage extensions of the monopoly and the consolidation of the separate monopolies into a few hands. It is safe to predict that, within a dozen years, practically all of the important bus lines will be owned by a few big companies, and that it is but a matter of time before the rail carrier interests will have absorbed practically the whole system of bus transportation. Every argument against monopoly is denied by this bill. It violates every principle in opposition to the aggregation of vast interests vital to the life of a people. It invokes every danger from the social, economic, and political power of inordinate accumulations of wealth.

10. The bill has numerous structural and minor defects, but it does not appear desirable to attempt to enumerate them.

GEORGE HUDDLESTON.

UNEMPLOYMENT IN OKLAHOMA OIL FIELDS

Mr. McCLINTIC of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for two minutes in order

to bring to the attention of the House a telegram that I have just received.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. McCLINTIC of Oklahoma. Mr. Speaker, I have received a telegram from Hon. B. G. Patton, the department commander of the American Legion, Oklahoma City, Okla., which calls attention to a very bad employment situation that exists in the oil fields of Oklahoma, and I am going to suggest that the Clerk read the same in the time allotted to me.

The SPEAKER. Without objection, the Clerk will read.

There was no objection, and the Clerk read as follows:

OKLAHOMA CITY, OKLA., *February 26, 1930.*

Hon. JAMES V. McCLINTIC,

House of Representatives, Washington, D. C.:

Twenty-five thousand ex-service men out of employment in Oklahoma oil field. The Oklahoma department wishes to go on record favoring immediate action for adequate oil tariff. Our ex-service men entitled to same consideration and protection as those of any other industry. This tariff will relieve unemployment situation immediately. Please contact all ex-service Congressmen and Senators.

B. G. PATTON,

Department Commander American Legion.

Mr. McCLINTIC of Oklahoma. It is very evident that the labor conditions are gradually growing worse. Bread lines have already been reported from a number of cities, and unless there can be found some way to furnish proper employment for the thousands that are out of work, it is very probable that this situation will have a bad effect on both social and economic conditions.

The telegram that I have presented from the department commander of the American Legion specifically refers to conditions in the Oklahoma oil fields where there have been employed a large number of ex-service men and asks in a sense that this Government recognize the oil industry as an occupation having the same degree of importance as other industries that now receive certain benefits through tariff legislation.

The oil industry directly and indirectly affects nearly every citizen of our Nation, and at present curtailments have been made in production in some fields as much as 87½ per cent, which situation under present conditions is being taken advantage of by foreign importers of oil who are able to supply a large proportion of domestic needs at a price much lower than oil can be produced in the United States, taking into consideration the present price of crude. If the principle of a tariff is correct and the same is levied for the purpose of allowing legitimate industries to maintain themselves in the United States, then no one can say it is fair to discriminate against the production of oil or refuse to allow this product to receive the same consideration in a tariff bill as other industries.

Competition has always been the life of trade. If oil imported from Venezuela, Colombia, and Mexico is allowed to continue to come into the United States free of any importation tax, then it is only a question of time until those who are importing quantities of foreign oil will be able to force the independent producers out of business, and when this occurs then there will be no way to protect the public from monopolistic prices. Thus, it can be said that the curtailment policy now in effect in the different oil fields within the United States is directly beneficial to those who import crude oil, as there can be no way under existing law to curtail importations as long as oil is allowed to come in free of duty.

Approximately 1 barrel of crude oil out of every 10 that is consumed in the United States is produced in foreign countries without tariff regulations, and such competition is unfair to the independent producers who do not own foreign oil fields. The United States has an ample supply of oil to take care of our needs. No correct estimate has ever been made of the amount that is stored in the ground, and it is the belief of many experts that it will never be possible to exhaust the supply in this country for the reason as conditions warrant new inventions will make it possible to bring oil to the surface from lower levels, which may extend down toward the center of the earth, as far as it is possible for machinery to drill.

Therefore, in view of the economic conditions existing throughout the Nation and the fact that labor conditions are becoming appalling, it would seem wise to place an importation duty of $1 a barrel on crude oil; thereby making it possible for the independent producers of the United States to receive the kind of encouragement that would cause them to open up their fields and give employment to the thousands of ex-service men and others who may become a charge on the public unless work may be provided.

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

Mr. McCLINTIC of Oklahoma. Yes.

Mr. UNDERHILL. Is the gentleman in favor of a tariff to protect all of our industries that are rather in the doldrums at the present time?

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

Mr. McCLINTIC of Oklahoma. I thank the Chair. [Laughter.]

ERNEST L. SILVERS

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to vacate the procedure of yesterday by which H. R. 7321, for the relief of Ernest C. Silvers, was engrossed, read a third time, and passed, and a motion to reconsider laid on the table, for the purpose of amending the bill by correcting the name of the man accorded relief.

The SPEAKER. The gentleman from Missouri asks unanimous consent to vacate the proceedings of yesterday by which the bill H. R. 7321 was engrossed, read a third time, and passed, and on which a motion to reconsider the last vote was laid on the table, for the purpose of offering an amendment.

Is there objection?

Mr. GARNER. Mr. Speaker, reserving the right to object, the gentlemen on this side of the House who are looking after the Private Calendar do not happen to be present here this morning.

Mr. ELLIS. Mr. Speaker, I called the attention of those gentlemen to this subject yesterday. It is simply the correction of an initial in the name.

The SPEAKER. The Chair understands that it is merely to change an initial in the name of the beneficiary. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers and their dependents Ernest C. Silvers, who was a member of Company L, Twentieth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 13th day of March, 1900: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. ELLIS. Mr. Speaker, I move to amend by changing the initial "C" in the name of the beneficiary to "L," and ask that the title be amended accordingly.

The SPEAKER. The gentleman from Missouri offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ELLIS: Line 5, strike out the initial "C" and insert in lieu thereof the initial "L."

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

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended so as to read: "A bill for the relief of Ernest L. Silvers."

PERMISSION TO ADDRESS THE HOUSE

Mr. EATON of New Jersey. Mr. Speaker, I ask unanimous consent that on next Tuesday morning, after routine matters have been disposed of on the Speaker's table, I may be permitted to address the House for 30 minutes.

The SPEAKER. The gentleman from New Jersey asks unanimous consent that on next Tuesday morning, after the disposal of matters on the Speaker's table and following the address of the gentleman from Nebraska [Mr. JOHNSON], he may be permitted to address the House for 30 minutes. Is there objection?

Mr. SNELL. Reserving the right to object, Mr. Speaker, I want to state at this time that it is understood that we shall start consideration of the bus regulation bill next Tuesday. There are already two or three other requests on that day, and if the gentleman could suggest a day in the following week I think it would be better. I think if we preserve the balance of next week for this bus bill we would get it out of the way.

Mr. EATON of New Jersey. I have not illuminated the RECORD with any remarks at this session, and I would like to do so at the earliest possible moment. [Laughter.]

The SPEAKER. Is there objection?

There was no objection.

Mr. WILLIAM E. HULL. Mr. Speaker, I would like to make a similar request for 15 minutes next Tuesday to speak on the

necessity of a tariff on tapioca to protect the American corn. If we are crowded on that day, I would like to go on on Monday.

The SPEAKER. The Chair does not think he should recognize the gentleman on Monday.

Mr. SNELL. If you are going to let in any of them, I am in favor of letting them all in.

Mr. TILSON. I do not think anyone should be let in on Monday. It would be all right for any other day in the week.

Mr. WILLIAM E. HULL. Then I will make it Tuesday.

Mr. SNELL. Yes; let the gentleman make it Tuesday.

The SPEAKER. The gentleman from Illinois asks unanimous consent that, following the address of the gentleman from New Jersey [Mr. EATON], he may address the House for 15 minutes on Tuesday next. Is there objection?

There was no objection.

AN OFFICIAL REPORTER OF DEBATES

Mr. UNDERHILL. Mr. Speaker, I present a privileged report from the Committee on Accounts.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House Resolution 157

Resolved, That there shall be paid out of the contingent fund of the House, whenever in the discretion of the Speaker he deems it necessary in the public interest, compensation at the rate of $6,000 per annum for the employment temporarily of an official reporter of debates.

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

The resolution was agreed to.

MOTOR CARRIERS OPERATING ON PUBLIC HIGHWAYS

Mr. SNELL. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House Resolution 172

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 10288, a bill to regulate the transportation of persons in interstate and foreign commerce by motor carriers operating on the public highways. That after general debate, which shall be confined to the bill and shall continue not to exceed six hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. Referred to the House Calendar and ordered printed.

Mr. GARNER. Mr. Speaker, may I ask the gentleman from New York how many hours will be allowed for debate?

Mr. SNELL. Six hours.

THE BURDENS AND PROFITS OF WAR

Mr. SNELL. Mr. Speaker, I present another privileged resolution for printing.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House Joint Resolution 251

To promote peace and to equalize the burdens and to minimize the profits of war

Resolved, etc., That a commission is hereby created to study and consider the feasibility of equalizing the burdens and to minimize the profits of war, together with a study of policies to be pursued in event of war, so as to empower the President immediately to mobilize all the resources of the country. The commission shall report definite recommendations to the President of the United States to be by him transmitted to the Congress not later than the first Monday in January, 1932.

SEC. 2. That said commission shall be composed of four Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, and four Members of the Senate, to be appointed by the President of the Senate, the Secretary of War, Secretary of the Navy, Secretary of Agriculture, Secretary of Commerce, Secretary of Labor, and five other persons not holding any salaried governmental position with the Federal Government and selected with a view to represent in a general way the views of labor, industry, capital, agriculture, and the professions, respectively.

SEC. 3. As soon as practicable after the approval of this resolution the President shall appoint and announce the members of said commission to be by him appointed as provided in section 2 and shall direct the said members to meet with the members to be appointed by the Speaker of the House of Representatives and the President of the Senate in the city of Washington, D. C., as soon thereafter as may be practicable, and shall supply from the War Department all necessary office and clerical assistance.

SEC. 4. When said commission shall meet it shall organize by electing one of its number as chairman, and another as vice chairman, and shall appoint a secretary.

SEC. 5. That no compensation shall be paid any member of said commission, and no expenses shall be incurred by them except the actual expenses of sustenance and travel for the members of the commission, and printing and clerical assistance that can not be reasonably provided by the War Department.

The SPEAKER. Referred to the Union Calendar and ordered printed.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, several Members have asked what is going to take place during the balance of the afternoon. As soon as the special orders are finished we expect to consider some bills from the Merchant Marine and Fisheries Committee amending the general merchant marine act.

RELIGIOUS PERSECUTION IN RUSSIA

The SPEAKER. Under the order of the House the Chair recognizes the gentleman from New York [Mr. FISH] for 45 minutes.

Mr. FISH. Mr. Speaker, I present a concurrent resolution and ask unanimous consent that the Clerk read it in my time.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Concurrent Resolution 20

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress of the United States of America, while disclaiming any right or desire to interfere in the internal affairs of another country, that the persecution and the outrages which have been inflicted upon the Christian and Jewish subjects of Soviet Russia, who desire peacefully to worship God according to the dictates of conscience, is an offense to humanity, and that the seizure and diversion of Christian churches and Jewish synagogues to nonreligious purposes, and the desecration of burial grounds, are repugnant to the ideals of civilized nations.

That the Congress of the United States of America extends its sympathy to the persecuted Christians and Jews in Russia, and is desirous and willing to cooperate with other nations of the world in efforts to persuade the Russian Soviet Government to put an end to religious persecutions; and the Congress views with satisfaction the concerted and united purpose of people of all religious faiths in the United States to protest against the denial of religious liberty in Russia.

That it is the further sense of the Congress of the United States that the recognition of the Union of Soviet Socialist Republics by the United States of America is incompatible with the traditions and institutions of the people of the United States until religious persecution in that country shall have ceased.

Mr. FISH. Mr. Speaker and gentlemen of the House, I expect to read a part of my remarks, but I shall welcome any questions germane to the issues under discussion and will try to answer those questions to the best of my ability.

The purpose of the resolution of sympathy and protest which you have just heard read (H. Con. Res. 20) is to arouse public opinion in the United States and to unite all nations in an effort to persuade the Union of Socialist Soviet Republics to revoke their decrees and cease their activities against the freedom of worship and the practice of religious beliefs.

The persecution existing to-day against men, women, and children for maintaining their faith in God has had no equal since the Thirty Years War, and the martyrdom of the Russian people for their religious convictions concerns every Christian nation and all people who reverence and worship God.

I do not dispute the right of the soviets to establish any form of government and to govern the Russian people without interference of other nations, but when it comes to a question of the destruction of all churches and religious institutions and the execution, imprisonment, and exile of priests the whole world stands aghast and rightly protests against such barbarities, and that sentiment should be proclaimed throughout every civilized country.

My resolution is a protest or remonstrance to the Soviet Government, but in no way carries any implication of intervention. It is worded so that he who runs may read. I do not propose to-day to discuss the merits of the resolution or the advisability of having it adopted. I shall avail myself of the first opportunity of bringing it up for consideration in the Committee on Foreign Affairs, where I hope it will be discussed in detail. My object in speaking this afternoon is to place before the House of Representatives, a forum second to none in the United States, some of the facts concerning the religious persecutions

in Russia and a statement of the reasons why the United States has not recognized the Soviet Government.

At the outset of my remarks I want to make it clear that I make no claim of being an expert on Russia, although I visited that country in 1912 when under the rule of the Czar, and again in 1923 when it was being governed by the soviets. I have, however, followed the developments in Russia carefully ever since the communist experiment began 13 years ago, and I can reach no other conclusion except that, based on its record to date, it has been a tragic failure and has brought misery, famine, oppression and ruin to tens of millions of Russian people, without any redeeming compensations.

Last November I opposed the recognition of Russia in a debate with Col. Raymond Robbins, of Chicago, at the Academy of Music in Brooklyn, during which Colonel Robbins painted a beautiful picture of the piety of the Russian red soldier who showed him around the Kremlin in Moscow and how he crossed himself before the holy places and kissed the sacred ikons. Yes; but that was back in 1918, before the communists had begun waging a serious warfare on God and all things religious. To-day the red guard at the Kremlin would spit on the cross and thrust his bayonet through an ikon. The sleeping volcano of religious hatred and persecution has burst forth within the last year, and the destruction of churches and all belief in God is the order of the day.

There should be no surprise at this sudden eruption of the flames from a communistic volcano that has been shut in temporarily until either the Soviet Government felt itself strongly enough intrenched or possibly as a last resort to let loose the furies of religious persecution and seek to annihilate all forms of religious belief. The fact is that there is an irrepressible conflict between the principles advocated by communism and a belief in God. Communists boast of being atheists and take pride in waging war on God. Any member of the Communist Party who marries in a church, has children baptised, or permits his wife to belong to a church is driven out of the party. It must be self-evident that there is no compromise between two systems so incompatible and antagonistic as communism and the worship of God as practiced by Christians, Jews, and Moslems.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. FISH. Yes.

Mr. JOHNSON of Texas. I understood the gentleman to state that if an individual who belongs to the Communist Party does not reject God he will be expelled from that party. Did I understand that to be the gentleman's statement?

Mr. FISH. That is correct.

Mr. JOHNSON of Texas. If a citizen is not identified with the Communist Party what would be his rights with reference to his worship of God?

Mr. FISH. Of course, you can not deprive any human being of that right physically, but the whole attempt at the present time, and especially during the last 12 months, is to destroy all religious beliefs in Russia. Further on I will go into that point in more detail.

Mr. JOHNSON of Texas. That is what I would like to have the gentleman do, because I read recently where some gentleman at a luncheon club in my State said that the treatment of Christians in Russia had been greatly misrepresented. I would like to hear the gentleman on the question of the treatment by the Government of those who believe in God, and denying them the right to worship.

Mr. FISH. I shall do my best to answer the question, because that is the most important part of the whole issue. Belief in God and the principles of communism as advocated by Carl Marx and Lenin can never permanently exist peacefully in the same country, and no one knows it better than the communists in Russia. Within the last year they have started out on a systematic campaign not only to despoil and confiscate churches but in a brutal attempt to exterminate religion.

The attack of the Soviet Government is not merely against the Russian Church or the Russian clergy, but against God and upon all who profess religious beliefs. The Communist Party began in 1929 a relentless campaign to uproot and destroy not only the orthodox Russian Church but every semblance of religious belief among Jews, Catholics, and Protestants, including the Baptists, who have been protected until recently by the Soviet Government. Up to the last year the communists did not interfere with the religious beliefs beyond circulating propaganda against religion. That era of propaganda is at an end and there exists to-day determined, militant persecution of priests and rabbis which is increasing rapidly throughout Russia.

Article 121 of the Soviet Criminal Code, adopted in 1922, provides that instruction of children and minors in religious teachings of faith in state or private educational institutions and schools is punishable by hard labor up to one year. This has been followed up recently by forbidding the teaching of religion to children by priests or ministers and by active atheistic instruction in the public schools.

I call particular attention of the gentleman from Texas to just how the Soviet Government is endeavoring to eradicate religion, beginning with the youth of the country. The schools up to last year were free from antireligious propaganda, but now are veritable hotbeds of atheism. Orders have gone out recently to teachers in all public schools requiring them to instruct the school children of Russia in hatred of God and of all forms of religion and disobedience and contempt for their own parents if they attempt to maintain the faith of their fathers. Not only is the doctrine of anti-Christ made mandatory in the public schools, but immorality and vice are brazenly taught and practiced among young children.

This is the great boon and accomplishment of the Soviet Government for the welfare of the souls and bodies of millions of Russian children. Remember the words of the Master:

> Suffer little children to come unto me, and forbid them not; for of such is the kingdom of God.

Multitudes of Russian priests, Jewish rabbis, Zionists, Catholic priests, and Protestant ministers are being arrested and on flimsy charges exiled to Siberia if they are not secretly executed by the G. P. U., the terrible secret police which has recently been reestablished to spread terror among Christian and Jewish worshippers in Soviet Russia.

Let me pause to indirectly answer the question of the gentleman by saying that it is by establishing a reign of terror by means of the secret police, that arrest secretly, condemn secretly, and execute secretly, that the Soviet Government is holding the entire Russian people in bondage. It is through sheer terrorism. It is nothing more nor less than a government of terror and by terror through force, violence, and systematic starvation that controls the destinies of 150,000,000 Russian people.

Mr. McKEOWN. Will the gentleman yield?

Mr. FISH. Yes.

Mr. McKEOWN. I want to get the gentleman's viewpoint on the proposition as to why we should attempt to have something to do with the internal affairs of Russia, when we do not recognize the Russian Government. At this time, when they are not given any official recognition, does the gentleman think they would receive that as a very friendly act?

Mr. FISH. I am quite sure they will not receive anything from us except recognition as a friendly act. I am not basing my resolution at all on the question of its being a friendly act. I am opposed to interfering with anything that has to do with their form of government. However, I think that as a Christian nation we can very properly protest the persecution of religion in any country in the world when it is carried out on such a gigantic scale. [Applause.]

Mr. McKEOWN. I am not opposed to the United States taking its proper place as a Christian nation; but does not the gentleman think we should put in a little time here in taking care of the communists who have already come into our country before we attempt to take care of them in Russia?

Mr. FISH. I think that is a very proper question, and I think as I go along the gentleman will see that the special reason for my speaking to-day is to show the failure and the horror of communism as a terrible example to the American people, and in so doing to point out that in the United States we have exactly the same number of communists—between 30,000 and 40,000—that were in Russia when they seized control of that Government. It shows what 30,000 or 40,000 determined, desperate men can do when they act in unison.

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

Mr. FISH. Yes.

Mr. MORTON D. HULL. Some of the stories which have come out of Russia are so extraordinary as to be almost unbelievable. Under the circumstances, I am prompted to inquire the authority upon which the gentleman makes his statement.

Mr. FISH. I will say to the gentleman that all of this information has been collected for the last 13 years. I have followed this question carefully and have gathered my information from newspaper sources, from religious sources, from people who have come out of Russia and who have been in Russia, and I myself was there in 1923. I hope I am not talking from a biased point of view. In the case of religious persecution, destruction of churches, and the hounding, exile, imprisonment, and execution of innumerable priests and rabbis, it would be superfluous to quote authorities in each case, as the Soviet Government boasts that it is waging a war to the death against all religions.

Mr. MORTON D. HULL. The gentleman does not want to give specifically the authority for the general statement he is making?

Mr. FISH. I shall ask unanimous consent to include specific authorities and detailed information regarding the massacre and execution of priests on account of their religious views. In all of my remarks I have not mentioned any figures as to the number of priests and rabbis who have been executed, but I will say to the gentleman that the information I have received is to the effect that already over 6,000 priests and rabbis have been put to death for their religious beliefs.

I am giving the gentleman those figures as the best information I can secure, but I can not guarantee their accuracy, and nobody can guarantee anything that happens in Russia. The A B C of communism written by Bukharin and Preobryensky states that "all religions are one and the same poison, intoxicating and deadening the mind, the will, and the conscience. A fight to the death should be declared against them."

Now the power in the Union of Soviet Socialist Republics is entirely in the hands of the Communist Party. There is, therefore, nothing astonishing in the fact that a fight to the death has been declared in the Union of Soviet Socialist Republics against all religion, not only against the Christian religion, but also against Judaism and the Mussulman faith.

In the early days the official communist papers of Russia published a list of the executions of priests, but they became so numerous and probably so tedious to the typesetters that they finally published the executions by saying that on such-and-such a day 100 were executed or 200 were executed, without even giving the names.

Mr. MORTON D. HULL. Then it would be a fair answer to my question to say that your authority is common report?

Mr. FISH. If the gentleman wants me to go any further, I will put in the RECORD, and even read, the names here, if I have time, of certain of the higher priests of the Orthodox Church who have been done to death, how they were executed, and the martyrdom which they suffered.

Mr. CROSS. Will the gentleman yield?

Mr. FISH. Yes.

Mr. CROSS. Does not the gentleman think since Russia is politically and religiously running amuck, if we were to pass such a resolution it would tend to cause her, in order to spite the countries she has it in for, to treat them even worse?

Mr. FISH. I will say to the gentleman that is a most natural question, but I can not agree that it works out the way the gentleman suggests. The situation has become so bad in Russia that it can not become worse. There is an irrepressible conflict between communism and religion. They can not both survive in the same country.

Mr. GARBER of Oklahoma. Will the gentleman yield?

Mr. FISH. May I answer further in this way, although I may cover it further in my prepared remarks as I go along: The religious persecution in Russia to-day is all the more dreadful because it is so cunningly, diabolically, and systematically carried out.

It is not so much the shooting of priests and rabbis against the wall—that would be nothing new—that is the way they did it in the early days of communism, but to-day the same ultimate results of extermination are accomplished by systematic starvation, through taking away their bread cards, depriving them of all rights of citizenship, so that they and their families are literally starved to death. Thousands and thousands of priests and rabbis in Russia are starving to death as we sit here discussing this matter.

I now yield to the gentleman from Oklahoma.

Mr. GARBER of Oklahoma. Does the gentleman know of similar action being taken by any other nation at this time?

Mr. FISH. I will say to the gentleman that this issue is being discussed by practically every civilized congress in the world. A former high Russian Government official who succeeded the Czar's government recently was given the privilege of speaking before the Chamber of Deputies in Paris. Of course, as the gentleman knows, it is a matter of constant questioning in the British Parliament and in the German Reichstag.

Mr. GARBER of Oklahoma. In view of the fact we have refused to recognize the Russian Government, does not the gentleman believe that diplomacy, just common, plain, ordinary diplomacy, would require the State Department to take the matter up with other nations to secure their cooperation in presenting the resolution which the gentleman has introduced here?

Mr. FISH. I will say to the gentleman I do not want to press my resolution at the present time unless there is a demand by the American people for action by Congress. I hope that the representatives of the different religious faiths in the United States will support my resolution and recommend its adoption to the Members of Congress. I can not believe that the American people will remain indifferent to the horrible religious persecutions in Russia once they know the facts. The New York State Legislature unanimously passed a similar resolution just a little while ago; but I believe we should first find out how the American people feel about it, and if they want the adoption of my resolution I believe Congress will be glad to take appropriate action. Many of our great fraternal organizations teach the doctrine of the fatherhood of God and the brotherhood of man, and such ideals would be meaningless if they ignored such barbaric persecutions and failed to lend their whole-hearted support to suitable congressional action. Why should not the United States, a Nation whose very foundation was built on religious freedom and whose first settlers came here to be free to worship God according to the dictates of their heart and conscience, be outspoken in its opposition to the attempt to exterminate religion in Soviet Russia?

Mr. GARBER of Oklahoma. I do not believe there is any question about how the American people feel in regard to the action being taken or the purpose of the proposed resolution; but the gentleman will recall that very recently the United States, in company with several other nations, suggested to Russia the advisability of conforming to some extent with the Kellogg peace pact——

Mr. FISH. I hope the gentleman will not stress that question any further, because I am sorry to say I am out of sympathy with the action of the Government in that matter.

The active, relentless persecution and terrorism has resulted, according to the statement of an eminent rabbi who has just returned from an investigation in Russia, in driving three-quarters of the Jewish people away from the faith of their fathers.

This is an almost unbelievable statement to anybody who has studied the history of the Jewish race. In spite of all the pogroms and persecutions that Jews have suffered in the past centuries, they have always retained their religious beliefs until the terrorism of the G. P. U.; the dreaded secret police have made life an abomination and desolation for them.

This statement does not come from Christian sources; this comes from an eminent Jewish rabbi from the State of New York, Rabbi Glasser, who spent six months in Russia to ascertain the facts. When he got safely back to the United States he deliberately made this statement; and I will say to the gentleman that when he asks for substantiation of the facts I took it upon myself to tone down his statement and use the words "three-fourths of the Jews had been forced to give up their religion," because the statement he made was that 90 per cent of the Jewish people in Russia had been forced through terrorism to relinquish the beliefs of their fathers. I myself am not willing to accept the statement in full. The history of the Jewish race during the past 1,900 years demonstrates clearly that it has never been completly crushed by cruelty or contempt or by unequal laws or illegal oppression, and that pogroms or massacres have never broken the spirit of the Jewish people or shattered their unconquerable hopes and aspirations.

I do not believe even the systematic starving of faithful Christians or Jews through deprivation of bread tickets and nationalizing of homes will succeed in destroying the faith of the Russian people in God, but it may temporarily cause millions to conform outwardly with Soviet decrees against religion, whereas inwardly the desire for religious liberty and the worship of God will remain unabated and unchanged.

The Vatican has refused flatly to establish relations with the Soviet Government until the fundamental and inalienable rights of Catholics in Russia are respected, which becomes less likely every day. On February 8, 1930, the Osservatore Romano, the official Vatican paper, published a letter of protest from Pope Pius XI on the religious persecution in Russia, an extract from which is as follows:

> We are deeply moved by the horrible and sacrilegious crimes repeated daily and daily becoming more grievous against God and the souls of the great Russian population. * * *

and further calling upon not only the Roman Catholic clergy but the whole Christian world to join in supplication and prayer on March 19.

I will say to the gentlemen who ask for substantiation of facts, no matter whether you be a Catholic or a non-Catholic, you must realize that the Roman Catholic Church is a great, powerful organization, and is able to secure information from all sources throughout the world, and when it speaks it speaks as one who knows the facts.

The response of most Christian denominations was prompt, and the Archbishops of Canterbury and York in England, and Bishop Manning in New York, have issued a call for a protest prayer meeting to be held on March 16, and the Lutheran Church has set Sunday, March 2, for their world-wide protest. Many other denominations, including Methodists, Baptists, and

Presbyterians, have through the pulpit already condemned the wickedness and inhumanity of the persecution in Russia.

Are the people of the United States to continue silent any longer, on these atheistic attacks of the communist régimé in Russia against Christian and Jewish religions? It is true, while we claim no right to interfere with the internal affairs of Soviet Russia which we have very properly refused to recognize, there are higher laws of humanity and God which are the foundations of civilization and Christian nations not only have a right, but a duty, to protest openly against the despoiling and confiscating of churches and the inhuman treatment of priests, ministers, and rabbis and the deliberate warfare on God and all religious beliefs.

There is every reason why the Christians and Jews in the United States, representing the most ancient faith in the world, should unite in bonds of sympathy to oppose the militant atheism of the communists in Russia and to denounce the seizure of churches and synagogues for antireligious purposes, and the persecution of priests and rabbis as an offense to humanity and repugnant to the ideals of civilized nations and incompatible with the traditions and institutions of the people of the United States.

There are those in this country who deprecate any form of protest, as it might make conditions worse. The fact is that conditions could not be worse, as it is the aim of the Bolsheviki to wipe out all traces of religion within the next five years. There are always those weak-hearted people who are fearful of taking sides, even for righteous causes. The 150,000,000 Russians have no voice but through that of Christian nations to utter a demand for justice and religious liberty. We have been silent long enough and the time has come for united action, not a mere protest or lip service, but a demand for the cessation of religious persecution in Russia or the withdrawal of recognition by the civilized nations of the world.

Mr. DUNBAR. Will the gentleman yield?

Mr. FISH. I yield.

Mr. DUNBAR. Is Russia a member of the League of Nations?

Mr. FISH. No; it is not.

Mr. MORGAN. Will the gentleman yield?

Mr. FISH. Yes.

Mr. MORGAN. Has the League of Nations in any way recognized the conditions the gentleman complains of?

Mr. FISH. I believe the question of religious persecution in Russia is now being considered directly by the League of Nations.

Mr. SLOAN. Will the gentleman yield there, please?

Mr. FISH. I yield.

Mr. SLOAN. Will the gentleman in his speech, or as an extension, name the countries that have diplomatic relations with Russia at this time?

Mr. FISH. I will say to the gentleman that is hardly necessary, as most of the larger nations recognize Soviet Russia.

Mr. SLOAN. Do we?

Mr. FISH. No, we do not, nor do Spain, Holland, Belgium, Switzerland, Hungary, Rumania, Yugoslavia, Bulgaria, Portugal, Mexico, and all the South and Central American Republics except Uruguay.

Mr. SLOAN. And it is quite manifest, is it not, that England is now regretting that she did recognize Soviet Russia as manifested in the weakened Ramsay MacDonald government.

Mr. FISH. I wish I could talk at length on that question. I will merely say to the gentleman I do not believe there is a single civilized nation in the world that does not regret having recognized Soviet Russia, for every nation that has recognized it has suffered in consequence by disturbances, strikes, sabotage, and attacks to undermine their form of government; and I will say to the gentleman further that in the first instance the reasons for such recognitions were partially selfish, for the sake of trade.

Germany recognized Russia because of the great trade they had before the war and hoped to regain that trade through diplomatic channels. Italy recognized Russia because they wanted grain, oil, and coal. France recognized Russia and regrets it because she hoped through recognition to settle her claim of pre-war debts on an advantageous basis. Great Britain recognized Russia for the sake of trade and because of the Zinovieff letter that helped to put the Labor Party out of power. It was a part of the Labor Party platform when they came into power to recognize Russia. But the Labor Party to-day is jeopardized because of that recognition and already the Christian people of England are denouncing not only the religious persecution in Russia but demanding a determined protest on the part of their Government.

Mr. SLOAN. Will the gentleman yield?

Mr. FISH. Yes.

Mr. SLOAN. The gentleman stated in the first part of his remarks something about the manifestations of communism in this country——

Mr. FISH. I am going to touch upon that if I have time.

I am mindful of the attacks a century ago on the Abolitionists, but they persisted and won a final victory, because there was an irrepressible conflict between human freedom and slavery. The conflict in Russia between communism and religion is likewise irrepressible, and the victory will be won all the sooner if the nations of the world unite in an immediate unconditional demand for religious liberty in Russia, thereby saving the lives of millions of possible martyrs.

I just referred to the question of slavery, and the gentleman from Nebraska has asked about communism in this country. Let me call the attention of the Democrats of the South to the fact that the communists in this country are doing everything they can by use of soviet gold to organize the negroes into a negro communist party. I for one have always stood on the floor of this House openly in favor of the rights of the colored man and have tried to protect his rights as a citizen, believing as I do in his Americanism and patriotism, but I wish to say that I do not believe the communists can lead astray more than a handful of negroes either in the South or the North to help undermine our Republican form of government.

Mr. HALL of Indiana. Will the gentleman yield?

Mr. FISH. I yield.

Mr. HALL of Indiana. Will the gentleman touch on the evidence that there is an organization in the high schools with reference to communism? A high-school student told me that he had been invited to attend a communist meeting in the high school.

Mr. FISH. I will try and touch on that if I have time.

There is an old adage, "Whom God would destroy he first makes mad," and it would seem that the blind fury of the communists against religion is leading them on to their own ruin.

I make no parade of my own religious beliefs or convictions. I was born a Protestant and expect to die a Protestant, but differences of creeds and articles of faith mean very little to me. The Protestant, Catholic, Jew, and Moslem all worship the same God, a just and a Merciful Deity. I am convinced that civilization and Christianity are practically synonymous, and if the principles of Christianity and of other faiths which worship God are wiped out, modern civilization will be destroyed and we will return to barbarism and paganism.

The foundation of Christianity—faith, hope, and charity and human sympathy and human justice—must be upheld or our civilization will perish.

I shall never vote to urge the American people, through diplomatic recognition, to place the stamp of their approval upon the godless Soviet Government as long as she continues a relentless campaign to persecute and destroy the Christian and Jewish faiths in Russia.

The American people have nothing but friendship in their hearts for the 150,000,000 people that compose the Union of Soviet Socialist Republics, and the Congress of the United States, in 1921, by appropriating $20,000,000 from the Federal Treasury to provide foodstuffs for the famine-stricken sections of Russia, showed in a concrete way our sympathy and good will toward the Russian people.

The Government of the United States is willing and ready to formally recognize the Soviet Government whenever satisfactory guaranties are offered that the Third International will cease its insidious propaganda and that payment be made for the property of American citizens confiscated by the Soviet Government, and that the loans made by the United States to the Kerensky government be recognized and funded on a fair basis, and religious persecution shall have ceased.

The most important stipulation by far has to do with the continuous underground interference with purely American affairs by the directors of the red international from their headquarters in Moscow. The Third International is the child of Lenin, and it is one and inseparable with the Russian Communist Party, and its policies are dictated by the political bureau of the Communist Party. As Zinovieff said, at the Fourth Congress of the International, regarding the relation of the former with the Communist Party—

> It would be laughable to ask who has the advantages and who is the subject and who is the object. It is the foundation and roof of the same building. One belongs to the other.

The Communist Party, the Soviet Government, and the International have interlocking directorates. Their fundamental aim is world revolution and the establishment of communism throughout the world.

There is one admirable trait that any party in America can take from the Communist Party, and that is that they always adhere strictly to their party platform. That is one characteristic that you can admire in the Communist Party, as it has stood for 13 years consistently for its original principles of world revolution and atheism.

The general staff of the world revolution is the Communist International, established at Petrograd in 1919. Its American sections are the Communist Party of the United States, the Trade Union Unity League, and the Workers Party, all advocating the use of violence and terrorism to destroy our free institutions. I believe I express the overwhelming sentiment of the rank and file of the American people when I say that their love of country and of their form of government is such that they resent any disbursement of funds from Soviet Russia to stir up strikes, riots, or insurrections, and that public opinion will oppose recognition of Soviet Russia until she ceases definitely to sponsor, through the Third International, diseased and vicious propaganda for the overthrow of our republican form of government and the liberties of our people.

We insist and demand that there shall be no attempt to undermine our own form of government by the red international or by any other foreign influence, organization, or government. If the communists in America do not like our popular form of government and prefer a dictatorship over the proletariat by a few communist politicians without regard to freedom, justice, or democracy, let them go back to Russia, where they can enjoy to their heart's content the deplorable standard of living of the Russian wage earner and the absolute tyranny of the soviet rule.

I shall never vote in the Congress of the United States to recognize Russia as long as the Third International is merely a torch in the hands of the Russian Communist Party, which uses it to sow seeds of class hatred, atheism, and to work destruction throughout the world. [Applause.]

Mr. MORGAN. Will the gentleman yield?

Mr. FISH. I yield.

Mr. MORGAN. Is it not true that this menace has become such in the United States that the American Federation of Labor has taken united action in the matter of pressing this matter in the United States?

Mr. FISH. Mr. Speaker, I would like to answer that question somewhat in detail, and I hope the Members of Congress will bear with me when I give a brief history of how the Bolsheviks came into power. There is an utter misunderstanding in regard to the so-called revolution which overthrew the Czar. The Bolsheviks, or communists, had nothing to do with it any more than you or I. Lenin was then in Switzerland and Trotsky in the city of New York. I appeal especially at this time to the so-called liberals and progressives in the United States who sometimes are led astray into expressions of sympathy with the autocratic and despotic soviet régime. I hold no brief for the inhumanities, brutalities, and oftentimes atrocities of the Czar's government. There was enough misrule under the government of the Czars to justify a dozen revolutions, but what I want to point out is that it was the moderate element, the Duma, and the representatives of the Russian people, who overthrew the Czar and established a constitutional government, and the United States was the first to recognize it. The Russian government gradually, from March, 1917, to October, went over to the left, became more radical, and Kerensky came into power, but still as a representative of the Russian people under a constitutional form of government. He sought to carry on the war, as an ally, together with us, but at that time Lenin was sent into Russia by the German high command and Trotsky got back into Russia through his own efforts, and this little group of communists, numbering not more than 30,000 in the whole of Russia, the same number possibly that we have in this country, started to undermine the Kerensky government.

An election was held for members of the national or constituent assembly, and the communists polled very few votes.

However, Lenin and Trotsky taking advantage of the deplorable war situation in Russia and the desire for peace among the soldiers, the lack of bread among the civilians, and the desire to divide up the land, got the army to withdraw from the front, and then because of the disorganization of the army and through the use of groups of war-weary and disillusioned veterans, they attacked the Kerensky government and overthrew it, and established what is known to-day as the dictatorship of the proletariat. That is a total misnomer. There is no such thing as a dictatorship of the proletariat. It is a dictatorship by a small clique of communists, self-appointed, self-perpetuating, over the proletariat. There are only 1,000,000 communists in the whole of Russia out of 150,000,000 people. Yet that government, through their military control, through terrorism, through controlling the means of transportation, through denial of liberty of the press, of assembly, and freedom of speech, rules Russia more rigidly and harshly than any government in the world. It is the most brutal form of dictatorship ever invented, and has destroyed every kind of human liberty. Russia is regimented and ticketed, and human beings are demoralized and degraded. It is inconceivable why liberals in America, or throughout the world, who believe in the extension of democracy, who believe in the rule of the people and a government by the people, have been led astray, and are sometimes showing sympathy for the autocratic soviet dictatorship, the like of which we have never seen on this earth. There is an irrepressible conflict between self-government and autocratic government, and there is no possible compromise between democracy and communism.

The SPEAKER pro tempore (Mr. ARENTZ). The time of the gentleman from New York has expired.

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FISH. Thank God, Mr. Speaker, there is one organization in this country composed of the working class that has seen through the Soviet Government from the beginning to the end, and that is the American Federation of Labor. [Applause.] They have never ceased to expose the autocracy and the tyranny of the Soviet Government. In their annual convention in 1927 they adopted practically unanimously the following declaration:

> We regard the soviet régime in Russia as the most unscrupulous, most antisocial, most menacing institution in the world to-day. Between it and our form of political and social organization there can be no compromise of any kind. We repeat the call to American trade unionists to stand true to their faith, to be militant in their defense of the principles of freedom and justice for which our movement stands and upon which our democracy rests its foundation walls.

No American need have any fear where the American Federation of Labor stands. It is opposed to all forms of autocracy and dictatorial powers and practices.

And right here I want to quote part of a statement of former President Coolidge:

> I do not propose to barter away for the privilege of trade any of the cherished rights of humanity; I do not propose to make merchandise of any American principles. These rights and principles must go wherever the sanctions of our Government go.

[Applause.]

Mr. Speaker, it seems to me in considering this question of religious persecution and the form of the Soviet Government over which we have no control and with which we have no right to interfere, we have at least the right to consider the activities of the communists in the United States of America. We have the right to investigate their activities in our public-school system, and I for one believe that the Government of the United States and the individual States should take a more militant and aggressive action against every communist, every member of the Workers' Party, or any other party that seeks to overthrow the Government of the United States and advocates its overthrow by force and violence. [Applause.]

There is and there always will be irrepressible conflict between our republican form of government and communism. On this occasion and in this month particularly we can well afford to reaffirm our belief in the fundamental principles of our representative form of government, and in those immortal words of Abraham Lincoln, a government of the people, by the people, and for the people. There are unfortunately some of our industrial magnates, there are some of our intellectuals, and some of our big bankers, who go abroad and visit Mussolini in Italy and come back extolling that form of dictatorship and minimizing our own republican form of government. Wherein have we failed? Our Government is the oldest government in the world, having existed for over 150 years, and we have a united and contented people whose liberties are protected by the bill of rights and by the guaranties of our Constitution. Let us reaffirm our belief in free institutions, in the bill of rights, in our republican form of government, because it is the soundest, safest, most honorable, and the best form of government devised by the mind of man. [Applause.]

In accordance with my unanimous-consent request, which was granted, I am appending herewith a number of instances of the execution of archbishops and bishops of the Russian Orthodox Church, Roman Catholic bishops, and Jewish rabbis, and also certain reports from newspaper sources.

> ROME, February 24, 1930.—More than 200 Russian bishops were deprived of liberty in 1929, and 105 of them were imprisoned on the island of Solovetz, Archmandrite Simon, head of the Russian Orthodox Church in Rome, told the press to-day.

Moscow, February 28 (A. P.)—The Jewish Telegraphic Agency reports that Rabbi Lazerev, chief rabbi of Leningrad, and Rabbi Vasnogorowski are being held under arrest by the Gapayou, or Russian secret police. Both are accused of maintaining illegal connections abroad.

Rev. Father Cosgrain, of Quebec, recently referring to the Krasnaia Gork camp, stated that 150 prisoners there were reduced to such a state of exhaustion that they could no longer work or even move in spite of terrible blows from the guards. The head of the camp, one Sofine, had them stripped naked and thrown out of the camp, where they froze to death. He goes on to say that not since the days of Nero and Caligula have Christians endured such terrible persecutions as are now going on in Russia. Formerly, under the red terror Christians were executed en masse, but the Bolsheviki saw that such public executions tended to make the people look upon their victims as martyrs and venerate them. So they have now changed their tactics to deporting Christians as counter revolutionaries to concentration camps in northern Siberia, where they wallow in filth and misery and die a lingering death from cold, starvation, and torture.

EXAMPLES OF RELIGIOUS PERSECUTION IN SOVIET RUSSIA

[From the Bureau de l'Entente Internationale contre la IIIme Internationale]

The priests who perished at the hands of the communists were nearly always first martyrized by their executioners.

There is at New York a Russian Orthodox cathedral, the Church of the Saviour, where there is engraved in stone the number of victims of the red terror * * * 31 bishops, 1,560 priests. * * * This computation is incomplete.

The Latvian journal Segodnia, of Riga, published on July 24, 1927, the names of 117 archbishops and bishops of the Orthodox Church, who, on April 1, 1927, were languishing in the gaols of the Cheka or had been deported or sent to forced labor.

In addition to these 117 names, there are 40 other bishops whose fate is not yet decided.

Professor Melgounoff, the historian of the red terror, speaking of the martyrdom imposed on the priests, says:

"* * * Crowns of barbed wire were placed on their heads. At Tzaritzin and at Karnichin their bones were sawn. At Poltava and at Kremenchoug priests were impaled. At Poltava, where Grichka, the prostitute reigned, 18 monks were impaled in one day."

The martyrdom of the metropolitan Benjamin of Petrograd merits particular attention. This high dignitary of the Russian Church was known for the sanctity of his life, full of abnegation and modesty. He was the friend of the poor and the humble, of the unfortunate and the persecuted. He was highly venerated in the working-class districts of St. Petersburg, and his nomination to the high post which he occupied before his death was due to the unanimous vote of all the parishes of St. Petersburg in 1917. The metropolitan attached little importance to the material preoccupations of this world, and conscientiously avoided all political questions. His moral authority and his increasing popularity were the true and sole cause of his martyrdom and his death. Arrested on a false pretext and judged for form's sake only by a tribunal composed of agents of the Cheka, he was condemned to death and executed the same day as his friends, the Archimandrite Serge, Professor Novitzky, and the lawyer Kovchanoff.

This is how an eyewitness relates the last moments of the judgment of these holy men:

"Defendant Krazansky, you may make your last declaration," says the president of the tribunal to the principal defendant.

"The metropolitan rises with dignity and with no trace of emotion. His height distinguishes him majestically on the platform. An impressive silence reigns in the hall. 'I am a faithful son of my people,' said the metropolitan. 'I love them and I have always loved. I have given my life to them, and I am happy that they returned my love, since it is they who raised me to the high dignity I have occupied in the Orthodox Church.'"

That was all the metropolitan said regarding himself. On the other hand, he did his best to clear the other defendants.

The judges themselves were impressed by this modesty and devotion. The president of the tribunal interrupted the metropolitan, saying: "You speak only for the others; the tribunal would like to know what you have to say in your own defense." "What can I say of myself?" replied the accused. "I know not what may be your judgment, whether life or death. But independently of your reply, I shall raise my eyes to Heaven with the same piety; I shall make the sign of the cross [the metropolitan crossed himself]; and I shall say, 'May the Lord God be praised for all.'"

The emotion in the hall was such that the sitting had to be suspended. On the resumption, Professor Novitsky, one of the accused, declared that he had committed no crime. "But," he added, "if the soviet power desires a victim, I shall be happy to give my life for Christ; I only pray that the others may be spared."

The Cheka itself dared not accomplish this act over the heads of the population of St. Petersburg. It was announced that the condemned were transferred to Moscow. In reality their hair was cut, their clothes changed, and they were taken in lorries far from the city, where they were shot down with revolvers.

Twenty-six archbishops and bishops and 6,775 priests have been put to death. The Archbishop of Perm was buried alive, after having his eyes put out. The Bishop of Belgorod was plunged into quicklime. The Bishop of Youriew was put in a cellar with other prisoners, his nose and ears were cut off, he was struck repeatedly with a bayonet, and finally cut to pieces. The Archbishop of Voronej was hanged before the altar of his church and in his archdiocese 160 priests were shot.

In the district of Cherson three priests won the glorious privilege of sharing the sentence of our Lord and were crucified. A priest at Tcherdin was stripped naked in the Russian winter and sprinkled with cold water till he became a statue of ice. Archbishop Feofan was brought to the point of death and then thrown into a hole in the ice of a frozen river. The archimandrite Ornatzky was shot with his two sons; while the young men were being shot he read the prayers for the dying; when his own turn came the platoon of Russian soldiers refused to shoot; a second platoon also refused; then a commissar of the Soviet Government stepped forward and killed him.

"In the year 1920 the Soviet Government put to death 1,275 priests. In 1922 Russian men and women were being shot down while trying to defend their churches from desecration."

Here is what Malsagoff says in his book, An Island Hell, about the ecclesiastics in Solovky, the most terrible prison of the Red Russia:

"At the present time there are some 300 bishops, priests, and monks in the Solovky; to this number should be added several hundred laymen who were sent to the Solovky along with them, generally under clause 72 of the criminal code—'Ecclesiastical counter-revolution, resistance to the confiscation of church valuables, propaganda, the education of children in a religious sense,' and so on. The clergy at the Solovky, though more oppressed and humiliated by the camp authorities than any other category of prisoners, are remarkable for the submissiveness and stoicism with which they endure their moral and physical sufferings.

"Being accustomed to hard bodily labor from childhood, the clergy are rightly considered to be the best workers in the camps, and from this point of view are most valued by the administration, though it exploits them infamously. Priests are sent to do all the most exhausting tasks. For example, whole sections of the narrow-gage railway were laid entirely by clerics.

"All kinds of religious services, of course, are forbidden. One of the priests in the camp on Popoff Island, a feeble old man, died. He begged the commandant with tears in his eyes to allow the Vladika Illarion to administer the Holy Sacrament to him. The commandant refused in abusive terms.

"Every day in the year is counted as a working day, and at Easter and Christmas the authorities endeavor to give the clergy the most degrading work possible—for example, cleaning out the latrines."

It is the Orthodox Church which has furnished most of the sacrifices on the altar of Christianity in Russia. Nevertheless, the representatives of other Christian denominations—priests and lay members—have shared its martyrdom. In the early days of Bolshevism in Kieff the Lutheran pastor in that town was cast into prison. And other pastors shared his fate.

The martyrdom of several Protestant pastors at Riga during the Bolshevik occupation will be recalled. The members of various evangelical groups are also persecuted, and many are to-day in prison.

The representatives of the Catholic Church, who were not very numerous in Russia, have been fiercely persecuted. Many of them have manitained an attitude worthy of all admiration. In a soviet report concerning the sequestration of the goods of Catholic Churches we find the following: "The Catholic priests refused to obey the orders of the agents of the soviets. They did not leave the church and spent whole days in prayer."

"The civilized world united in protests against the judicial murder of Monsignor Budkievicz, in 1923. The execution took place in a cellar of the Lubyanka prison, in Moscow, on the night of Easter Saturday—the Nocthem Sacratissimam of the Resurrection—after a soviet trial at which the Government prosecutor, Krylenko, said:

"I spit on the Christian religion as I do on all religions—on orthodox Jewish, Mohammedan, and the rest."

It is characteristic of the mentality of the Soviet Government that the protests made by the governments and press of the world on the execution of Monsignor Buckievicz and the death sentence on Archbishop Cleplak were referred to in the Government organs as a "chorus of counter-revolutionary jackals and hyenas."

The hatred of the Soviet Government has likewise been turned against the Jewish communities. Doctor Pasmanik (Israelite) gives in this respect the following details:

"Synagogues in great number were confiscated and turned into workmen's clubs, theaters, or cinemas. The persecution of rabbis as supposed

fomenters of counter-revolution is a general fact. * * * The sacramental ceremony over new-born boys, the ritual celebration of the wedding—all this has been thrown overboard. * * *

"The study of the Hebrew language, of prayers, and the Bible is strictly forbidden.

"Hundreds of Zionists fill the Bolshevik prisons; hundreds more are exiled in far-off Siberia and in the camp of Solovky. All Jewish cultural institutions have been destroyed."

And this is what Boris Cederholm says in his book on the NEP and the Cheka which appeared recently:

"* * * I was taken to cell No. 12. * * * Among my new comrades were Zionist Jews, mostly students; their coreligionists were locked in other cells in the prison; * * * they had been there five months.

"The Zionists in our cell were to be deported to Siberia the following Friday. About two hours before the departure of the convoy the governor of the prison came into the cell and cried, "Hi, the cossacks of Palestine, the noble Jews, line up!" And when the Zionists obeyed, intimidated by the tone of Bogdanoff, the latter said: "You have seen that the soviet power insists on the execution of the law. Your convoy will start in two hours * * *." A little Jew, the sickliest of the group, with large spectacles on his nose, dared to ask, "What do you call law in Soviet Russia?" Bogdanoff approached him and gave him two blows full in the face.

Islamism is not spared. In the antireligious vade mecum, published in 1928, in the Russian State editions one finds many directions for combating the Mussulman faith, its priests, and its faithful.

Though fewer priests are now shot, they are still sent to convict settlements or exterminated legally through deprivation of bread cards.

The deportations are made in a purely administrative way, without any court proceedings, and it is difficult to obtain any official records, whether the exiles are dead or alive.

(NOTE.—Let us tear off the veil covering the unfortunate Russian people chained and tortured by a reign of terror under the Soviet Government and face the facts. Those who seek additional details as to the religious persecution in Russia should read the speeches of Rev. Father Edmund A. Walsh, vice president of Georgetown University and regent of the Georgetown Foreign Service School, who spent several years in Russia and is a well-known authority on conditions there.)

LOBBYING ACTIVITIES

The SPEAKER pro tempore (Mr. MAPES). Under special order of the House heretofore made, the Chair recognizes the gentleman from Wisconsin [Mr. SCHAFER] for 60 minutes.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I would appreciate it if the leadership and all the other Members of the House would carefully consider H. R. 1922, which I introduced on April 24, 1929, a bill to disclose the interests of and to regulate lobbyists who attempt to procure the passage or defeat of any measure before the Congress of the United States, and in connection therewith House Resolution 69, which I introduced on November 21, 1929, providing for an investigation of lobbyists and lobbying associations, and particularly the Rawleigh Tariff Bureau and the election campaign contributions in Wisconsin of those connected with said bureau, as well as the collections by Richard H. Lee, a master lobbyist of New York, amounting to thousands of dollars, which were furnished to the La Follette Progressive Republican Club of Milwaukee County, Wis., and expended by said club in the 1928 primary election in violation of the Wisconsin corrupt practices acts.

At a later date I expect to address the House with particular reference to the Rawleigh Tariff Bureau, which is in my opinion one of the most insidious and selfish tariff lobbies claiming to function in the name of the American people, together with the legislative service in Washington connected therewith, which can properly be designated "The Politicians' Legislative Service." In passing, I may state at this time that the Rawleigh Tariff Bureau has been formed and subsidized by Mr. W. T. Rawleigh, multimillionaire president and owner of the W. T. Rawleigh Co., of Freeport, Ill., who in the past has been a financial angel in Wisconsin political campaigns and who has demanded a repeal of or reduction in tariffs on the products which he uses, but has never raised his voice in any instance before committees of Congress or in the propaganda papers of his tariff bureau in favor of reducing or repealing the high tariffs which protect the products of his industry.

Wisconsin is an industrial and dairy State, and our people require and demand a restrictive, nondiscriminative immigration law and a protective tariff sufficiently high to protect the labor and industry of our people from unfair foreign competition. [Applause.] The time which I have been able to obtain to-day will only permit the presentation of a few of the iniquities existing in Wisconsin, which even standing alone prove without a shadow of a doubt that H. R. 1922 and House Resolution 69, which I have heretofore mentioned, should be passed by the House of Representatives without any unnecessary delay.

The message of Gov. JOHN J. BLAINE to the Wisconsin Legislature Thursday, January 11, 1923, reads, in part, as follows:

The corrupt practices act is vitally defective. As it is now written it affords little protection against a candidate or voluntary committees or individuals that spend large sums of money who desire to practice dishonesty. The means by which the campaign expenditures may be covered up are many, and there is no method by which a discovery can be made. The damage that can be done under the present law can not be discovered until the injury is completed; too late to be known by the people who must pass upon candidacies.

I therefore renew my recommendation of two years ago that there be a means of reviewing, in a judicial proceeding, the expenditures and disbursements made during the course of a campaign, at a time when the public ought to know from whom the campaign funds come and what forces and interests are supporting candidates.

I also recommend that the law be amended requiring voluntary committees and individuals to file with the filing officer of the candidate whom such committee or individual supports a statement similar to the statement required of candidates.

There are some detail provisions of the corrupt practices act which penalize the honest man but afford no protection against those who may dishonestly evade its provisions. Such defects can be remedied by appropriate legislation.

Subsection 5 of section 12.09, of the Wisconsin statutes, reads as follows:

(a) Any corporation, association, organization, committee, or group, which in this State advocates, indorses, or opposes any political party, faction, or group, or any candidate for any State or Federal office, including the offices of President and Vice President of the United States, or any constitutional amendment or measures to be voted on by the people, or which through paid advertisements advocates or opposes any governmental action, measure, or policy, shall before making any expenditures or receiving contributions for such purposes file a verified statement giving its name, the name and address of each of its officers, and in general terms the nature of its organization, the sources of its income, and the purposes for which it expects to make expenditures or receive contributions. Such statement shall be filed with the secretary of state, if it proposes to make expenditures in more than one county or in advocacy or opposition to any candidate or measure voted upon in or affecting more than one county; and, in other cases, it shall be filed with the county clerk.

(b) Such corporations, associations, organizations, committees, or groups shall also file with the secretary of state or the county clerk, as the case may be, a verified statement setting forth in detail the names of all contributors of $5 or more to any fund raised or money expended for the political purposes mentioned in paragraph (a) of this subsection and the total of all contributions for such purposes, whether more or less than $5, together with an itemized statement of all expenditures and all liabilities incurred. Such statements shall be filed on the second Saturday preceding any election or primary in which such corporation, association, organization, committee, or group has made any expenditures or received any contributions for political purposes, and a final statement shall be filed within three weeks after such election or primary. A similar statement shall be filed on the second Saturday in July of each year if expenditures have been made or liabilities incurred for political purposes since the last preceding annual statement aggregating $500 or more.

(c) The statement and reports required by this subsection shall be made by the president or other chief executive officer and the secretary or other recording officer on behalf of such corporation, association, organization, committee, or group. (Stats. 1913, secs. 94–9, 94–35; 1915, ch. 144; 1915, ch. 499, secs. 10, 28; 1915, ch. 604, sec. 84; 1917, ch. 466; Stats. 1919, sec. 12.27; 1921, ch. 161; 1923, ch. 249; 1925, ch. 343, secs. 2, 3.) Annotated.

Mr. Speaker, I shall now read into the RECORD the statements of receipts of the La Follette Progressive Republican Club of Milwaukee County,, of August 25 and September 24, 1928. In order that I may not in spirit or in letter trespass on the rules of the House of Representatives I shall delete names where necessary and designate such deletion by blanks, in these financial statements as well as in the extract from the report of Arthur R. Barry, special district attorney, who conducted the John Doe inquiry into the Wisconsin primary expenditures by progressive candidates, which I shall read very shortly.

FINANCIAL STATEMENT

Names of candidates: ———, ———; Joseph D. Beck, for governor; Henry A. Huber, for lieutenant governor; Theodore Dammann, for secretary of state; Solomon Levitan, for state treasurer; John W. Reynolds, for attorney general; Edward G. Minor, for Member of Congress, fourth district.

Herbert L. Mount, financial secretary of Voluntary Association of Milwaukee County Voters, promoting candidacies of candidates above named.

Statement of amounts received in the interest of the above-named candidates for nomination to the respective offices, as above specified, on the Republican ticket at the primary election to be held on the 4th day of September, 1928, made pursuant to section 12.09 of the Wisconsin statutes.

STATE OF WISCONSIN,
Department of State, ss:

Received and filed August 25, 1928.

THEODORE DAMMANN, *Secretary of State.*

Date	From whom received	Purpose	Amount
July 13	J. Tepoorten	For all candidates	$1.00
13	Mrs. H. H. Bruns	do	1.00
13	Miss O. Meckenhauser	do	1.00
13	Mr. and Mrs. B. Pollock	do	2.00
13	Miss Anita Koenen	do	1.00
13	Mrs. Clarence Dietz	do	1.00
18	Adolph Schwefel	do	10.00
27	Louis Dick	do	10.00
27	Ed. Dick	do	20.00
Aug. 1	Collected by R. H. Lee	do	1,000.00
4	do	do	500.00
10	Erwin W. Kalt	do	10.00
10	John Omon	do	5.00
11	M. H. Early	do	10.00
14	F. Nehrhass	do	5.00
14	E. W. Kalt	do	10.00
14	P. Becker	do	10.00
14	Christ Dick	do	5.00
15	Herman F. Pape	do	10.00
15	A. C. Frodermann	do	10.00
16	Teutonia Avenue Bank	do	49.50
16	John Stuesser	do	10.00
16	C. H. Kinnecke	do	10.00
17	Wm. M. Raasch	do	25.00
17	J. Jones	do	50.00
17	Clarence Stark	do	15.00
17	Harry Laudsberg	do	25.00
17	W. Dick	do	49.50
17	Paul Cyriax	do	5.00
20	Henry Mahoney	do	49.50
21	A. C. Dick	do	200.00
21	Chas. Yunker	do	49.50
21	Dr. R. Paradowski	do	10.00
21	Alfred Klug	do	10.00
22	G. Trepte	do	25.00
24	Collected by R. H. Lee	do	1,500.00
24	A. Klamp	do	5.00
24	Collected by W. P. Gumm (in amounts of $5 or less).	do	100.00
	Total		3,810.00

Except as above specified, all of the above amounts were donated for the purpose of being used in defraying legitimate campaign expenses on behalf of the above-named candidates.

STATE OF WISCONSIN,
Milwaukee County, ss:

Herbert L. Mount, being duly sworn, on oath says that he is financial secretary of a voluntary association of Milwaukee County citizens known as the La Follette Progressive Republican Club of Milwaukee County, promoting the candidacies of ———, ———; Joseph D. Beck, for governor; Henry A. Huber, for lieutenant governor; Theodore Dammann, for secretary of state; Solomon Levitan, for State treasurer; John W. Reynolds, for attorney general; and Edward G. Minor, for Member of Congress, fourth district, at the primary election to be held on the 4th day of September, 1928; that the foregoing is a true and complete financial statement of every amount received by the undersigned for political purposes for the period ending the 24th day of August, 1928, together with the name of every person from whom such amounts were received, the specific purpose for which and the date on which every amount was received, together with the total amount of such receipts in any amount or manner whatsoever.

HERBERT L. MOUNT.

Subscribed and sworn to before me this 25th day of August, 1928.

EUSTACE F. BRENNAN,
Notary Public, Milwaukee County, Wis.

My commission expires August 25, 1929.

FINAL FINANCIAL STATEMENT

Names of candidates: ———, ———; Joseph D. Beck, for governor; Henry A. Huber, for lieutenant governor; Theodore Dammann, for secretary of state; Solomon Levitan, for State treasurer; John W. Reynolds, for attorney general; Edward G. Minor, for Member of Congress, fourth district.

Herbert L. Mount, financial secretary of voluntary association of Milwaukee County voters promoting candidacies of candidates above named.

Statement of amounts received in the interest of the above-named candidates for nomination to the respective offices as above specified on the Republican ticket at the primary election held on the 4th day of September, 1928, made pursuant to section 12.09 of the Wisconsin Statutes.

STATE OF WISCONSIN,
Department of State, ss:

Received and filed September 24, 1928.

THEODORE DAMMANN, *Secretary of State.*

Date	From whom received	Purpose	Amount
	Previously reported		$3,810.00
Aug. 25	Dr. Gustave Schmitt	For all candidates	25.00
25	Mrs. M. S. Hoyt	do	2.00
25	Herman Koerble	do	10.00
27	Wm. J. Morgan	do	49.99
28	Martin Schottler	do	10.00
28	Collected by H. G. Meigs	do	500.00
30	Gus H. Mueller	do	25.00
31	Frederick Best	do	25.00
31	Payne & Dolan	do	100.00
Sept. 6	G. A. Dick	do	49.50
6	W. P. Gumm	do	49.50
6	John C. Fellenz, jr	do	49.50
6	Herbert L. Mount	do	49.50
6	C. B. Baldwin	do	200.00
6	G. S. Knapp	do	200.00
6	H. F. Murphy	do	100.00
7	J. E. Holleman	do	100.00
7	P. A. Seibold	do	200.00
7	G. B. Meehan	do	200.00
8	P. V. Hough	do	300.00
8	F. E. Hanson	do	300.00
8	T. L. Edholm	do	200.00
17	Howard Haberla	do	10.00
	Total		6,564.99

Except as above specified, all of the above amounts were donated for the purpose of being used in defraying legitimate campaign expenses on behalf of the above-named candidates.

STATE OF WISCONSIN, *Milwaukee County, ss:*

Herbert L. Mount, being duly sworn, on oath says that he is financial secretary of a voluntary association of Milwaukee County citizens known as the La Follette Progressive Republican Club of Milwaukee County, promoting the candidacies of ———, ———; Joseph D. Beck, for governor; Henry A. Huber, for lieutenant governor; Theodore Dammann, for secretary of state; Solomon Levitan, for State treasurer; John W. Reynolds, for attorney general; and Edward G. Minor, for Member of Congress, fourth district, at the primary election held on the 4th day of September, 1928; that the foregoing is a true and complete financial statement of every amount received by the undersigned for political purposes for the period ending the 22d day of September, 1928, together with the name of every person from whom such amounts were received, the specific purpose for which and the date on which every amount was received, together with the total amount of such receipts in any amount or manner whatsoever.

HERBERT L. MOUNT.

Subscribed and sworn to before me this 24th day of September, 1928.

HARRY J. ARNESON,
Notary Public, Milwaukee County, Wis.

My commission expires September 15, 1929.

Mr. Speaker, the report of the La Follette Progressive Republican Club of Milwaukee County on its face indicates that the moneys designated as "collected by R. H. Lee" do not comply with either section 12.09 of the Wisconsin Statutes or with the enunciated principle in the governor's message to the Wisconsin Legislature from which I have previously quoted.

I shall now read from the report filed by Arthur R. Barry, special district attorney, who conducted the John Doe inquiry:

So far as we have been able to bring the matter out in the testimony, contributions of Richard H. Lee amounted to $5,000. Mr. Lee's connection with the Wisconsin 1928 election is not only mysterious, dark, and foreboding, but spells and shows an outside interest, vicious in its nature, in Wisconsin politics, which in the future, if it can not be prevented or reached by State legislation, should call for national legislation, to avoid a repetition in the use of money in influencing the electorate in determining who should or should not be elected to office.

It appears that Richard H. Lee is a very prominent lawyer of the city of New York, listed in Martindale's Legal Directory, of the highest standing and ability, a man of great wealth, it appearing in one instance that while taking a cruise on his palatial yacht, he instructed his private secretary to forward $1,500 to the Milwaukee committee.

In the early part of July, 1928, Mr. Lee appeared at Madison, made himself acquainted with members of the committee, and advised them that he held himself in readiness to assist the committee, particularly in the furtherance of the interest of Candidates ——— and Joseph D. Beck. Mr. Theodore Dammann, secretary of state, introduced him by telephone to Mr. G. A. Dick, chairman of the Milwaukee County progressive committee, and he later in turn presented Mr. Lee to Mr. Herbert L. Mount, secretary of the Milwaukee County progressive committee, to whom Mr. Lee pledged himself to send $5,000, which he did in several payments within three weeks thereafter.

To his credit Mr. Mount reported these moneys as received by him in his preprimary and postprimary financial statement, and stated them to be money collected by Richard H. Lee.

After the September primary Mr. Lee again comes to Wisconsin, calls on Mr. Mount at the Milwaukee progressive headquarters, at which time Mr. Mount advised Mr. Lee that he would have to know the names of the men who made the contributions, and that they in turn would have to report their contributions to proper filing officer in Wisconsin.

Mr. Lee, at that time, told Mr. Mount he could charge up $1,800 to nine names then furnished. In passing, we will say it is peculiar that no addresses were mentioned for these names, and as to whether they are fictitious we are not advised.

Mr. Lee was repeatedly importuned by Mr. Mount to make report as to who contributed the other $3,200, but Mr. Lee willfully refused so to do, and continues to refuse to give the State of Wisconsin the information to which it is entitled. Mr. Lee has been advised that he has violated the corrupt practices act and given opportunity to make filing and has refused to do so, and by so doing violated the statutes of the State of Wisconsin, the punishment of which constitutes a felony and therefore makes Mr. Lee extraditable, as he should be.

As to whether or not Mr. Lee, or whoever he may represent, contributed other money to the campaign, we are not advised, but it is peculiar, to say the least, that he, an utter stranger, in Wisconsin, made contributions in the sum of $5,000 to the Milwaukee County campaign, and it is just as fair to presume that he did as to presume otherwise. Until we have his sworn testimony to the contrary, the presumption that he did make additional and large expenditures necessarily prevails.

Mr. Lee violated the statute in more than six particulars, and the place of such violations being in Milwaukee County, he should there be prosecuted.

[Applause.]

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

Mr. SCHAFER of Wisconsin. Yes.

Mr. MORGAN. Mr. Lee is the lobbyist?

Mr. SCHAFER of Wisconsin. Yes. I shall prove that he is not only a master lobbyist but one of the most disreputable lobbyists in the country.

Mr. Speaker, Mr. Richard H. Lee's connection with the 1928 primary campaign in Wisconsin has been a great mystery to the good people of my State. It seems that those connected with the La Follette Progressive Republican Club of Milwaukee County, the beneficiaries of the Lee money spent by said club, and their political cohorts, have not endeavored in any manner to drag into the light of day, as so well expressed in Governor BLAINE's message to the Wisconsin Legislature in 1923, the interest of this New York attorney in the Wisconsin campaign. None of them tries to be helpful in this respect.

The report of Mr. Barry which I have brought to your attention explains some of the connection. Mr. Lee wrote a member of the Wisconsin legislative campaign investigating committee that his donation was due to his personal friendship with Hon. Joseph D. Beck, the gubernatorial candidate who was supported by the La Follette Progressive Republican Club of Milwaukee County with the Lee money. However, Mr. Beck's testimony before that investigating committee on December 11, 1929, significantly indicates that there was no personal friendship, but in fact that his acquaintance with Mr. Lee was extremely casual. I will now read a portion of said testimony given at a public hearing in Madison, Wis., December 11, 1929:

Senator BLANCHARD. Do you know a Richard Lee, of New York City?

Mr. BECK. I know him as well as seeing him a couple of times.

Senator BLANCHARD. Did you have any conversation with him with reference to your campaign?

Mr. BECK. Yes.

Senator BLANCHARD. And how much did he donate to your campaigns?

Mr. BECK. I don't know—he didn't donate anything to me—I know his partner better than I do him.

Senator MORRIS. Which one?

Mr. BECK. Louis Glavis.

Senator BLANCHARD. You said you knew they kept books in the headquarters?

Mr. BECK. Yes.

Senator BLANCHARD. Did you examine those books?

Mr. BECK. I haven't examined them thoroughly, but I have looked in them from time to time.

Senator BLANCHARD. But you didn't examine them to ascertain what that deficit was?

Mr. BECK. Only what they said—I think something like $1,000, I think I still owe.

Senator MORRIS. Did this fellow Lee that you know, did he send $5,000 into Wisconsin?

Mr. BECK. I don't know—not to me.

Senator MORRIS. He didn't send it to you?

Mr. BECK. No.

Senator MORRIS. Do you know whether he sent it to others?

Mr. BECK. I don't know; no.

Senator MORRIS. Do you know what his interest would be in politics in your behalf? Is he a personal friend of yours particularly?

Mr. BECK. No; I never met the man but twice—his partner, Glavis, and I are personal friends.

Senator MORRIS. You haven't any idea why Dick Lee sent this money in here?

Mr. BECK. Only what he said—he was interested.

Senator MORRIS. He wrote me he was a very good friend of yours and he donated $5,000 because of that friendship. I was wondering if you knew who Dick Lee was representing when he sent that money in here?

Mr. BECK. No. All I know about Lee, if you would like to know, I could tell you. Louis Glavis—he is the man who dug up the facts that led to the Ballinger scandal; he is also the man that William Randolph Hearst had digging up the facts concerning the Ku-Klux Klan, that he published in his magazine; he is also the man that Hearst sent out to dig up facts concerning the power situation, and he has a mass of material on that, but Hearst did not find it convenient to publish after he got it and he turned that over to myself and Senator NORRIS and it was used in our congressional work. Well, then, the new postal law, raising the rates on second, third, and fourth class matter, was putting a lot of retail merchants out of business in the State of Wisconsin and elsewhere. There was one particular instance in my own district where it put out of business—raising the rates and at the same time decreasing the revenue the Government was getting from it. Now, Lee was there in behalf of this merchants' organization all over the country—I think they claim 20,000 members in this State, but I am not sure about that—and we kept trying to get the chairman of the Post Office Committee to bring in the bill reducing those rates to what they were before and he kept waiting until the Postmaster General should declare a public policy on the matter. Well, now, Glavis and Lee were representing these merchants and I went into that clear to the bottom and I put a speech into the RECORD one day calling attention to various inequalities, various hardships it was causing our own people; for instance, it was driving mail into Canada where they would get a 1-cent rate and we would have to carry the mail—a merchant could mail a letter from Liverpool to San Francisco cheaper than he could mail one from one side of the street to the other in this country. Glavis helped me get up a lot of material on that situation, and I made a speech on the question, and they ordered—Richard Lee, the first time I saw him, came in to ask if I had any objections to ordering 200,000 copies of that speech for his members throughout the United States, and I told him "No, if he paid for it," but before he got them, why the House had passed a bill reducing the rates.

Then Glavis was sent west by the Indian Committee to look into the Indian situation in the United States for the committee there—a movement which led to the discharging of Burke from the Indian Department, as I understand it—and he said he was coming west through Wisconsin and anything he could do to get his members in this State interested, he would be glad to do it, and I understand he did deliver a speech in Milwaukee.

Senator MORRIS. Who?

Mr. BECK. Glavis—at least I have heard merchants say they attended the meeting.

Senator MORRIS. Milwaukee merchants?

Mr. BECK. Yes. Now, then, the next thing I heard of Lee, he wanted to know what he could do for me in Wisconsin. He said he thought he and his friends around the country would be glad to help me, knowing what I stood for, and so on and so on.

Senator MORRIS. Before this postal matter came up you never knew Dick Lee?

Mr. BECK. I knew Glavis, however. I never had seen him, however.

Senator MORRIS. You don't know the name of this merchants' association that he says he represents?

Mr. BECK. No; I don't—it is an organization that was formed to try to get——

Senator MORRIS (interrupting). Reduction of the rates.

Mr. BECK (continuing). Reduction of postal rates.

Senator BLANCHARD. Do you know anything about Lee's connection with the Metropolitan outfit in New York?

Mr. BECK. No.

Senator MORRIS. You don't know whether this comes from Dick Lee or from friends?

Mr. BECK. No; I didn't know there was $5,000 until the campaign was over.

Senator MORRIS. The only discrepancy there is that Dick writes me that you and he were old friends, and he sends you $5,000.

Mr. BECK. He didn't send me any.

Senator MORRIS. You don't even know whether it was sent?

Mr. BECK. No. Only hearsay; I heard about it.

Senator BLANCHARD. How did you understand that, Mr. Beck—through letters?

Mr. BECK. No; I don't believe so.

Senator BLANCHARD. Have you had any letters from Mr. Lee in the last year or two?

Mr. BECK. No; nor he hasn't any from me.

Senator MORRIS. I have got one that I want to put in the record later on—I didn't know anything about his merchants.

Mr. BECK. But he gave me a list of 2,000 merchants in this State.

Senator BLANCHARD. Did you use that list in your campaign?

Mr. BECK. He got copies of that speech and I mailed them out to the merchants, his members.

Senator BLANCHARD. You put postage on them?

Mr. BECK. Oh, no—that was a matter before I was thinking of becoming a candidate for governor.

Senator BLANCHARD. Were they franked?

Mr. BECK. Yes.

Senator BLANCHARD. But not in connection with your campaign?

Mr. BECK. No, sir.

Mr. Speaker, notwithstanding this testimony, we find a front page article appearing in the Capital Times of Madison, Wis., as late as February 19, 1930, headed "No Mystery in Donation, Lee Asserts—New York Attorney Says He Gave Beck $5,000 Out of Friendship." This article reads in part as follows:

Mr. Lee said that the donation was made to the gubernatorial campaign of former Congressman J. D. Beck, of Viroqua, who is a friend of his.

"There's no secret about my contribution and they [the legislative committee] know it," asserted Mr. Lee.

"The gift was made" he continued, "to Joe Beck, who is a friend of mine, who ran for governor; and, besides there's no secret about it, for I told the attorney general about it some time ago.

"When the attorney general wrote and asked me why I did not file a return to the State about the gift to Beck I explained that I did not know the laws of Wisconsin, but aside from that I was not even amenable to their laws because I was not a resident of the State. My contribution of $5,000 was made to Joe, who is a personal friend of mine, and if I had to help Joe again I would gladly do it."

Mr. Speaker, even if we should grant that Mr. Lee was a personal friend of Mr. Beck, which fact Mr. Beck unequivocably denies, it would take some tall explaining for the La Follette Progressive Republican Club of Milwaukee County to justify their receiving and expending the Lee money for Bob, Henry, Ted, Sol, John, and Ed as well as Joe, under their chain campaign, as indicated in the sworn financial statement, particularly in view of Mr. Lee's assertion that the donation was made to Mr. Beck's campaign. [Applause.]

Mr. HOLADAY. Mr. Speaker, will the gentleman yield for a question?

Mr. SCHAFER of Wisconsin. A brief one.

Mr. HOLADAY. Was there a candidate for United States Senator from Wisconsin or Member of the House of Representatives from Milwaukee County that received benefits from this Lee money?

Mr. SCHAFER of Wisconsin. If the gentleman had been present when I was reading the sworn statement concerning the receipts of the La Follette Progressive Republican Club of Milwaukee County, Wis., he would have noticed that I included the name of Edward G. Minor, a Republican candidate for Congress from the fourth district of Wisconsin. Prior to the incorporation of this statement in the RECORD I made the statement, that in order that I may not in spirit or in letter trespass on the rules of the House of Representatives, I would delete names where necessary and designate such deletion by blanks. If any Member who is interested will come to my office I will show him the original document. Here it is [indicating].

Mr. Speaker, pages 1278 and 1279 of the hearings before the special joint subcommittee on postal rates, pursuant to section 217 of the act of February 28, 1925, contains a letter written by Richard H. Lee during his lobby work, and the following statement of the chairman of the special joint subcommittee:

This letter having been read to the special joint subcommittee in its executive session it was unanimously voted that this committee will never permit Mr. Lee again to appear before the committee.

The hearings before the Committee on the Post Office and Post Roads, House of Representatives, Seventieth Congress, first session, on H. R. 9296, indicate that Mr. Richard H. Lee testified at length on provisions of the legislation in behalf of the National Council of Business Mail Users. He lobbied on this legislation in the interest and employ of huge mail-order houses.

Hon. Joseph D. Beck, who Mr. Lee says is his personal friend, which assertion is denied by Mr. Beck, extended his remarks in the CONGRESSIONAL RECORD, Seventieth Congress, first session, volume 69, part 5, page 5655, expressing the same view on postal-rate regulation as expressed by Mr. Lee before the committee on H. R. 9296. You will note from Mr. Beck's testimony before the Wisconsin legislative campaign investigating committee, which I mentioned a few moments ago, that his personal friend, Mr. Louis Glavis, was a partner of Mr. Richard H. Lee, and that this Mr. Glavis had a history of being a great investigator, and was also sent west by "the Indian Committee" to look into the Indian situation for the committee.

I can not in the brief time which I have bring to your attention all the record citations indicating Mr. Glavis's connection with the pay roll of committees of Congress in the capacity of investigator, but respectfully suggest that the indexed finanical reports of the Congress reveal that he had had extensive connections with the Government pay roll in investigating capacities at handsome salaries and expenses. I will, however, call your particular attention at this time to a few significant portions of the hearings before the Committee on the Post Office and Post Roads, House of Representatives, Seventieth Congress, first session, on H. R. 9296. Page 59 of the hearings conducted February 9, 1928, reads, in part, as follows:

Mr. Chairman, will you pause just a moment, please? This morning attention was called to a circular from some people at Davenport entitled "Vicious Joker in Postal Bill, H. R. 9296," and the impression was left that that was the sentiment of the organization of direct-by-mail advertising. I just got this telegram, addressed to me, from New York. It reads as follows:

"Just advised by telephone of LeClaire circular. For your information LeClaire not connected with national council and antagonistic to us. This morning's telephone first information I have had concerning circular."

That is signed "Richard H. Lee."

On page 159 Mr. Lee, in testifying about the LeClaire circular, February 13, 1928, stated:

I had never seen this document until after Mr. Glavis wired me.

We find on page 233 of the Report of the Secretary of the Senate from July 1, 1927, to June 30, 1928, that Mr. Louis R. Glavis, who other reports show conducted investigations for the Indian Affairs Committee, received $36.50 from the Treasury of the United States covering expenses of a trip from New York February 10 to 12, 1928. In view of the testimony of Mr. Beck with reference to the connection of Mr. Glavis with Mr. Lee, it would certainly appear that Mr. Glavis should be one of the first witnesses called by the Committee on Expenditures in the Executive Departments should the investigation covered by House Resolution 69, which I introduced, be authorized. [Applause.]

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

Mr. SCHAFER of Wisconsin. Yes.

Mr. UNDERHILL. Who authorized the expenditure or payment of that money?

Mr. SCHAFER of Wisconsin. I have not had time to check it up. I have given the citation showing the expenditure.

Mr. UNDERHILL. If it came through the Committee on Accounts I have no recollection of it.

Mr. SCHAFER of Wisconsin. I am not talking about the Committee on Accounts of the House. I am referring to a public document—a report of the Secretary of the Senate. If you will check the reports of Congress you will find that on many occasions Mr. Louis R. Glavis was employed as an investigator. In view of the testimony of Mr. Beck, it is very vital that Mr. Glavis should be one of the first witnesses called before the investigating committee if my resolution is passed by the House.

Mr. Speaker, my time is so limited that I can not discuss other pertinent phases of Mr. Lee's connection with the Wisconsin primary campaign in 1928 at this time, but I will be compelled to do so in the future, should the investigation as intended by House Resolution 69 be not directed.

Mr. Lee has other connections than those with mail-order houses, and an investigating committee can develop those connections more perfectly and in much briefer time than an individual Member of the House.

The people of Wisconsin are particularly interested in Mr. Lee's connection with the election campaigns of our State, especially since the facts which I have presented to you to-day indicate that he is a lobbyist for large mail-order establishments in the same classification with the mail-order house of the W. T. Rawleigh Co., of Freeport, Ill., whose president and owner joins Mr. Lee with angelic financial contributions to the political campaign of those in Wisconsin who have heretofore said, and at the present time are saying, much against chain institutions, including chain stores. Why, Mr. Speaker, Philip F. La Follette, designated as attorney for the Rawleigh Tariff Bureau on the propaganda published and circulated by that bureau, which is financed and controlled by Mr. W. T. Rawleigh, is now cover-

ing the State of Wisconsin bitterly denouncing chain stores as injurious to the welfare and well-being of our business institutions and our people.

The Capital Times, of Madison, Wis., Friday, February 14, 1930, under a headline "Phil Assails Chain Stores, Bank Merger," states:

Philip La Follette on Thursday sweepingly indicted chain banks and stores in an address before the Eau Claire Kiwanis Club. * * * His attack upon the chains dealt most upon the dangers which he said menaced independent business through the swift spread of capitalistic organizations. Low wages, loss of money to the community because outside headquarters absorbed the profits, and excessive competition to local merchants were cited in his attack upon the chain stores.

This certainly is a hypocritical position taken by the attorney of Mr. Rawleigh's Tariff Bureau, who conferred upon a number of occasions during the Wisconsin 1928 primary campaign with the La Follette Progressive Republican Club, of Milwaukee County, particularly in view of the financial connections of Mr. Rawleigh and Mr. Lee with the political campaigns of his cohorts in our State. If a chain grocery or drug store, or other chain stores, are injurious to the business institutions and the people of Wisconsin, as Mr. La Follette states, and I do not indicate they are not, certainly the chains of the great mail-order institutions of Lee and Rawleigh, with a link in practically every post office in our State, are far more dangerous and injurious than a chain drug or other store which at least pays taxes in our State, employs citizens thereof and owns or rents buildings to carry on its business, while the chain links of the Rawleigh and Lee monopolies do not.

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

Mr. SCHAFER of Wisconsin. Yes.

Mr. COLE. Has Rawleigh any connection with the People's Legislative Service?

Mr. SCHAFER of Wisconsin. Certainly. I referred to the People's Legislative Service a few moments ago when I mentioned a legislative service in Washington, which could more properly be labeled as "The Politician's Legislative Service." I have found sufficient facts by intensive investigation so that I have enough material in my office at the present time to make three or four speeches with reference to this Rawleigh Tariff Bureau and the People's Legislative Service which is connected with it. Those lobby activities are subsidized by Mr. Rawleigh. Mr. Philip F. La Follette is attorney for the Rawleigh Tariff Bureau, as the propaganda sheets of that bureau indicate.

Mr. COLE. You mean the Politician's Legislative Service?

Mr. SCHAFER of Wisconsin. Yes. It is, however, labeled "The People's Legislative Service" in the propaganda.

It would be more wholesome in view of the violations of the Wisconsin corrupt practices acts by the use of the Lee moneys, for Mr. Philip F. La Follette to spend part of the time in which he is denouncing chain stores to drag into the light of day the connections of Mr. Lee with the 1928 primary campaign of his political followers, particularly in view of Mr. Lee's connection with the chain campaign conducted with the Lee funds of mail-order chains. [Applause.]

To Mr. Philip F. La Follette and the La Follette Progressive Republican Club of Milwaukee County, as well as the candidates whom they supported with the Lee money, it must appear that the chain evil of the Rawleigh and Lee monopolies, with the profits running out of our State without payment of taxes, employment of labor, or renting or ownership of buildings therein, is perfectly proper, because some of that money returns to the war chest of their political campaigns. It can not be denied that the financial connection of the lobbyist, Mr. Richard H. Lee, of New York, with the La Follette Progressive Republican Club of Milwaukee County is in violation of the corrupt practices acts, and is a flagrant example of an existing election campaign evil complained of by the Governor of Wisconsin in his message to the legislature in 1923, a portion of which I have previously quoted.

Those connected with the said political club, those beneficiaries of the campaign conducted for them with the Lee money, and their political cliques, condemn corrupt political campaigns and connection of lobbyists thereto in legislative halls and elsewhere. I commend to the attention of those involved, and the honest people of Wisconsin to whom corruption and the willful violation of the corrupt practices acts in election campaigns are repulsive and abhorrent, a few words from Scripture, St. Mark, chapter 3, twenty-third verse:

And He called them unto Him, and said unto them in parables, How can Satan cast out Satan?

[Laughter.]

I respectively submit, How can corruption cast out corruption? [Applause.]

Mr. Speaker, in order to show the hypocrisy of the La Follette Progressive Republican Club of Milwaukee County in the 1928 Wisconsin primary campaign, I will now read from the platform of the candidates supported by that club appearing in La Follette's Magazine, August, 1928, which issue is confined mostly to political campaign propaganda, and was circulated extensively in Milwaukee County by them with the Lee money:

With Abraham Lincoln we believe that government of, by, and for the people is the surest safeguard against privilege. We oppose every tendency which seeks to remove the Government from control by the people, and, in particular, condemn the corrupt and excessive use of money to control primaries and elections, the use of patronage to coerce the representatives of the people in Congress or in political conventions. We favor the enactment of legislation to curb corrupt practices in primaries and elections, and to provide full publicity of campaign funds. * * *

When considering the facts in their campaign, these candidates apparently should have incorporated a proviso to this platform declaration reading as follows:

"We, however, reserve unto ourselves and our supporters the right flagrantly to violate the Wisconsin corrupt practices acts, to receive and expend campaign slush funds from lobbyists, such as our good friend Mr. Richard H. Lee, of New York, even in violation of the Wisconsin statutes, because the mail-order house monopolies outside of our State, which he represents, and the one owned by our multimillionaire friend Mr. Rawleigh, who is also a financial angel to Wisconsin campaigns, must have an opportunity to pour their money into our campaign through their spokesman, Mr. Lee. We particularly exempt from our declaration of principle in favor of providing full publicity of campaign funds the funds which our good friend—the lobbyist Mr. Lee—sends into Wisconsin to expend in violation of our laws. In other words, we desire this declaration of principle to apply to everyone but ourselves and those supporting our candidacies." [Applause.]

Mr. Speaker, if the political campaigns in Pennsylvania, Michigan, Illinois, and Connecticut, or any other State, were polluted with lobbyists' funds in violation of corrupt practices acts of such States, legislative halls would ring with condemnation, denunciation, and vituperation, and investigations demanding the complete exposure of the guilty wretches would be requested. These demands would particularly come from those who benefited by the expenditure of Mr. Lee's money, the La Follette Progressive Republican Club of Milwaukee County, and their political cohorts. But what do we find in Wisconsin and elsewhere to-day among these men in public life? Do we find this group orating for principle to prevent the pollution of our democratic Government at is source? No; their tongues cleave to the roof of their mouths; their voices are stilled in the silence of the tomb. [Applause.] Practically all of them disclaim any knowledge of Mr. Lee or his connection with the campaign. Shame on the hypocrites and demagogues from my fair State, who, clothed in robes of righteousness, pretend to exemplify the spirit and soul of untainted political conduct when campaign activities in their behalf hid from the light of day cover a trail of corruption extending halfway across the continent from the funds collected by that heretofore mysterious Mr. Richard H. Lee. [Applause.] Their silence on the Lee collections, notwithstanding the fact that the press has for many months carried information indicating their illegality and irregularity indicates the insincerity of their vituperative attacks upon alleged election campaign violations in other States and upon their opponents in Wisconsin.

Is it that they have turned the searchlight and scathing tongue on elections in other States and their opponents in Wisconsin to divert attention and keep hid from the light of day the sordid violations of the Wisconsin election laws by the La Follette Progressive Republican Club of Milwaukee County?

If I were a member of a committee of a great legislative body which considered the legislation for which Mr. Lee lobbied, and a part of the contributions of said Mr. Lee were expended in my behalf by an election campaign committee under a chain system of political campaigning, such as conducted by the La Follette Progressive Republican Club of Milwaukee County, I would feel compelled to do everything I could to drag the matter into the light of day, particularly if directly or indirectly I had no knowledge of such violations during the political campaign.

I commend to the group which Mr. Lee supported in the 1928 Wisconsin primary campaign the thirty-ninth verse of St. Luke, chapter 11:

And the Lord said unto him, Now do ye Pharisees make clean the outside of the cup and the platter; but your inward part is full of ravening and wickedness.

Mr. Speaker, I can not do justice to the presentation of the case of the people of Wisconsin against the La Follette Progressive Republican Club of Milwaukee County and Richard H. Lee in the one hour which I have under the rules of the House. I have endeavored in this brief time to present a few of the points and sincerely hope that the leadership and membership of this House will demand favorable action on House Resolution 69, so that the full facts of Mr. Lee's connection with the La Follette Progressive Republican Club of Milwaukee County can be developed.

In order to prevent a repetition of the dastardly fraud upon the citizens of my fair State in the future and a continuation of its growth, which unchecked will pollute the stream of representative government at its very source and inevitably lead to the destruction of our institutions, I ask in all seriousness, I plead with all earnestness and sincerity, that each and every one of you, my colleagues, assist me by doing everything you can to pass House Resolution 69. We must fearlessly fight this vicious, abhorrent, and revolting political corruption evil, without retreat or surrender, holding high the flaming torch of free representative government, incorrupted by selfish interests. [Applause.]

THE AMERICAN MERCHANT MARINE

The SPEAKER pro tempore. Under the special order heretofore made the Chair recognizes the gentleman from New York [Mr. LAGUARDIA] for 30 minutes.

Mr. LAGUARDIA. Mr. Speaker, this morning I informed the gentleman from Maine [Mr. WHITE], the chairman of the Committee on the Merchant Marine, of the subject of my statement. I would much prefer to have him present. We all have the highest regard for our colleague from Maine and his devotion and interest to the development of an American merchant marine. I think he has worked hard and earnestly in writing and obtaining legislation to develop a real merchant marine in this country. I regret, however, to observe the practical working out of the Jones-White Act and to see millions of dollars of public funds dissipated. My criticism, therefore, is directed particularly against the administration of the law rather than the law itself.

A few days ago the gentleman from Maine addressed the House and criticized the Cunard Steamship Co., a British steamship company, for entering the New York-Cuban trade. I was rather surprised to read the statement made by the gentleman from Maine. In the first place, it was not up to his usual high standard; and in the second place, he and other members of the Merchant Marine Committee are the last persons in this House to criticize the British steamship companies for competing with American companies. They were warned two years, three years, and four years ago of exactly what was happening under their very noses. On several occasions, when the appropriation bill was up before the House, I sought to insert a limitation preventing the United States Shipping Board and companies operating under it from entering and participating in the so-called Atlantic conference, controlled entirely by foreign steamship companies. I was ridiculed by the gentleman from New Jersey [Mr. LEHLBACH], who, apparently, did not know much about that conference at the time, for offering that amendment. Now, after going into the Atlantic conference and paying dues, instead of getting protection the American vessels are getting competition. The purpose of the Atlantic conference is to allocate, if you please, the lines and sailing schedules so as not to create destructive competition. The conference, if it were of any aid to American shipping, could have prevented the Cunard entering the Cuban service.

The Cunard Steamship Co. entered into the New York-Cuban trade, and the gentleman from Maine, the father of the new American merchant marine, deplores that fact and says we should legislate against it. He considers it unethical. Why, gentlemen, there is nothing in the law which prevents a foreign steamship company from plying its ships between America and other ports. Then, he says that the entrance of the Cunard Steamship Co. into the New York-Cuban trade caused destructive competition. Everybody knows, except the gentleman from Maine, that the Cunard Steamship Co., when it entered that trade, maintained the standard fare, while the American ships reduced their fares by 20 per cent. In other words, it costs 20 per cent more to travel on the ships of the Cunard Line between New York and Cuba than it does to travel on American ships. Surely the British ship can not in this instance be charged with creating or starting a rate war. Surely you can not call that destructive competition. Now, I want to call the attention of the gentleman from Maine to this: That the reason the Cunard Steamship Co.'s ships are getting the trade between New York and Cuba is because they have better ships and better service. The way to meet the competition of foreign steamship companies is not by speeches on the floor of the House but by seeing to it that the millions of dollars we spend to develop an American merchant marine are devoted to the construction of modern and fast ships which will meet the competition of British and any other foreign steamship company.

Mr. FREE. Will the gentleman yield?

Mr. LAGUARDIA. I can not yield now. I am sorry.

Mr. FREE. I wanted to ask the gentleman if the liquid refreshments on the Cunard vessels has anything to do with it?

Mr. LAGUARDIA. Will the gentleman admit that? If the gentleman will admit that, I will let it go in my speech. I am making a very earnest statement as the result of a great deal of study of the merchant-marine situation, but if the dry gentleman from California wants it to appear in my speech that the bars on board the Cunard ships are attractive to American passengers I will let it go at that.

Now, gentlemen, it so happens that to-day the Merchant Marine Committee is coming in with four bills. I regret exceedingly that the time was so synchronized—and it was unintentional, of course—that these bills are to come up in the absence of the chairman of the Committee on Appropriations, Mr. WOOD, because Mr. WOOD has some first-hand information about the dissipation of these funds and the wasting of these funds which would be very instructive and interesting for the House to obtain from him directly.

The bill which will be brought up this afternoon would give absolute preference to purchasers of Shipping Board ships in obtaining juicy mail contracts for ships which do not carry mail. I am sure that the bill would not be passed and could not be passed if this House had sufficient notice and all of the information, data, and figures before it. Instead of profiting by the mistakes of the past and the experience in the administration of the Jones-White Act we are asked to amend the law so as to legalize the abuses of the past and make possible even greater and more flagrant abuses.

Now, Mr. Speaker, we passed the Jones-White Act in the hope that the money appropriated—and I leave this to every Member of the House who was a Member then—would be used to compensate ship operators building new ships to make up the difference in the cost of building ships in this country and in foreign countries. How was that to be done?

By providing loans of 75 per cent of the value of the ship at a low rate of interest; in other words, whenever a company was formed and organized for that purpose with little capitalization loans were to be made up to 75 per cent of the value of the ship at a low rate of interest, and that was to make up the difference in the cost of the construction of those ships in this country and in a foreign country. Then, in order to make up the difference in the cost of operating those ships under the American flag, we provided a system of mail contracts. We said, "We will let these new ships carry American mail," and we classified them. There are seven classes, and it was the intent and belief of every Member on the floor that by reason of giving them that preference mail would actually be carried and new ships would be built and a real merchant marine developed:

I will read the provisions of the law:

CLASSIFICATION OF VESSELS

SEC. 408. (a) The vessels employed in ocean-mail service under this title shall be divided into classes as follows:

Class 7. Vessels capable of maintaining a speed of 10 knots at sea in ordinary weather and of a gross registered tonnage of not less than 2,500 tons.

Class 6. Vessels capable of maintaining a speed of 10 knots at sea in ordinary weather and of a gross registered tonnage of not less than 4,000 tons.

Class 5. Vessels capable of maintaining a speed of 13 knots at sea in ordinary weather and of a gross registered tonnage of not less than 8,000 tons.

Class 4. Vessels capable of maintaining a speed of 16 knots at sea in ordinary weather and of a gross registered tonnage of not less than 10,000 tons.

Class 3. Vessels capable of maintaining a speed of 18 knots at sea in ordinary weather and of a gross registered tonnage of not less than 12,000 tons.

Class 2. Vessels capable of maintaining a speed of 20 knots at sea in ordinary weather and of a gross registered tonnage of not less than 16,000 tons.

Class 1. Vessels capable of maintaining a speed of 24 knots at sea in ordinary weather and of a gross registered tonnage of not less than 20,000 tons.

(b) The classification of a vessel may be based upon its speed, without regard to its tonnage, if the Postmaster General is of opinion that speed is especially important on the particular route on which the vessel is to be employed, and that a suitable vessel documented under the laws of the United States of a higher classification is not available

on reasonable terms and conditions or on account of the character of the ports served or for other reasons can not be safely or economically employed on such route.

COMPENSATION UNDER CONTRACTS

SEC. 409. (a) The rate of compensation to be paid under this title for ocean mail service shall be fixed in the contract. Such rate shall not exceed: For vessels of class 7, $1.50 per nautical mile; for vessels of class 6, $2.50 per nautical mile; for vessels of class 5, $4 per nautical mile; for vessels of class 4, $6 per nautical mile; for vessels of class 3, $8 per nautical mile; for vessels of class 2, $10 per nautical mile; and for vessels of class 1, $12 per nautical mile. As used in this section the term "nautical mile" means 6,080 feet.

(b) When the Postmaster General is of opinion that the interests of the Postal Service will be served thereby, he may, in the case of a vessel of class 1 capable of maintaining a speed in excess of 24 knots at sea in ordinary weather, contract for the payment of compensation in excess of the maximum compensation authorized in subsection (a), but the compensation per nautical mile authorized by this subsection shall not be greater than an amount which bears the same ratio to $12 as the speed which such vessel is capable of maintaining at sea in ordinary weather bears to 24 knots.

(c) If the Postmaster General is of opinion that to expedite and maintain satisfactory service under a contract made under this title airplanes or airships are required to be used in conjunction with vessels, he may allow additional compensation, in amounts to be determined by him, on account of the use of such airplanes or airships. Such airplanes or airships shall be American built and owned, officered, and manned by citizens of the United States.

(d) The Postmaster General shall determine the number of nautical miles by the shortest practicable route between the ports involved, and payments under any contract made under this title shall be made for such number of miles on each outward voyage regardless of the actual mileage traveled.

I repeat that it was the belief and surely, I believe, the intent of Congress to have all subsidized ships carry mail. Some of us inquired at the time, Why provide for the slow ships? And we were told and that I believe is the intent of Congress that the slow ships were included and provided for in the bill to take care of lines and mail routes from American ports to foreign ports where there was no fast service and where such slow vessels was the only service. That by providing for the old and slow vessels in that way American ships could successfully compete on such routes with like slow ships of foreign countries. It was never intended to pay hundreds of thousands of dollars—yes, millions of dollars—to slow ships plying between American ports and foreign ports competing against fast foreign ships. That is exactly how millions of dollars are being wasted. We are paying subsidies to slow ships which carry only parcel post and not an ounce of first-class mail, because they are too slow, and at the same time paying foreign steamship companies in the same trade on the same route carrying our first-class mail. That is maladministration of the law and defeating the very purpose of the law, besides ignoring the intent and spirit of the law. Paying a subsidy in such cases is for the benefit of the favorite operators and not for the benefit of building an American merchant marine. It is a wanton waste of public funds.

Why, gentlemen, as a matter of fact, we are paying hundreds and thousands—yes, millions of dollars; I am going to give here the figures—to companies operating old tubs that can not carry a single first-class mail letter and are just carrying a few pounds of parcel post. A mere technical compliance with the law.

Mr. WHITE entered the Chamber.

Mr. LAGUARDIA. I welcome the gentleman from Maine. I am glad he is here, and I hope he will read the first part of my remarks.

Mr. ABERNETHY. I think the gentleman ought to restate them. The gentleman has made some very serious charges against him.

Mr. LAGUARDIA. I will take care of that, and the gentleman from Maine will take care of himself.

Mr. ABERNETHY. I think it is very unfair to make such charges in his absence.

Mr. LAGUARDIA. The gentleman will take care of himself. I would not worry about it, if I were you.

Mr. ABERNETHY. You are making a very serious charge against one of the best men in the House.

Mr. LAGUARDIA. Well, I do not think the best man in the House is taking care of the best man in the House just now.

Mr. ABERNETHY. I am expressing my opinion.

Mr. LAGUARDIA. Yes; it is a personal opinion.

As I was saying when the gentleman from South Carolina——

Mr. STEVENSON. North Carolina.

Mr. LAGUARDIA. I apologize to South Carolina. When the gentleman from North Carolina came to the defense of the gentleman from Maine——

Mr. ABERNETHY. Will the gentleman yield?

Mr. LAGUARDIA. No; not now.

Mr. ABERNETHY. Well, I rise to a point of order.

The SPEAKER pro tempore (Mr. MAPES). The gentleman will state his point of order.

Mr. ABERNETHY. I think the gentleman is out of order when he casts aspersions on Members of the House, and makes these attacks that are unjustified and unwarranted. We have certain rules here, and I think the gentleman ought to observe them. I do not think he is observing the rules of the House when he gets up and says he apologizes to South Carolina as I am not from South Carolina. I think that is entirely gratuitous and is certainly in violation of the rules of the House, and I raise the point of order.

The SPEAKER pro tempore. What is the gentleman's point of order?

Mr. ABERNETHY. That the gentleman is violating the rules of the House by trying to cast aspersions upon Members of the House. He first started out here in an attack upon the chairman of the Merchant Marine and Fisheries Committee, and then he has said things about other members of the committee, and I do not think the gentleman is justified in proceeding in that manner.

The SPEAKER pro tempore. Does the gentleman object to any specific words of the gentleman from New York?

Mr. ABERNETHY. I am objecting to the wholesale attack he is making here on members of the Merchant Marine and Fisheries Committee. I am a member of that committee.

The SPEAKER pro tempore. If the gentleman will direct his point of order to any particular words that the gentleman from New York has uttered, the Chair will be pleased to have them taken down and will pass upon the point of order; but the gentleman's statement is so general the Chair does not know to what specific statement the gentleman refers.

Mr. ABERNETHY. I have not anything against the gentleman. I have a very high regard for his ability and his activity, and all that sort of thing, but I do think when he makes these statements——

The SPEAKER pro tempore. If the gentleman from North Carolina desires to make a point of order against any specific language that the gentleman from New York has uttered, the Chair will be pleased to entertain his point of order.

Mr. ABERNETHY. In view of the fact the gentleman from Maine, at whom this speech is directed principally, the chairman of the Merchant Marine and Fisheries Committee, is present in the House, for the time being I will withdraw the point of order and let the gentleman proceed and see how we get along for the balance of his speech. [Laughter.]

The SPEAKER pro tempore. The gentleman from North Carolina withdraws his point of order and the gentleman from New York will proceed.

Mr. LAGUARDIA. The time consumed in making the illuminating remarks in support of the point of order, I understand, does not come out of my time?

The SPEAKER pro tempore. No; the time taken up in the discussion of the point of order will not be taken out of the gentleman's time.

Mr. LAGUARDIA. I thank the Speaker.

One of the beneficiaries of the subvention—or shall I call it the subsidy? I know that some of the sponsors of the bill sort of dread the word "subsidy." The chairman of the Committee on Appropriations says, "Oh, call it subvention." Well, I do not know what you want to call it. A subsidy, according to Webster, is—

A grant of funds or property from a government, as of the state or a municipal corporation, to a private person or company to assist in the establishment or support of an enterprise deemed advantageous to the public; a subvention. In practice subsidies are chiefly granted in aid of transportation enterprises, as to ship, canal, or railroad companies, bounties on sugar being next in importance. A subsidy may be a simple gift or may consist in the payment of an amount in excess of the usual charges for any service, as in carrying the mails, or of funds to aid in establishing or maintaining a service or equipment larger or more powerful than the state of trade would warrant, as the building and keeping in service of vessels designed for use as cruisers and auxiliaries in war. Subsidy is often inexactly used to designate an entire payment for services, as for carrying mail, which, properly speaking, includes compensation for actual services and a subsidy proper, consisting in the sum paid in excess of the compensation.

It is even worse than a subsidy, Mr. WHITE, in the case of some money paid to some of these steamship companies to which I will refer in a moment. Webster continues:

* * * In ordinary usage, subsidy is the general term, and often carries a derogatory implication.

When I speak of subsidies as paid to some of these companies in a derogatory manner I wish to do so without implication. They are not subsidies; they are gratuities given to a few impecunious, inexperienced, inefficient ship operators who are on the good side of the chairman of the Shipping Board.

Now let me read what the distinguished gentleman from Indiana [Mr. WOOD], chairman of the great Committee on Appropriations, says about that. Mr. WOOD said in the hearing on the postal appropriation bill, which, I think, was on December 9, but you will find it on page 229 of the hearings, with reference to the action of the Shipping Board, talking about the Munson Line and another line that wanted to take over some Shipping Board vessels—and a bill is coming in this afternoon or tomorrow to legalize that audacious attempt:

With reference to the action of the Shipping Board, this is what happened with reference to this line: The operators bid a very nominal sum, and I think the amount bid by the Munson Co. was about $2,000,000 more than the amount bid by those operators. Then, as you have stated, they let the operators bid practically the amount of the Munson bid and awarded them the contract. That action, I think, was unauthorized by law, and I think it will get this country into a dangerous position. This country may be responsible for anything that might happen in that connection or for any damage that might occur because of that illegal action. I think the best lawyers in this country would say that it is illegal on its face. But aside from the question of its illegality, it is evident that no business house in the world could live if it transacted business in that way. Of course it was an illegal arrangement on the part of the Shipping Board and was made for the purpose of accommodating some of its pets. That is exactly what was done by the Shipping Board.

This is from the chairman of the Committee on Appropriations. I am now going to give you some more of these pets.

The Export Steamship Corporation is operated by a man by the name of Herberman, a close friend of the chairman of the Shipping Board. They started with several ships operated by the Shipping Board and they were operating at a loss; but, gentlemen, you must know that in these operations under the Shipping Board the operators are paid a commission on their losses as well as on their profits. So it makes no difference to the operators whether they profit or lose, they always have a profit. The losses are paid by the Government and the operators are paid a profit.

Now, after operating Shipping Board vessels for several years Herberman comes in—he is one of the pets mentioned by the chairman of the Committee on Appropriations—and bought the line by paying down a small amount and the balance in 20 years. I have been unable to ascertain whether he paid any cash down or gave notes, and I am still looking that up at any rate.

Let me say this: Before he bought the ships they were all reconditioned and sold to him for less than the Government paid to recondition them. It is doubtful whether the export line would receive more than $150,000 or $200,000 annually for the mail that it actually transports between New York and the Mediterranean and Black Sea ports, because the steamers are too slow to carry first-class mail. It is paid a subsidy regardless of speed, regardless of amount of mail and class of mail carried.

Do you know how much it receives? $1,745,000. Are you going to build up a merchant marine in that way?

Then comes the American Scantic Line. Moore & McCormack operate the American Scantic Line between New York and Copenhagen. Their steamers are slow, making only 10 to 10½ knots; consequently they carry nothing but parcel-post mail, yet they receive an annual mail contract payment of $538,800. Their steamers were purchased from the Shipping Board by a small down payment at ridiculously low rates. They paid approximately $6 per deadweight ton after the Shipping Board had spent more than that amount on some of the steamers in fitting them for service. A fair price even under existing conditions would be between $20 and $25 a ton.

I will put a list of the steamers and their tonnage of this line in the RECORD.

Then, along comes the Panama-Pacific Line, with three splendid first-class steamers—I grant you that, the best of the American fleet.

The Panama-Pacific Line, part of the International Mercantile Marine, operates a splendid service in the intercoastal trade between the Atlantic and Pacific coasts of the United States. Their steamers are large and luxuriously equipped. They receive high passage rates and operate in probably the most highly protected transportation field in the world, as no foreign competition is permitted in the coastwise business.

Their steamers being large, naturally they pay considerable in Panama Canal tolls, and after an unsuccessful effort to arrange for a concession in those tolls they were successful in securing the mail contract to Balboa, which pays them in this highly restricted coastwise business $402,400 per annum. They were awarded that contract after the route from New York to Balboa had been designated as a trade route and recognized as such by the Shipping Board and the Postmaster General. There is no trade in Balboa; mail for Balboa is discharged at Christobal, Canal Zone, transported over the railroad from Cristobal to Balboa; there is a sailing from New York practically every day in the week to Cristobal.

The Grace Steamship Co., operating between New York and Valparaiso, receives an annual mail revenue of $645,060, and it passes Balboa en route.

Several months before the last election the Postmaster General, with the consent of the Shipping Board, certified as a trade and mail route the one from New York to east coast Colombian ports via Port au Prince, Haiti. There is only one steamship line that operates on that route; it is the Colombian Steamship Line, an offshoot of the Clyde Line; it operates several small lake-type steamers that were purchased from the Shipping Board for very little money; those steamers are slow; they average probably 10 to 10½ knots.

The Colombian Steamship Line competes to some extent with the United Fruit Co. in the business to east coast Colombian ports. The United Fruit Co. operates a splendid service with sailing from New York twice each week, but it does not operate via Port au Prince; the Colombian Steamship Line has a sailing every second week. The United Fruit Co. steamers probably average 13 to 14 knots; they are splendidly equipped, have air-cooled cargo holds, passenger accommodations; whereas there are no passenger accommodations on the Colombian line steamers. The intent undoubtedly was to enable the Colombian Steamship Line to obtain the maximum rate specified under the mail contract, because it had no competition, being the only line serving the peculiar route mentioned, and incidentally it would carry no mail on that route because delivery would be entirely too slow.

The United Fruit Co., however, upset the apple cart by expressing its willingness to go into Port au Prince and it actually put in a bid lower than submitted by the Colombian Steamship Line.

The mail contract, however, was not awarded to the United Fruit Co.; the Shipping Board tried its best to award the contract to the Colombian Line, despite the higher rate quoted and the inferiority of its service, explaining its discrimination against the United Fruit Co. by the statement that the latter was an industrial carrier; by industrial it undoubtedly referred to the fact that the United Fruit Co. is engaged also in the banana business. A few of the steamers of the United Fruit Co. have been operated under the British flag, but practically all of their steamers now operate under American register. Their steamers are modern and of real credit to the American merchant marine. It is a pioneer in the field that it serves and it serves that field adequately. There is no reason or excuse for the encouragement of the picayune competition offered by the Colombian Steamship Line.

The result of this fiasco is that, instead of one mail contract being awarded covering the mail route from New York to east coast Colombian ports, there will now be two contracts, one from New York to Limon, which service is also served by the United Fruit Co., and one from New York to Puerto Colombia, the former in the favor of the United Fruit Co. and the latter with the Colombian Line. In addition, there may also be a mail contract for the United Fruit Co. for the service from New Orleans to Puerto Colombia. It is understood that the first contract would have been awarded to the Colombian Line had it not been for the intercession from a very high source.

The information furnished by Representative PATMAN regarding the mail contract of the Tacoma-Valparaiso Line is highly interesting, and shows how ridiculous these mail contracts really are.

Now I wonder if the gentleman from Maine [Mr. WHITE] is familiar with the type of ship of the Eastern Steamship Line. They are really coast steamers, plying between New England ports and Yarmouth. Most of them are wooden ships—some steel, some paddle wheels, a type never within the contemplation of the Jones-White Act. There is no foreign competition in that trade, and yet with these old hulks—and I will put the list in the RECORD—the Eastern Steamship Co. receives $225,624 annually.

It is interesting to ascertain how the development of the American merchant marine is helped by the payment of annual mail contract of $225,624 to the Eastern Steamship Lines operating between Boston and Yarmouth. The type of vessel oper-

ated by that company is merely a coastal one. The ships could not be used for overseas service, as they are not built along the proper lines.

Then comes the Tacoma-Oriental Navigation Co., and I need not deal with that, because the gentleman from Texas [Mr. PATMAN] made a very interesting and illuminating statement on the administration of the ship subsidy act, and I congratulate the gentleman from Texas upon his industry and study of the situation and upon presenting it so ably. He did a useful service, and I congratulate him.

The mail contract with the Tacoma-Oriental Navigation Co. provides for the construction of one vessel of class 5—13 knots, 5,000 tons—during the fifth year of the contract, and one additional vessel of class 5 at such time as the Postmaster General and the contractor may mutually agree may best serve the route. In five years the Tacoma-Oriental Navigation Co. will have received out of this mail contract more than enough to pay for the one vessel it is required to build, and yet will have carried little or no mail.

What we desire to know is how far this is going. I submit we are spending an enormous amount of money in paying these subsidies and getting nothing for it. May I call the attention of the chairman to the testimony of the Postmaster General when he stated that a few months after the enactment and approval of the Jones-White Act they awarded 12 contracts for 10 years without proper survey, study, or understanding. I shall read that testimony so as to make sure:

Mr. BROWN. Without taking the time to study the problem as a whole, certain routes were advertised within a week or two after the law passed and awards were made on some within a month after the law passed without making a survey. Twelve of the 25 routes were advertised during the first year that the Jones-White Act was in operation, and they made provision for the replacement of only 12 vessels—that is, 12 new vessels are to be the result of an expenditure of $120,000,000 over a 10-year period.

I read from page 218 of the hearings before the Committee on Appropriations on the post-office appropriation for 1931.

Now, the idea and the theory of the Jones-White Act, as I understand it, was to obtain ships which could carry the mail, and Mr. WHITE, the gentleman from Maine, will recall that when his attention was called to the ships making 10 knots and 12 knots an hour, one afternoon when discussing this bill, his answer was, as I have stated before, "Yes, we must take care of these slow ships, but we will put them on routes where there are no fast steamers." That was the purpose of including within the scope of the law ships making 10 and 12 knots an hour. The purpose of the law was to obtain these lines to carry the mail and pay them a subsidy, and that is what it is, and to secure the Government by receiving sufficient guaranties that their own ships would be replaced with new ships within the life of the contract. That was the purpose of the Jones-White Act. Instead, we have done this: We have taken these parasitic operators, these parasites who have been operating Shipping Board ships at a loss, because a loss to the Government meant a profit to them, and now they go to Mr. O'Connor—I am sorry that he is sick, for if he were not sick I would say more about him personally, and I think the President of the United States ought to look into some of these contracts between the private operators and the Shipping Board, as I am sure he will—these operators get the board to turn the ships over to them. On a shoe string they acquire the lines they were operating, and immediately thereafter the Shipping Board goes to the Post Office Department and obtains the establishment of a mail route, and gives them a contract which makes up as much as the commissions which they previously received. That is no way to build up a merchant marine I respectfully submit to the House. To give you an idea of how these ships are bought, the Postmaster General testified that they spent $19,320,000 to recondition the *Leviathan* and three other ships. We talk about an American merchant marine and American shipbuilders. The *Leviathan* is a German ship, the old *Vaterland*, and I am going to put in a list of the ships that we took from Germany, and if you look them up you will see that most of the best ships that we have are those ships that we took from the Germans. I am talking now about the Atlantic operation, and exempting the *Virginia*, the *California*, and the *Malola*, and some ships on the Pacific coast.

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

Mr. LAGUARDIA. Yes.

Mr. WOODRUFF. Do I understand the gentleman to say that it cost $10,000,000 to recondition one ship?

Mr. LAGUARDIA. Yes; since we took her over.

Mr. WOODRUFF. To recondition one ship?

Mr. LAGUARDIA. Yes.

Mr. WOODRUFF. Can the gentleman tell the House whether or not it would cost any more than that to build that ship?

Mr. LAGUARDIA. It would now. It would cost $36,000,000. We spent to recondition the *Leviathan* some $10,500,000 since we took her over, a 54,000-ton ship, and we sold the *Leviathan* and 10 ships for less than we spent to recondition them. The same is true of nearly all the ships we sold. I should not say "sold."

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

Mr. LAGUARDIA. Yes.

Mr. BLAND. Is it not true that for reconditioning the *Leviathan* the amount was $8,500,000 rather than $13,000,000?

Mr. LAGUARDIA. That was the last reconditioning, I believe.

Mr. BLAND. That is my recollection.

Mr. LAGUARDIA. I will give it to the gentleman in a moment. The gentleman will agree that we sold the *Leviathan* and 10 ships for less than we spent to recondition the ships and that we got only $4,000,000 in cash and the rest in notes, and immediately after the first payment of $4,000,000 was made the company goes out and floats a bond issue on their ships, and that is not within the contemplation of the Jones-White Act. What will happen? These ships after they are out of date will be dumped back into the hands of the Government.

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

Mr. LAGUARDIA. No.

Mr. BLOOM. I want to correct the gentleman about his statement as to bonds.

Mr. LAGUARDIA. Does the gentleman speak for the Chapman Co.?

Mr. BLOOM. No; I do not; but I think the gentleman from New York ought to get his statements accurate.

Mr. LAGUARDIA. Has the Chapman Co. sold any stock?

Mr. BLOOM. The gentleman did not say stock. He said bonds.

Mr. LAGUARDIA. They sold stock. I thank the gentleman.

Mr. BLOOM. The gentleman should get his statements correct.

Mr. LAGUARDIA. Yes.

Mr. BLOOM. Yes, they sold stock in the company.

Mr. LAGUARDIA. The *Leviathan* and 10 ships were sold for $16,000,000, and they sold stock and did not turn cash over to the Government on these ships which they can pay for, I think, in 20 years, and are receiving something like $42,000 every time the *Leviathan* makes a trip.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent to proceed for 15 minutes.

Mr. ABERNETHY. Mr. Speaker, I reserve the right to object. If the gentleman is going to be liberal in yielding to Members of the House, I shall not object.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent to proceed for 15 minutes. Is there objection?

Mr. WHITE. Mr. Speaker, reserving the right to object, and I do not think I shall object, I want to say that we have a rule which makes in order for consideration this afternoon and tomorrow four different bills.

Mr. LAGUARDIA. I shall not take any more time than that.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LAGUARDIA. Mr. Speaker, in reply to the gentleman from Virginia [Mr. BLAND], this is what the Postmaster General testified:

We find this unhappy situation: That promises have been given that we knew nothing about. There is another point, and that is when it comes to replacing the *Leviathan*, there is involved a cost of $30,000,000. The *Leviathan* and 3 other Shipping Board vessels have had $19,320,000 spent on them since 1923, and the *Leviathan* and 10 other vessels, 5 of which were practically new, were sold for $16,000,000.

As I said before, but $4,000,000 was paid cash and the balance payable in 20 years. This is not a subsidy—why, it is a gift.

Mr. WILLIAM E. HULL. The reason why those ships were sold for the $4,000,000 was that they were being operated at great loss. Now, by selling these ships do we not escape the loss? Why should they not be sold to the merchant marine? I think this, as a business man, that it is better when you have got "a lemon" to get rid of it than to keep on squeezing it. Is it not better for the Government to unload those ships to private parties, and even subsidize them as the merchant marine, than to continue operating them at a loss?

Mr. LAGUARDIA. The gentleman does not take into consideration all of the facts. Of course, the answer to his question categorically is "Yes." But the operators had no loss. The Government paid them regardless of a loss. Then these same operators come back and buy these ships, as I stated here, for almost nothing, because they paid only $4,000,000 for them, and then they go out and make a stock issue and get all, if not more, of the money they laid out. Then we paid them excessive subsidies for carrying the mail. In the case of the Eastern line and the Columbia line and in the Export line, we are paying money to carry first-class mail, and they do not carry any such mail. That is the point I make.

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

Mr. LAGUARDIA. Yes.

Mr. WHITE. The gentleman has referred repeatedly to the *Leviathan*. Is the *Leviathan* carrying mail under the 1920 act? The gentleman said the owners of the *Leviathan* were being paid an excessive rate for carrying the mail. She is not being paid under the act of 1920 at all.

Mr. LAGUARDIA. Other ships of the same line are being paid excessively for carrying the mail. Let us not quibble with words.

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

Mr. LAGUARDIA. Yes.

Mr. BLAND. The gentleman said that this money was being paid on the *Leviathan* to the operators. Is it not a part of the United States Lines?

Mr. LAGUARDIA. I will go into that later.

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

Mr. LAGUARDIA. Yes.

Mr. BLOOM. Does the gentleman know any proposition that is before us that is better than that of the present company? The proposition made by the present company was the best offer we had of all the bids.

Mr. LAGUARDIA. Yes. That was the best offer we had, including the German *Leviathan*, for $16,000,000, when we expended $19,000,000 for reconditioning it, and got only $4,000,000 back. My objection to the selling of these ships and the proposed selling of the Black Diamond and the American Branch Line is well founded. Oh, gentlemen, some of those gentlemen are ready to make a haul. I want to congratulate the gentleman from Indiana [Mr. WOOD], who resisted the sale of the Diamond and France Lines. The Chapman Line was the highest bidder for these two lines. They are entitled to purchase these lines, because they are the highest bidder.

Mr. BLOOM. The highest bidder and the most important line?

Mr. LAGUARDIA. Yes. On that the gentleman is correct.

Now, gentlemen, I want to refer to two lines that are to be sold to some of the "pets" referred to and described by Mr. WOODS. These two lines, in addition to the line which a group in the Mississippi Valley which is also referred to and described in the hearings before the Committee on Appropriations of the House on the postal appropriation for 1931. And, again I say at the risk of becoming tiresome, that instead of stopping these audacious attempts to obtain huge payments in the shape of subsidies and steamers for practically nothing, instead, I say, of calling a halt, it is proposed to amend the law and permit if not direct the Postmaster General to let out such contracts to permit the Shipping Board to give their "pets" the ships for practically nothing at the expense of the American merchant marine and not for its benefit.

On June 4, 1929, the Shipping Board received competitive bids for the purchase of the Shipping Board services known as the American Diamond Lines and the American France Line. The United States Lines offered $25.38 per dead-weight ton for the steamers, comprising the two services with the intention of combining those services with its present service. The present operators offered a little more than one-half of that price, namely, $14 per dead-weight ton.

The American France Line is operated by the Cosmopolitan Shipping Co., of which Mr. A. F. Mack is president. Mr. Mack is an experienced steamship man, and for a number of years was freight traffic manager for the United States Steel Products Co. and handled its shipping interests. It is believed that he is fairly close to Mr. O'Connor, and has been able to retain the management of that service through his friendship with Mr. O'Connor.

Mr. J. C. Dockendorff is president of the Black Diamond Steamship Corporation, the operators of the American Diamond Lines, and Mr. Dockendorff is one of the "pets" of the Shipping Board.

Both the services mentioned have cost the Government a considerable amount annually, notwithstanding which the operators have received handsome retainers in the way of fees. They receive their compensation as managing operators whether the Government makes a profit or incurs a loss, and it is estimated that the operating fees for these two lines amount to considerably more than one-half million dollars a year without considering maintenance costs. It is not a question of permitting the operators to purchase the steamers to enable them to continue to maintain the service, as it is evident that the Shipping Board and not the American Diamond Lines or the American France Line has maintained the service; it pays considerable each year to maintain those services, and for a number of years has enabled the present managing operators to get a handsome return in operating fees.

In the post-office appropriations, I understand, there is included $791,550 for mail service for the first year on the New York-Rotterdam service of the Black Diamond Line, and $520,000 for mail service for the first year on the New York to Havre and Bordeaux route of the Cosmopolitan Line. Those mail contracts would make up to the operators what they would lose in operators' fees, and undoubtedly by "the more efficient management under private operation as compared with Government operation"—which in this case would be exactly the same operation by the same people—the operators would get for themselves a better break than they could get or were willing to give the Government.

There is no reason why three separate and distinct services should be maintained such as represented by the United States Lines, the American France Line, and the American Diamond Lines. One could embrace all three, in fact should embrace all three as a measure of good business judgment and management. The operators of the American France Line and the American Diamond Lines know better than anyone else what those services are worth; and if after quoting $14 per dead-weight ton they will revise their bid to at least meet that of the United States Lines they must be sure that there is something in the business, but there is no reason why they should be permitted to do that, because they have made a handsome thing for themselves of the business for many years, and it is difficult to figure out what justification there is for discriminating so decidedly against an interest that offers a bid in good faith in order to favor other interests whose only concern has been to collect handsome annual fees from the Government while rolling up substantial losses. The only question that then remains is whether or not the service should be awarded to the United States Lines, and it is difficult to conceive of a good excuse for objecting to the United States Lines when they were considered as perfectly satisfactory to take over the *Leviathan* and other steamers of the United States Lines and American Merchant Lines.

The decided disinclination of the Shipping Board to dispose of the two services to the United States Lines as high bidder seems to be caused mainly by the obstinate attitude of Chairman O'Connor in favoring the award of the service to the present operators. The main business of the Shipping Board at present is to liquidate its shipping interests and confine itself to the regulatory body that it set out to be. For months it has had a splendid opportunity to liquidate this substantial portion of its shipping interests, but it has failed to take any action, because the only action recommended by its chairman is obviously an improper one.

In liquidating these interests, securing a fair price for the ships, eliminating the Government's annual losses, eliminating the handsome operating fees, and curtailing mail contracts, the Shipping Board has also a splendid opportunity to help in effecting the economies that President Hoover is so vigorously urging at present.

I really believe the committee should hold back the preference bill until the chairman of the Committee on Appropriations can be here and give his side of the case. He is chairman of the committee, and he has first-hand information.

The way to build up our merchant marine is to cut out these pets, as Chairman WOOD, of the Committee on Appropriations, suggests. The way to do it is not to come on the floor of the House and urge the building of American ships but to build American ships sufficient to meet the foreign steamship companies' competition. The proper way to increase the American merchant marine is to carry out the intent of the Jones Act and hand out the millions of dollars that we appropriate judiciously, and when we make a 10-year contract we should see to it that the Government is protected to the extent that new ships will be replaced during the term of the contract.

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

Mr. LAGUARDIA. Yes.

Mr. WOODRUFF. I wonder if the gentleman can give the House some information and details in connection with the sale of the so-called President ships. I have some information on that subject, and from such information as I have, my opinion is

that this particular transaction smells to high heaven. It ought to be exposed to the House and to the country.

Mr. LAGUARDIA. Those ships were on the Pacific coast. Let us start this afternoon. There are one or two bills that are innocuous on their face, but when you come to that surreptitious, preferential bill, we should strike out the enacting clause. Let us show the country that we are manifesting an intelligent interest in the American merchant marine.

If the gentleman from Michigan believes the President contract smells to heaven, he will need a carload of disinfectants and a gas mask when he comes to the Black Diamond, to the American-France Line, and to the Mississippi Shipping Co. I am glad the gentleman has displayed that interest, and I hope the time I have used here this afternoon will at least result in this House giving very careful consideration to the bills which will now come before it under a rule. I thank you, gentlemen. [Applause.]

Tabulated list of vessels owned or operated by the following American steamship companies

EASTERN STEAMSHIP LINE

Name	Steam or motor	Gross tonnage	Year built	Wood or steel	Number of passengers	Remarks
Boston	Steam	4,989	1924	Steel	900	
Belfast	do	2,157	1909	do	228	
Calvin Austin	do	3,826	1903	do	358	
Camden	do	2,153	1907	do	236	
City of Bangor	Steam paddle.	1,661	1894	Wood	302	
Cornish	Steam	1,827	1923	do	(1)	
Cumberland	do	2,598	1919	Steel	(1)	
Falmouth	do	2,606	1920	do	(1)	
Governor Dingley.	do	3,826	1890	do	335	
H. F. Dimock	do	2,625	1884	Iron	(1)	
Herman Winter	do	2,625	1887	do	(1)	
J. T. Morse	Steam paddle.	780	1904	Wood	110	
Madison	Steam	3,734	1911	Steel	161	
Margaret	Motor	24	1929	Wood	73	
New York	Steam	4,989	1924	Steel	900	
North Land	do	3,121	1910	do	697	
Norwolk	do	2,157	1920	Wood	(1)	
Sagamore	do	2,592	1920	Steel	(1)	
Sandwich	do	2,606	1919	do	(1)	
Southport	do	245	1911	Wood	67	
Wilton	do	1,827	1923	Steel	(1)	
Westport	do	247	1911	Wood	67	
Wiwurna	do	98	1884	do	300	
Virginia Express	Steam	1,948	1918	Steel	(1)	Richmond, Va.
Virginia Limited	do	1,948	1918	do	(1)	Do.
Galen L. Stone	Motor	151	1929		(1)	New York.
George Washington.	Steam	5,184	1924	Steel	466	Do.
George E. Weed	do	73	1892	do	(2)	Do.
Hamilton	do	3,723	1899	do	212	Do.
Jefferson	do	3,723	1899	do	182	Do.
Jere A. Downs		226	1891		(1)	Do.

AMERICAN-SCANTIC LINE

Name	Steam or motor	Gross tonnage	Year built	Wood or steel	Number of passengers	Remarks
Argosy	Steam	4,995	1920	Steel	[1] 16	By merchant marine act.
Bird City	do	4,983	1919	do	[1] 16	Do.
Carplaka	do	5,104	1920	do	[1] 16	Do.
Chickasaw	do	4,948	1919	do	[1] 16	Do.
City of Fairbury	do	5,053	1919	do	[1] 16	Do.
Minnequa	do	5,165	1919	do	[1] 16	Do.
Sagaporack	do	5,113	1919	do	[1] 16	Do.
Saguache	do	5,021	1919	do	[1] 16	Do.
Schenectady	do	5,114	1919	do	[1] 16	Do.
Talofa	Steam yacht	83	1910	do	[1] 16	Do.

PANAMA-PACIFIC LINE

Name	Steam or motor	Gross tonnage	Year built	Wood or steel	Number of passengers	Remarks
California	Steam	20,325	1928	Steel	749	
Pennsylvania	do	20,526	1929	do	805	
Virginia	do	20,773	1928	do	799	

GRACE STEAMSHIP

Name	Steam or motor	Gross tonnage	Year built	Wood or steel	Number of passengers	Remarks
Cacique	Steam	6,245	1910	Steel	[1] 8	By merchant marine act.
Capac	do	5,586	1919	do	10	Do.
Charcas	do	5,555	1919	do	8	Do.
Cuzco	do	5,496	1919	do	10	Do.
El Salvador	do	4,902	1918	do	138	Old tonnage, 4,847.
Grace	Motor	86				Motor launch.
Guatemala	Steam	4,900	1917	do	136	Old tonnage, 4,869.
Nora	do	9,620	1920	do	(1)	
Santa Barbara	Motor	8,156	1928	do	160	
Santa Cecilia	Steam	5,873	1913	do	101	
Santa Elisa	do	5,004	1919	do	101	
Santa Inez	Motor	4,576	1908	do	(1)	
Santa Maria	do	8,153	1928	do	165	Old tonnage, 7,734.
Santa Rita	do	4,576	1929	do	123	
Santa Teresa	Steam	4,858	1918	do	107	
Condor	do	4,747	1920	do	[1] 16	Wilmington, Del.
Coya	do	4,954	1919	do	[1] 16	Do.

[1] Freight. [2] Towing.

Tabulated list of vessels owned or operated by the following American steamship companies—Continued

UNITED FRUIT STEAMSHIP CORPORATION

Name	Steam or motor	Gross tonnage	Year built	Wood or steel	Number of passengers	Remarks
Heredia	Steam	4,611	1908	Steel	112	
Parismina	do	4,611	1908	do	112	
Artenas	do	4,572	1909	do	112	
Santa Marta	do	4,601	1909	do	176	
Pastores	do	7,241	1912	do	228	
Saramacca	do	3,212	1908	do	60	
Abangarez	do	4,572	1909	do	112	
Coppename	do	3,251	1908	do	78	
San Jose	do	3,309	1904	do	16	By merchant marine act.
Limon	do	3,266	1904	do	16	Do.
Esparta	do	3,304	1904	do	16	Do.
Tivives	do	4,538	1911	do	164	
Zacapa	do	4,567	1909	do	165	
Metapan	do	4,588	1909	do	169	
Cartago	do	4,611	1908	do	112	
Turrialba	do	4,572	1909	do	146	
Suriname	do	3,203	1908	do	69	
Calamares	do	7,333	1913	do	215	
Taloa	do	6,305	1917	do	226	
Sixnola	do	4,558	1911	do	178	
Santa Mateo	do	3,228	1915	do	[1] 16	By merchant marine act.
Carrillo	do	4,538	1911	do	172	
Wild Goose	Motor	32	1909	Wood		Motor launch.
La Perla	Steam	3,678	1924	Steel	[1] 16	By merchant marine act.
Ulua	do	6,305	1917	do	227	

COLOMBIAN STEAMSHIP LINE

Name	Steam or motor	Gross tonnage	Year built	Wood or steel	Number of passengers	Remarks
Baracoa	Steam	2,599	1919	Steel	[1] 16	By merchant marine act.
Bogata	do	2,627	1919	do	[1] 16	Do.
Bolivar	do	2,606	1919	do	[1] 16	Do.
Bridgetown	do	2,559	1920	do	[1] 16	Do.
Haiti	do	2,606	1920	do	[1] 16	Do.
Martinique	do	2,559	1920	do	[1] 16	Do.
Padilla	do	2,054	1918	do	[1] 16	Do.

AMERICAN-FRANCE LINE—COSMOPOLITAN SHIPPING CO.

Name	Steam or motor	Gross tonnage	Year built	Wood or steel	Number of passengers	Remarks
Callamer	Steam	5,112	1920	Steel	[1] 6	By merchant marine act.
Independence Hall.	do	5,050	1920	do	[1] 6	Do.
Liberty	do	6,211	1918	do	[1] 6	Do.
McKeesport	do	6,198	1919	do	[1] 6	Do.
Pipestone County.	do	5,102	1919	do	[1] 6	Do.
Sarcoxie	do	5,116	1919	do	[1] 6	Do.
Schodack	do	5,041	1919	do	[1] 6	Do.
Vincent	do	6,210	1919	do	[1] 6	Do.
Waukegan	do	6,209	1919	do	[1] 6	Do.

TACOMA-ORIENTAL NAVIGATION CO.

Name	Steam or motor	Gross tonnage	Year built	Wood or steel	Number of passengers	Remarks
Olympia	Steam	6,406	1919	Steel	(1)	
Bellingham	do	5,940	1920	do	(1)	
Shelton	do	6,062	1920	do	(1)	
Everett	do	5,773	1919	do	[1] 6	By merchant marine act.
Seattle	do	7,001	1919	do	[1] 16	Do.
Tacoma	do	7,001	1919	do	[1] 16	Do.
Grays Harbor	do	6,999	1919	do	[1] 16	Do.

AMERICAN DIAMOND LINES (BLACK DIAMOND STEAMSHIP CORPORATION)

Name	Steam or motor	Gross tonnage	Year built	Wood or steel	Number of passengers	Remarks
Ala	Steam	5,976	1921	Steel	[1] 11	By merchant marine act.
Ambridge	do	6,631	1919	do	[1] 12	Do.
Anaconda	do	6,093	1919	do	[1] 6	Do.
Bellepline	do	6,049	1919	do	[1] 7	Do.
City of Alton	do	5,590	1919	do	[1] 12	Do.
Coahoma County	do	5,590	1919	do	[1] 12	Do.
Innoko	do	6,093	1919	do	[1] 6	Do.
Sacandaga	do	4,967	1918	do	(1)	
Sac City	do	5,735	1918	do	[1] 12	Do.
Saco	do	5,106	1919	do	[1] 4	Do.
Tornalva	do	5,104	1920	do	[1] 12	Do.
West Arrow	do	5,802	1918	do	(1)	
West Eldara	do	5,607	1918	do	[1] 13	Do.
Wytheville	do	6,098	1919	do	[1] 16	Do.

EXPORT STEAMSHIP CORPORATION, NEW YORK, N. Y.

Name	Steam or motor	Gross tonnage	Year built	Wood or steel	Number of passengers	Remarks
Examelia	Steam	5,081	1920	Steel	[1] 16	By merchant marine act.
Examiner	do	4,969	1919	do	[1] 16	Do.
Exanthia	do	5,673	1920	do	[1] 16	Do.
Exarch	do	5,839	1921	do	37	
Exbrook	do	4,846	1920	do	[1] 16	Do.
Excellency	do	5,052	1919	do	[1] 16	Do.
Excello	do	4,990	1919	do	[1] 13	Do.

[1] Freight.

Tabulated list of vessels owned or operated by the following American steamship companies—Continued

EXPORT STEAMSHIP CORPORATION, NEW YORK, N. Y.—continued

Name	Steam or motor	Gross tonnage	Year built	Wood or steel	Number of passengers	Remarks
Excelsior	Steam	5,847	1920	Steel	38	5,510 old tonnage.
Exchange	do	4,971	1919	do	[1] 16	By merchant marine act.
Exchester	do	4,964	1920	do	[1] 16	Do.
Executive	do	5,109	1920	do	[1] 13	Do.
Exermont	do	5,969	1920	do	[1] 16	4,969 old tonnage.
Exford	do	5,827	1918	do	[1] 13	By merchant marine act.
Exhibitor	do	5,106	1919	do	[1] 16	Do.
Exilona	do	5,839	1920	do	(1)	5,989 old tonnage.
Exiria	do	4,999	1919	do	[1] 16	By merchant marine act.
Exminster	do	4,985	1919	do	[1] 13	Do.
Exmoor	do	4,999	1919	do	[1] 13	Do.
Exmonth	do	5,120	1920	do	[1] 16	Do.
Explorer	do	5,728	1919	do	[1] 16	Do.
Exporter	do	6,629	1919	do	[1] 13	Do.
Express	do	4,969	1919	do	[1] 13	Do.
Extavia	do	5,091	1919	do	[1] 16	Do.
Exton	do	5,083	1919	do	[1] 16	Do.

[1] Freight.

THE MERCHANT MARINE

Mr. MICHENER. Mr. Speaker, I call up a privileged resolution.

The SPEAKER pro tempore. The gentleman from Michigan calls up a privileged resolution which the Clerk will report.

The Clerk read as follows:

House Resolution 169

Resolved, That upon the adoption of this resolution the Committee on Merchant Marine and Fisheries shall have Friday, February 28, and Saturday, March 1, for the consideration under the general rules of the House of the following bills: H. R. 7998, H. R. 8361, H. R. 9553, and H. R. 9592; this rule not to interfere with privileged business.

Mr. MICHENER. Mr. Speaker, this rule makes in order four designated bills favorably reported by the Committee on the Merchant Marine and Fisheries. If the rule is adopted it will be in order for the House to immediately enter upon the consideration of those bills and the committee will have the remainder of to-day and to-morrow in which to consider these four bills.

Mr. Speaker, this is a unanimous report from the Committee on Rules. The committee has always found that the Committee on the Merchant Marine and Fisheries gives most careful consideration to its bills, and it was our thought that inasmuch as that committee urged that this is important legislation, and should be considered at this time, that the opportunity should be provided whereby these matters might be presented to the House.

Mr. Speaker, if there is no demand for time on the rule I move the previous question on the resolution.

The previous question was ordered.

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

The question was taken; and on a division (demanded by Mr. LAGUARDIA) there were—ayes 62, noes 1.

So the resolution was agreed to.

Mr. WHITE. 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 H. R. 9553. Pending that I would like to make some arrangement with respect to the division of time. The bill I am now calling up is the one relating to the trade between the United States and Canada. Is there any desire for time on that bill?

Mr. DAVIS. I have only one request for five minutes on that bill and I should like to have five minutes myself if necessary.

Mr. WHITE. Mr. Speaker, I ask unanimous consent that general debate may be limited to 20 minutes, 10 minutes to be controlled by myself and 10 minutes by the gentleman from Tennessee [Mr. DAVIS].

The SPEAKER pro tempore. The gentleman from Maine moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 9553, a bill to amend sections 401, 402, and 404 of the merchant marine act, 1928. Pending that motion, the gentleman from Maine asks unanimous consent that general debate be limited to 20 minutes, 10 minutes to be controlled by himself and 10 minutes by the gentleman from Tennessee [Mr. DAVIS]. Is there objection?

Mr. ABERNETHY. Mr. Speaker, reserving the right to object, I understand you are going to give more time on the other bills?

Mr. WHITE. Oh, yes.

The SPEAKER pro tempore. Is there objection?

Mr. PATTERSON. Mr. Speaker, reserving the right to object, is anybody going to explain the bill?

Mr. WHITE. I will do so as far as I am able.

Mr. MICHENER. Mr. Speaker, further reserving the right to object, this bill is not the bill to which the gentleman from New York [Mr. LAGUARDIA] has just referred?

Mr. PATTERSON. I understand that.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Maine 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. 9553.

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 H. R. 9553, to amend sections 401, 402, and 404 of the merchant marine act, 1928, with Mr. CHINDBLOM in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of H. R. 9553, which the Clerk will report.

The Clerk read the title of the bill.

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

The CHAIRMAN. The gentleman from Maine asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Maine is recognized for 10 minutes.

Mr. WHITE. Mr. Chairman and members of the committee, it is a matter of regret to me that I did not hear in its entirety the speech just made by the gentleman from New York [Mr. LAGUARDIA]. I want to take the time on some appropriate occasion to comment on that speech and on the statements therein contained.

In passing, however, I call to the attention of the membership of the committee the fact that so far as I heard that speech, from its beginning to its end, there was no word spoken in criticism of the letter of the 1928 law, but every criticism made by the gentleman from New York was directed not to the law itself but to the action of the administrative officers of the Government, and for their action the membership of the Merchant Marine and Fisheries Committee and the membership of this House are in no degree responsible.

The gentleman made some reference to particular lines and to contracts which had been let with respect to those lines. I refrain from comment on these particular criticisms. I simply call your attention to the outstanding facts with respect to ship construction and operation under this law.

You men and women here know that from January, 1922, to August, 1927, there was not built in an American shipyard a single vessel for the overseas trade of the United States, not a single vessel built in America in that period of time to fly our flag in the foreign trade; but during that same lapse of time foreign nations put into the water and put into the trade of the United States more than 800 new vessels, which were to compete with the older and the slower vessels flying the American flag.

Now, what has happened since this legislation of 1928? It has been on the statute books but a little more than a year and a half, and yet during that period of time the Post Office Department has entered into 25 mail contracts which call for the building of 17 new ships for our foreign trade and the reconditioning of 22 other ships, which work is to be done in American yards. These vessels are to fly the American flag. There will be expended in these yards of America for the building of these ships something like $78,000,000. Then there are pending 12 other mail contracts or calls for mail contracts on other routes, and these 12 contracts, for which bids have now been asked, contemplate the building of 40 new American ships at an aggregate cost of approximately $175,000,000.

This is what this law has done in a year and a half of time, and whether there have been mistakes in particular instances or not, there is the outstanding accomplishment which I am ready to defend anywhere and before anybody. [Applause.]

Now, as to the particular measure which is here offered for your consideration. When we wrote the 1928 law in its original draft we excluded from opportunity to obtain a mail contract steamship lines between ports of the United States and ports of Canada. All ports upon the Atlantic, upon the Pacific, the trade between the United States and Canada, were excluded from the benefits of the act altogether. Then by amendment here on the floor we modified that language so that the exclusion is to ports of Canada other than Nova Scotia, and now the

legislation before you moves to strike out altogether this exclusion of Canada from the scope of the law.

The reason for our recommendation is simply this: We permit the Postmaster General to enter into mail contracts with lines running from ports of the United States to every other foreign nation in all the world, but we wrote into this 1928 law a legislative discrimination against lines running to the Dominion of Canada, and we want now to strike from the law this discriminating provision.

Now, this is not the whole story, either. We have made a discrimination, as the law now stands, between the Atlantic and Pacific seaboards of the United States, for under existing law a contract may be let for a line between a port of the Atlantic and a port in Nova Scotia, but a contract may not be let between a port on the Pacific and Victoria, British Columbia, or any other Canadian port on the Pacific coast.

So these first three amendments make this change, and this change only, putting Canada with respect to this law in the precise position that Mexico and every other foreign nation is put; and your committee are unanimous in the judgment that this is a proper provision, and we hope to correct what we did in the 1928 act; we hope to remove this discrimination.

Mr. STAFFORD. Will the gentleman yield?

Mr. WHITE. I yield.

Mr. STAFFORD. How did it happen in the act that bears the gentleman's name, and deservedly so, that Canada was excepted originally? The law is only 2 years old. What was the purpose in excepting Canada?

Mr. WHITE. The reason was that in the vast majority of cases mail moving between the United States and Canada was expected to move by rail rather than by water, so we put in that provision; but the developments of the last two years in the increased trade between the United States and Canada have brought to us the belief that there may be an opportunity hereafter for an immense expansion of our trade by water between American ports and Canadian ports, and we want vessels running to Canada from Atlantic ports or running to Canada from Pacific ports to be in precisely the same position before the law that vessels running to any other foreign ports are, and this is the reason for the first three amendments carried here.

Now, it does not at all follow that there are to be contracts let with respect to these services, because, as in the 1928 law, the discretion and the authority are left in the Postmaster General to determine whether there is a proper case for the awarding of a mail contract, and there may or there may not be any contract made as a result of this change in the law.

Mr. PATTERSON. Will the gentleman yield?

Mr. WHITE. I yield.

Mr. PATTERSON. I think the statement that the gentleman from Maine is making is good, and I do not disagree with him; but I am wondering about these great subsidies complained of here. Are there no restrictions on the Postmaster General in letting contracts; can he make them without any restriction, regardless of the amount of mail? That has been brought out by several Members, that we are paying tremendous subsidies.

Mr. WHITE. When the original act was under consideration, the question was seriously considered by the committee as to whether we should attempt to place a limitation on the exercise of judgment of the Postmaster General. We did not know whether to draw the line at 6 pounds or 6,000 pounds or 6,000,000 pounds of mail, and we left it to the judgment and conscience of the Postmaster General to determine whether there was justification for mail contracts or not.

But there is more involved in this, if I may say so, than the mere matter of the movement of the mails, because of additional burdens placed upon the contractor. We require that the contractor shall be ready, able, and willing to perform the service laid upon him in the movements of the mail; he must have a vessel built according to plans approved by the Secretary of the Navy, vessels useful to the United States in time of emergency, and a vessel built according to these specifications involves an additional handicap as to the original cost of the vessel; then we impose the duty to employ on his ship a larger percentage of American crew than is required on any other ship operating without the benefit of mail contract; we require him to have a vessel useful to the United States in time of war; and finally we provide that the vessel may be taken by the United States in time of emergency, and fix a limitation on our liability for compensation to that owner for the property taken. I hope that this bill will pass. [Applause.]

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

Mr. DAVIS. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman and gentlemen, before I discuss the bill I think it proper for me to say that a few moments ago, when the gentleman from North Carolina [Mr. ABERNETHY] made a point of order, I was technically correct, but I was not correct in the proper attitude which I believe one Member should have toward another, and I am extremely sorry, I will say to the gentleman from North Carolina, if my conduct was such as to hurt his feelings; that his action did not justify me in using the words that I did, and I am extremely sorry. [Applause.]

Mr. ABERNETHY. Mr. Chairman, I want to say that I have a real regard for the gentleman from New York, for his ability, and I have always admired him. I accept his apology, because I am sure if it had not been in the heat of the moment he would not have made the remark. [Applause.]

Mr. LAGUARDIA. I thank the gentleman.

Mr. Chairman, now in regard to this bill, it was the gentleman from Maine who put in the amendment which he now seeks to repeal. It was the gentleman from New York that called his attention to that on May 5, 1928.

The gentlemen from Main stated at the time that the reason for that, referring to this provision, is that the movement of mail to Canada is going much faster by rail than it would by water, and then he says—

> In other words, the Post Office Department did not want to be placed in the position of having to make mail contracts by water to Canadian ports because in almost every single instance mail will move faster and more frequently by rail.

But in the case of the Eastern Steamship Co., to which I referred, and for which they received $225,624, the mail does not move faster by water than by rail. Yet the contract was awarded. I do not believe that the gentleman from Maine [Mr. WHITE] can cite one ship—and I will vote for the bill if he will cite me one ship—that has been constructed since the time he uttered the statement, which will carry mail to Canada quicker than by rail. If the gentleman will give me the name of one ship I shall vote for the bill. Why open the doors? Have we not heard sufficient instances of abuse of this law now to make us go slowly and to observe it carefully, instead of opening the doors wider and permitting more paddle ships like the Eastern Steamship Co. has to get contracts from the Post Office Department?

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

Mr. LAGUARDIA. Yes.

Mr. O'CONNOR of Oklahoma. When that statement was made had they then discovered the scheme of paying these vast sums for carrying mail when they did not carry first-class mail—sort of giving them absent treatment, as it were?

Mr. LAGUARDIA. Oh, there was nothing further from the mind of the gentleman from Maine than what has developed. The gentleman from Maine says that these ships have to be built according to specifications of the Secretary of the Navy. Of course, they do, and that is what we believe, but is there one ship of the Eastern Steamship Co. that has been built according to the specifications of the Secretary of the Navy? They are all old tubs. The gentleman from Maine knows that we are in hearty sympathy with him when he is talking about building up the American merchant marine, but when he comes here with these old hulks, leaving incompetent operators to get subsidies and purchase them from the Government, then we can not go along, and I submit there is no occasion to-day that warrants the building up of an American merchant marine by opening up the ports of Canada to ships to carry the mail when we have it on the best authority on American merchant marine in this House, the gentleman from Maine himself, that you can carry the mail 12 hours faster by rail. I submit that this bill should not pass. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DAVIS. Mr. Chairman and members of the committee, I am sure that those who have heard the discussion of this question will readily concede that there was in the first instance no logical reason for specifically excluding from the provisions of this bill any foreign country. It may be true, as suggested by the gentleman from New York [Mr. LAGUARDIA] that no line operating between New England or other sections of the United States and Canada will be available for mail contract service. The amendment proposed in this bill in no sense of the word requires the Postmaster General to award a contract to any company in that service. It simply removes an apparent discrimination which was somewhat resented by citizens in New England who naturally propounded the query as to why there should be any exception with respect to them and Canada. It is true that the suggestion that, generally speaking, the mail could be more speedily and more frequently carried by rail to Canada than by water prompted the committee to agree to it

really without very much discussion. However, there are many seaport cities that can and doubtless very satisfactorily do receive mail from ports in the United States, particularly New England. If the circumstances are such that the Postmaster General sees proper to award a contract in order to insure definite, specific, specified sailings in liner service, and that the other conditions provided for in the 1928 act shall be imposed upon that company in the interest of a regular liner service to carry imports and exports between the United States and our largest foreign customer, as Canada is, certainly he should not be forbidden by this specific exception from awarding such a contract.

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

Mr. DAVIS. Yes.

Mr. WAINWRIGHT. Is there not an additional obligation under this law that, besides the subsidy for carrying of the mails, these shipping companies who receive the mail contracts must build new ships?

Mr. DAVIS. It is the policy of the law as clearly indicated, it is the policy of the committee which has reported this legislation, that there should be embraced in a mail contract provision for new construction and replacement to the end that that service may be continued, may be made a permanent American service; and also that the ships they are required to construct shall be available in time of emergency for the carriage of troops and munitions as well as our commerce.

Mr. WAINWRIGHT. Will the gentleman further yield?

Mr. DAVIS. Yes.

Mr. WAINWRIGHT. Is the gentleman able to tell us how many of those who have received these mail contracts have entered into an agreement to build new ships?

Mr. DAVIS. Oh, quite a number of them; and I state to the gentleman from New York that I am not defending everything that has been done. I criticize some of the things that have been done. I do not think that any mail contract should have been awarded without a requirement for new construction or replacements. I think that contracts have been awarded that should not have been awarded; and one reason of the legislation to-day, at least two of the bills, is to still further restrict the law so as to prevent the award of mail contracts where we think they should not be awarded. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired. All time has expired, and the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 401 of title 4, merchant marine act, 1928, is amended by striking out the words in parentheses, "exclusive of ports in the Dominion of Canada other than ports in Nova Scotia."

With a committee amendment as follows:

At the beginning of line 4, page 1, insert "(U. S. C., title 46, sec. 891e; 45 Stat. L., pt. 1, p. 692)."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read the next section.

The Clerk read as follows:

SEC. 2. Section 402 of said act is amended by striking out the words in parentheses, "exclusive of ports in the Dominion of Canada other than ports in Nova Scotia."

With a committee amendment as follows:

On page 1, line 8, after the word "act," insert "(U. S. C., title 46, sec. 891f; 45 Stat. L., pt. 1, p. 692)."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 2, line 1, after the words "Nova Scotia," insert "and by adding after the words 'volume of mail' the words 'and commerce.'"

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read the next section.

The Clerk read as follows:

SEC. 3. Section 404 of said act is amended by striking out the words in parentheses "exclusive of ports in the Dominion of Canada other than ports in Nova Scotia."

With a committee amendment as follows:

After the word "act," on page 2, line 3, insert "(U. S. C., title 46, sec. 891h; 45 Stat. L., pt. 1, p. 693)."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. WHITE. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. MAPES, as Speaker pro tempore, having assumed the chair, Mr. CHINDBLOM, Chairman of the Committee of the Whole House on the state of the Union, having under consideration the bill (H. R. 9553) to amend sections 401, 402, and 404 of the merchant marine act, 1928, reported that that committee had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WHITE. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

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

On motion of Mr. WHITE, a motion to reconsider the vote whereby the bill was passed was laid on the table.

Mr. WHITE. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7998; and pending that motion, I would like to see if some arrangement can be made respecting the time for general debate. Has the gentleman from Tennessee any requests for time?

Mr. DAVIS. I have requests for 15 minutes.

Mr. WHITE. Mr. Speaker, I ask unanimous consent that there may be 35 minutes of general debate, 20 minutes to be controlled by me and 15 minutes by the gentleman from Tennessee [Mr. DAVIS].

The SPEAKER pro tempore. The gentleman from Maine 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. 7998; and pending that, he asks unanimous consent that general debate be limited to 35 minutes, 20 minutes to be controlled by himself and 15 minutes by the gentleman from Tennessee [Mr. DAVIS]. Is there objection?

There was no objection.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Maine, that the House resolve itself into Committee of the Whole House on the state of the Union.

The motion was agreed to.

The SPEAKER pro tempore. Will the gentleman from Illinois [Mr. CHINDBLOM] please take the chair?

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. 7998, with Mr. CHINDBLOM in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of H. R. 7998, which the Clerk will report.

The Clerk read the title of the bill.

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

The CHAIRMAN. The gentleman from Maine asks unanimous consent that the first reading of the bill may be dispensed with. Is there objection?

Mr. STAFFORD. Mr. Chairman, I think the bill is rather informing; it is a short bill, and it should be read. I object.

The CHAIRMAN. Objection being heard, the Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection (d) of section 11 of the merchant marine act of June 5, 1920, as amended by section 301 of the merchant marine act of May 22, 1928, is amended to read as follows:

"(d) All such loans shall bear interest at rates as follows, payable not less frequently than annually: During any period in which the vessel is operated exclusively in coastwise trade, or is inactive, the rate of interest shall be as fixed by the board, but not less than 5¼ per cent per annum. During the period in which a vessel for the foreign trade is being constructed, equipped, reconditioned, remodeled, or improved; or, during any period in which such a vessel is operated in foreign trade the rate shall be the lowest rate of yield (to the nearest one-eighth of 1 per cent) of any Government obligation bearing a date of issue subsequent to April 6, 1917 (except postal savings bonds), and outstanding at the time the loan is made by the board, as certified by

the Secretary of the Treasury to the board upon its request. The board may prescribe rules for determining the amount of interest payable under the provisions of this paragraph."

With the following committee amendments:

Page 1, line 5, after the figures "1928," insert the words "(U. S. Code, title 46, sec. 871; 45 Stat. L. pt. 1, p. 691)."

Page 2, line 6, after the word "improved," insert the word "and."

Page 2, line 13, after the word "request," insert the following: "The rates of interest herein prescribed shall also apply to advances hereafter made on contracts heretofore entered into. The lowest rate of interest shall not be granted for the construction, equipment, reconditioning, remodeling, or improvement of any vessel for the foreign trade, unless it is contracted that such vessel upon completion shall not be operated in the coastwise and/or intercoastal trade for more than three months in any year; and, if such vessel shall be operated in such trades for more than three months in any year, the board shall collect the difference between the low rate of interest charged and 5¼ per cent per annum during the period of construction, equipment, reconditioning, remodeling, or improvement."

Mr. WHITE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Chairman and gentlemen of the committee, I have risen to speak upon another subject, but before entering upon its consideration I desire to say that I believe every Member of the House is in full and complete sympathy with the honest, earnest, and effective effort of this great committee to build up our merchant marine, and second, I do not think the members of this committee, or its able, distinguished, and alert chairman, should be charged with any mistakes made, if they have been made, by administrative officers. We can not administer, nor can we supervise what administrators do. So this great effort should have our entire, our full, and our complete support. There could not be a more honest or more intelligent effort than that made by the great chairman of this committee to build up an American merchant marine. [Applause.]

WALLACE WHITE has served in Congress 14 years, and during his long service he has gained the admiration and affection of all his fellows. He is able, earnest, hard working, conscientious.

No more important service could be rendered by a Member of the House of Representatives than to rebuild the American merchant marine. And this service WALLACE WHITE has rendered. Through him bills have been passed which afford every promise for giving us a merchant fleet which will increase our commerce to a vast tonnage in times of peace and be a strong arm of our Navy in case we have war. For this distinguished service the country owes him a debt of gratitude. The State of Maine can well be proud of him.

Now, gentlemen, I have risen to say a few words upon another subject.

On Monday Charles Evans Hughes was installed as Chief Justice of the Supreme Court of the United States. We bid farewell to the long and distinguished service of William Howard Taft as Chief Justice, and we welcome the incoming Chief Justice with every expectation, based on a long and distinguished career in various public capacities, that he will add luster even to the distinguished seat which he is to occupy.

The life-insurance companies play a most important part in the life of our Nation. The husband and father, through saving week by week, month by month, year by year, accumulates a fund which will, when he is gone, provide for the widow and the fatherless. If there is any institution which calls for the most sacred honesty, it is in the administration of these companies.

Some thirty or more years ago several of our great companies had unfortunately fallen into ways that were, at least, loose and not commendable. They were making annual gifts to men who were simply favorites of the officials, or who were relied upon to procure the companies' legislative or public favors. This course of administration had reached the point and been practiced to an extent so that it had become rumored about and was in the mouths of the public and filled space in the newspapers. An investigation was undertaken. A young, unknown lawyer was chosen as the counsel of the investigating committee. The investigation which he conducted was so thorough, so far-reaching, so all-embracing, that the unknown and youthful lawyer become at once a nationally known and important figure. He was Charles Evans Hughes. Promotion to the governorship of New York, where he became a progressive, far-seeing, and able executive, pointing the way, as well, to important legislative reforms, such as the bill against race-track gambling, and that establishing the direct primary soon followed. His career was so distinguished in the governorship of the Empire State that he was not even left there, but was soon promoted to a justiceship of the Supreme Court of the United States.

Here he proved himself an indefatigable jurist of sound judgment and great acuteness, with a wide knowledge of the law. But the public held him in such esteem that he was deemed by those who choose candidates, and in doing so attempt to select men who will meet with the greatest popular favor, to be so great a favorite with the average citizen, to be held in so high esteem by the public, that he was selected without effort of his own to be a candidate of one of the two great parties for the Presidency. He made a close race and was nearly elected, despite the fact that his training was that of a jurist and lawyer, and not that of the politician. He did not know how to court public favor, but he polled a large vote because of the honest admiration gained by his many and great public services.

At the end of the campaign he again became a practicing lawyer. But again the public were not content to be without his services and he was soon made Secretary of State of the United States, where he served with distinguished ability; among the services rendered by him being that of bringing about the first naval disarmament conference, the results of which have been criticized, but which was a most important move and a long step in the right direction.

Upon retiring from the office of Secretary of State he again continued to practice law, but after a short period of retirement he has been called to what many regard as the highest office in the United States.

When his name came before the Senate the sole criticism urged against him was that he had represented, as clients, great industrial and business interests. This was both natural and inevitable, for such interests employ the best talent they can obtain; and where else could they secure another man with the prestige, proven ability, and wide experience of Mr. Hughes? These criticisms were voiced by some few distinguished Senators from the Middle West.

And we believe that this illustrates a condition which should not exist, and which has no sound basis upon which to rest. There is an apparent conflict of interests between the agricultural Middle West and the industrial East. I say apparent because it is not real. This country is one and undivided, and every true American hopes and prays that it may always be so. There can be no enduring prosperity unless all parts of the country share in it. Agriculture has suffered a severe depression for several years. We of the East fully realize this and deeply sympathize with the farmer. However, it must be realize that the farmer's trouble is not with the three-quarters of his crop which is consumed in the United States, but with the one-quarter which is the exportable surplus. If the wheels of industry cease to revolve in the East, there would be a very poor market for the three-quarters of our crops consumed here and purchased at good prices. The problems of the manufacturer and the farmer are in many respects the same: they must both be protected against the competition of cheap foreign labor. There is no misunderstanding on the part of those States in the East which are not industrial, such as New Hampshire and Vermont, of those who live in the States which are industrialized. And the only reason that there is a misunderstanding between the Middle West and the industrial East is that they are widely separated, and not brought into closer contact, and for this reason, each of them is unable to see and understand the difficulties which the other has to encounter. The farmer should protect his home market by seeing that industry is enabled to prosper through protection against foreign competition, and the industrial East should see that the farmer has adequate and full protection.

All of our citizens, no matter in what part of the country they reside, are proud of the unprecedented achievements of our country in the manufacturing field. We have brought mass production to a degree of efficiency undreamed of elsewhere today, or anywhere in world history, combining cheapness or production with a high-grade product. The man from the West would be just as ready as his brother from the East to assert our preeminence in this field, and would not sacrifice a tithe of our leadership in any discussion or dispute with other countries. Back of the surface indications, underlying and deep down in the natures of all of us is a genuine pride in our achievements in industry, in invention, and in science. Our quarrels are those of friends that are not deep-seated, and they do not lessen the pride of one part of the country in the marvelous achievements of all of the other sections of our land. We never have produced such outstanding figures in these various fields as we have to-day, and we all genuinely glory in their achievements and in the betterment of the conditions of mankind which they have made possible.

With the increase of population, with the country boys being constantly attracted in greater numbers to the cities, with increased consumption and decreased production of farm products, the farm problem will be settled at no distant date and

the farmer be as prosperous as any other class in the country. In the meantime those who represent both classes should practice and inculcate tolerance and secure understanding rather than ill feeling. That there may be complete understanding and accord between all parts of the country is well and fully illustrated in the course always followed by the Committee on Rivers and Harbors. There the question of the locality of an improvement never has weight. The man from New England or New York has shown himself just as anxious for the improvement of the great Mississippi system, including the Mississippi itself and all of it great tributaries, as if they flowed through and served New York and New England; and the same has been equally true as between the North and the South as between the Members from the Pacific coast and those who live on the Atlantic.

Always the national and not the local or sectional view is taken, and if such a result can be obtained as to river and harbor improvements, it surely can be secured as to all legislation. All that is needed is mutual tolerance and consideration. Those of us who are here should lead constantly, unfalteringly, and broad-mindedly the thought of our locality toward national good will, and not tolerate, much less spread distrust and antipathy.

But while, perhaps, much as we regret it, there may continue to be some misunderstanding between the industrialist and the farmer, surely it is going a long way to criticize a lawyer because he represents what are the leading interests of the part of the country where he lives. Such criticism surely is not justified.

And here let me say that while people may criticize the Senate for unduly prolonged debate, the disposition of the nomination of Chief Justice Hughes was an illustration of the fact that the Senate can at times act most wisely. The great majority of the Senate realized that the country knew Charles Evans Hughes as well as the individual Senators knew him, and that the country did not need to be told about his history and his deeds, for they were household legends with which every child in school is thoroughly familiar. The majority felt that what would impress the country would be to have so eminently fit a nomination confirmed promptly, demonstrating that debate was unnecessary. Such was the thought back of the majority of the Senate and such, I am sure, was the plan of the distinguished Republican leader of the Senate, the eminent Senator from Indiana, the Hon. JAMES E. WATSON. His plan to vote and not debate, to depend upon the general knowledge of the nominee, on the widespread admiration for his many and distinguished services, on his high character and unusual ability, showed the keenest insight, and the broadest statesmanship. It demonstrated that the Senate and the country may rely in complete confidence on his leadership being sagacious and practical, and that great, experienced, and trained orator though he is, he can and will realize when oratory is not only unnecessary, but out of place, and when the country needs and demands action.

I am sure that all share the belief that the new Chief Justice will render as great and distinguished service in this, his latest and highest position, as he has through the many years of his long and eminent career. [Applause.]

Mr. DAVIS. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, ladies and gentlemen of the committee, I am very sorry indeed we have had the exchanges that we have had here this afternoon. I am proud to be a member of the Committee on the Merchant Marine and Fisheries, and I want to call to the membership of the House—I am not going to read the names of the Members, but the sections of the country as represented on this committee—Maine, New Jersey, California, Ohio, Illinois, Massachusetts, Indiana, Pennsylvania, West Virginia, Michigan, Wisconsin, Pennsylvania, Nebraska, California, Tennessee, Virginia, Texas, New York, North Carolina, New Jersey, and Rhode Island.

The bills which you are considering this afternoon have had most careful and consistent consideration at the hands of the full membership of this committee. They were not passed by just a mere wave of the hand or because one or two members of the committee favored them. We have had before our committee, first, the interdepartmental committee, composed of the Postmaster General, the Secretary of Commerce, the chairman of the Shipping Board, and some representative, I think, of the Navy Department. We have had these men before our committee and we have had the entire Shipping Board before the committee, and we have had before us every shipping interest, both domestic and foreign, that is represented in this country that flies any sort of a flag. There never has been a more complete hearing before any committee of this House than the one that has been held in connection with the consideration of these bills.

I suspect that the back-fire to these bills—I will not make the charge—comes from some of the opponents of the legislation who declined to come in under the American flag and operate American ships, who at the same time want Government contracts paid from the Treasury of the United States.

My distinguished friend from New York, for whom I have the highest regard, spoke of the Cunard Line. We all know that the Cunard Line is not an American institution. It operates from New York. I do not know whether they have anything to do with the opposition that has arisen here suddenly, like a bolt out of a clear sky, or not, but, anyway, the committee is a unit in favor of these bills. There was not one single vote against this proposed legislation from any member of the committee, and when you can take such progressive, Jeffersonian Democrats as my friend DAVIS on the one side and a rock-ribbed Republican on the other like WALLACE WHITE, with the gentleman from that progressive State in the interior of the country, my friend, Mr. SLOAN, of Nebraska, and the gentleman from New Jersey, Mr. LEHLBACH, representing another element of the Republican Party, and other gentlemen from the great progressive West out in California, Mr. FREE and Mr. WELCH, and another gentleman from that proverbially progressive State of Wisconsin, Mr. KADING, together with the irreconcilable, rebel Democrats from the South, and unite us all into one idea and one purpose and when we come in here with a united vote from the committee, there must be some good in the propositions. It strikes me you can not indict the whole country, and that is what my friend from New York has done. [Laughter and applause.]

Mr. LAGUARDIA. Will the gentleman yield?

Mr. ABERNETHY. I will be glad to yield.

Mr. LAGUARDIA. The gentleman missed the point of my statement. I was criticizing the administration of the law, and my objection to the last bill that is contemplated to be called up is that it would open the door even wider for the abuses which I have been criticizing.

Mr. ABERNETHY. No; if you will read the last bill you will see that it absolutely hog-ties the Postmaster General so he can not do a thing except what Congress says. He has not any discretion in the matter. We have had before us the administrative officers of the Shipping Board from the chairman down, and also the Postmaster General, the Secretary of Commerce, and every administrative officer who has to do with administration of the Jones-White Act. We had them before us not as an inquisitorial body, but we asked them how they were administering the act and how they proposed to administer it in the future. We had them there on the anxious bench and, as a result, we have brought out here, in my judgment, a set of bills which will perfect the Jones-White Act and give us an American merchant marine, 100 per cent American, flying the American flag; and if there is any Member of Congress who is opposed to that, he ought to get out of Congress. That is all there is to it. [Laughter and applause.]

There has been some criticism of some of these American lines; for instance, the Export and other lines. I know Mr. Herberman, who runs the Export Steamship Corporation. He is running ships to the Mediterranean and other ports. To-day he is operating 43 or 44 American ships under the American flag, and he is the man who said it ought to be 100 per cent American, and in his testimony he also stated that he could employ or charter foreign vessels cheaper than he could American vessels.

Mr. BLAND. Will the gentleman yield?

Mr. ABERNETHY. I will be glad to yield.

Mr. BLAND. I gathered from the speech of the gentleman from New York [Mr. LAGUARDIA] that he was of the impression that Mr. Herberman was not building or was not under contract to build any new ships. Does the gentleman know about that?

Mr. ABERNETHY. He is building six new ships.

Mr. BLAND. And is under contract to build more?

Mr. ABERNETHY. He is under contract to build more. He left the Pennsylvania Railroad to go into the shipping game, and I want to pay him this tribute. He is 100 per cent American, and I think the attack on him is unjustified.

Mr. LAGUARDIA. Will the gentleman yield there?

Mr. ABERNETHY. I will be glad to.

Mr. LAGUARDIA. How many keels have been laid for these new ships?

Mr. ABERNETHY. I do not know how many keels have been laid——

Mr. FREE. The gentleman from New York will be invited to the first launching in about two months.

Mr. ABERNETHY. I hope the gentleman from New York will break a bottle of water over her bow. [Laughter.]

Mr. LAGUARDIA. How many Herberman ships carry first-class mail?

Mr. ABERNETHY. I do not know. I have never seen one of his ships, but any man who has the nerve and the courage to go out and fight these foreign ships like he has ought to be encouraged, but I fear that these foreign interests may have something to do with the attack that is made upon him.

Mr. LAGUARDIA. The gentleman is in error. Anyone who could understand the English language ought to know that in what I said to-day my point was concerning the spending of the money to meet foreign competition, and that every cent that has been paid to Herberman for ships, not one penny will do any good in competing with foreign vessels.

Mr. LEHLBACH. Every cent that Mr. Herberman receives is set one side and every penny of it goes for new construction.

Mr. LAGUARDIA. He is not carrying any mail.

Mr. ABERNETHY. We admit that he is receiving a subvention; you Republicans call it a subsidy, but call it what you please, it is an aid to American shipping; we call it giving a subvention. [Applause.]

Mr. BLAND. Will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. BLAND. Are not some of these people complaining against the Post Office because they are not getting any mail contracts?

Mr. ABERNETHY. Yes; that is the trouble with these fellows. We had some of them before us. We had a gentleman from the Munson Line and he was complaining because he could not get some of the contracts. We went into the question, of how many foreign ships he had, and finally he decided that he would get rid of the foreign-flag ships and come in as a 100 per cent American. Finally he found he could not get rid of them and he is not going to get any benefit under the bill. I do not know whether he is opposed to the legislation or not. I am not interested in a single shipping line. There is not one in the State of North Carolina, but I hope that there will be some some time, and that everything will not be in New York.

Mr. LAGUARDIA. It ought to be.

Mr. ABERNETHY. Well, I do not know; I had a friend who said he had never been in New York, and he would be damned if he believed there was any such place. [Laughter.]

Now, gentlemen, after careful consideration in this House we passed the Jones-White Act in 1928. It is intended and designed to build up every section of the country. We wrote the bill and it was unanimously passed by the committee, unanimously passed by the House, and unanimously passed by the Senate. If I was not afraid here to-day that I might affect the result of the election of a Senator in Maine I would pay a glowing tribute to our chairman, the gentleman from Maine [Mr. WHITE], but the Republicans up there might say that they did not want Democratic indorsement. [Laughter.]

Gentlemen, you all know Mr. WHITE; we all love him. You all know EWIN DAVIS; we admire him; and we know other members of the committee. We have brought in these bills, and we say to the owners of ships, "If you want to come in and get the benefits of the bill, run up the American flag at your masthead." [Applause.]

That is all there is to this proposition. We have heretofore been throttled by foreign ships. The Merchant Marine Committee is made up of men who are going to help the merchant marine and stand back of it. We have a man from the Middle West, Mr. SLOAN, who has not any water within a thousand miles of his State, but he is behind this. We have all come together.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. SCHAFER of Wisconsin. I think you would materially help the American merchant marine if your party would get behind a movement to repeal the Volstead law. [Laughter and applause.]

Mr. SLOAN. Mr. Chairman, the American merchant marine the gentleman from Wisconsin wants is confined not to these great ships, but to "schooners." [Applause and laughter.]

Mr. SCHAFER of Wisconsin. I refer to the advisability of having "schooners" available on these great ships of the American merchant marine so that liberty-loving American citizens will not on many occasions take transportation on foreign ships, where they can obtain "schooners."

Mr. ABERNETHY. Mr. Chairman, I have been a Member of Congress since 1922. This is the first time that I have ever mentioned the word "liquor" on the floor of the House, and if I stay here another term I do not expect to say anything about it; but I appeal strongly to the Speaker of the House and the Republican leaders here and to the gentleman from Texas [Mr. GARNER] and others to have a rule adopted to set aside two weeks of each session for gentlemen who want to make liquor speeches pro and con, and then make it a high crime and misdemeanor to mention the subject thereafter. [Applause and laughter.]

We are talking about something that is constructive. We can not agree on the controversial question of liquor and I am not going to discuss about Wisconsin beer or the Anti-Saloon League or anything of the kind. I do say, taking this matter seriously, that these mail contracts are liberal. They were designed to be liberal. They were voted for unanimously by both sides of the House, and what is the use of blinding our eyes?

The country does not expect anything else. These struggling operators of these American merchant marine ships need help. They are combated by every foreign influence, but we hit upon this plan, and nobody objected to it in either branch of Congress or in the White House, and the country has not objected to it; and now, as soon as we start to administer the law, when we are getting some interest throughout the country in building ships, why tear down and destroy constructive legislation? I appeal to you gentlemen from the South. Never before the Jones-White Act was passed could we have any hope for southern ports, and now when we have the whole country united, when we have Maine and Texas and the country from one end to the other with the general idea back of it all to build up an American merchant marine, 100 per cent in every particular, flying the American flag against all comers, producing a fleet that in time of stress and war will be a great auxiliary to the Navy of the United States and to our national defense, let us stand by this committee and by its distinguished chairman and other members in this matter. [Applause.]

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That subsection (d) of section 11 of the merchant marine act of June 5, 1920, as amended by section 301 of the merchant marine act of May 22, 1928, is amended to read as follows:

"(d) All such loans shall bear interest at rates as follows, payable not less frequently than annually: During any period in which the vessel is operated exclusively in coastwise trade or is inactive the rate of interest shall be as fixed by the board, but not less than 5¼ per cent per annum. During the period in which a vessel for the foreign trade is being constructed, equipped, reconditioned, remodeled, or improved; or during any period in which such a vessel is operated in foreign trade the rate shall be the lowest rate of yield (to the nearest one-eighth of 1 per cent) of any Government obligation bearing a date of issue subsequent to April 6, 1917 (except postal savings bonds), and outstanding at the time the loan is made by the board, as certified by the Secretary of the Treasury to the board upon its request. The board may prescribe rules for determining the amount of interest payable under the provisions of this paragraph."

With the following committee amendments:

Page 1, line 5, after the figures "1928," insert "(U. S. C., title 46, sec. 871; 45 Stat. L., pt. 1, p. 691)."

Page 2, line 6, after the semicolon following the word "improved," add "and/."

Page 2, line 13, after the word "request," insert: "The rates of interest herein prescribed shall also apply to advances hereafter made on contracts heretofore entered into. The lowest rate of interest shall not be granted for the construction, equipment, reconditioning, remodeling, or improvement of any vessel for the foreign trade, unless it is contracted that such vessel upon completion shall not be operated in the coastwise and/or intercoastal trade for more than three months in any year; and if such vessel shall be operated in such trades for more than three months in any year the board shall collect the difference between the low rate of interest charged and 5¼ per cent per annum during the period of construction, equipment, reconditioning, remodeling, or improvement."

The foregoing committee amendments were severally reported and severally agreed to.

Mr. WHITE. Mr. Chairman, I move that the committee do now rise and report the bill to the House with sundry amendments, with a recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CHINDBLOM, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7998, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WHITE. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

On motion of Mr. WHITE, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. WHITE. 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. 8361) to further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States, and for other purposes. Pending that, I ask unanimous consent that general debate be limited to 40 minutes, one-half the time to be controlled by the gentleman from Tennessee [Mr. DAVIS] and one-half by myself.

The SPEAKER. The gentleman from Maine 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. 8361. Pending that, he asks unanimous consent that general debate be limited to 40 minutes, one half to be controlled by himself and the other half by the gentleman from Tennessee [Mr. DAVIS]. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Maine.

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. 8361, with Mr. CHINDBLOM 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. 8361, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 8361) to further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States, and for other purposes.

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

The CHAIRMAN. The gentleman from Maine asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. WHITE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LAGUARDIA].

The CHAIRMAN. The gentleman from New York is recognized for 10 minutes.

Mr. LAGUARDIA. Mr. Chairman, a great deal has been said about assisting, creating, developing, and promoting the American merchant marine. I want to say right now that it is not helping the American merchant marine by permitting impecunious, inexperienced, discredited operators to buy American ships from the Shipping Board on a shoe string and giving them an exaggerated subsidy to carry mail when they do not carry the mail. That is not helping the American merchant marine, and it is against that policy that I protest.

The gentleman from North Carolina [Mr. ABERNETHY] praised and extolled Mr. Herberman. The gentleman from New Jersey [Mr. LEHLBACH] seconded him, and the gentleman from California [Mr. FREE] and I believe the gentleman from Maine [Mr. WHITE] also praised Mr. Herberman. I want to call the roll in his case. The more you read about him the more you will find out about Mr. Herberman. That is not the way to help the American merchant marine. The way to help the American merchant marine is to have ships that can compete with foreign ships, so that they can carry the United States mail, and not by adopting this back-room method of private conferences between discredited shipping men and a lot of politicians and letting them get a lot of public pap for operating these ships. I predict that it will not be long before you gentlemen will be apologizing in this House for having sung the praise of Mr. Herberman.

I want some of you gentlemen to state whether or not the first installment has been paid on his ships in cash? I would also like to know if the second installment has been paid in cash. I would like to know if his notes have been negotiated.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield there?

Mr. LAGUARDIA. Yes.

Mr. WOODRUFF. I would like to know that with respect to all these ships.

Mr. LAGUARDIA. Certainly. It is the easiest thing in the world in a speech to run up the American flag on an American ship. There is no use in having any more of this hokum and bunkum about assisting the American merchant marine. The friends of the American merchant marine want to see the Jones-White Act honestly carried out in order to get the benefit of that law.

Reference was made to the statement that six ships would be built. If they do build those ships, 75 per cent of that money is loaned to Mr. Herberman.

Mr. BLAND. He will have to put up 25 per cent, and the Government will have to put up 75 per cent, and it will have the ships.

Mr. LAGUARDIA. When has a single keel of a ship been laid?

Mr. BLAND. Some of them will be launched soon.

Mr. LAGUARDIA. We need only give Mr. Herberman time. That is all we need, I will say to the gentleman.

The next bill coming up opens the door, and the purpose of it is to permit Dockendorff and another to take the France Line and one the Diamond Line, and the Postmaster General will be compelled under the bill, if you pass the next bill, to award the mail contracts to them without competitive bidding.

Wherein are you helping the American merchant marine? Suppose an independent ship company desires to compete for one of these mail routes. He could not compete. Not one of these ships now operated by Herberman and the eastern company that are supposed to strengthen the American merchant marine is fit to be commandeered in time of war.

Yet some have the audacity to come here and say that because we protest against the abuses and waste of funds and because we protest against these discriminations that we are opposed to an American merchant marine. You can not compete with foreign steamship companies by hot-air speeches on the floor of the House of Representatives.

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

Mr. LAGUARDIA. Yes.

Mr. BLAND. The gentleman knows that on Wednesday next there will be launched for the Ward Line a new up-to-date ship to go into that service.

Mr. LAGUARDIA. Well, that is a company that has experience and standing; a company that is reputable. I am glad to hear what the gentleman says. Why should they not be permitted to compete for a mail contract? That is the proper way to help the American merchant marine. But do not come along with Mr. Herberman and Mr. Dockendorff, we know them; I say that is not helping the American merchant marine. I am glad I called the roll of the defenders of Mr. Herberman.

I hope the gentleman from Maine [Mr. WHITE] will not call up that bill. I want to say to the gentleman from Maine that his own law is the only protection that we have now around the Jones-White Act, which intended to give all American operators a square deal. By amending the bill to give Herberman and Dockendorff or the Mississippi Shipping Co. undue and unreasonable preference the real purpose of his original bill will be defeated.

Something was said about New York. Why, gentlemen, it is natural that in New York we have operators and shippers who have been in the business all their lives. Of course, you are going to have home ports of other steamship companies. There is no objection to that. But you can not create an operator of steamships in this highly competitive world market overnight. He must have experience; he must have years of experience in this business. The mere fact that you can start these lines on a shoe string, get a 75 per cent loan and get these subsidies brings about the danger that the business will fall into the hands of men who have not had experience and men who risk absolutely nothing, because, as was stated to-day, after the 25 per cent has been paid down, they go out and float an issue of stock. They have nothing to lose. If they make money they will pay the Government, but if they do not make money they will dump the ships back on the Government. So you see the great risk the Government is taking and the great care that is necessary to be exercised in the administration of this law in order to see that only competent, experienced, and reputable operators receive these contracts.

Mr. GIFFORD. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. GIFFORD. In stating that, although the committee has given very serious attention to this matter, it may be called upon sometime to apologize for its action, I want to ask the gentleman if he is in favor of the Government giving preference in the case of the operators who buy from the Government and from whom we take a mortgage, still owning 75 per cent. Should not we see to it that a preference is given to them rather than

to some one who may come in at any time and seek to take the contract away from them?

Mr. LAGUARDIA. Other things being equal.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DAVIS. Mr. Chairman, I yield to myself 15 minutes. [Applause.]

Mr. Chairman and members of the committee, the distinguished gentleman from New York did not discuss the bill now under consideration, but I understand he is in favor of it.

Mr. LAGUARDIA. I am in favor of it.

Mr. DAVIS. The bill we now have before us, H. R. 8361, simply in effect amends the existing law so as to provide that no mail contract shall be awarded to any company which is operating foreign-flag ships in competition with American-flag ships. That proposition speaks for itself and, I assume, appeals to every American citizen and every Member of this House. Regardless of how we may feel with respect to the propriety or the wisdom of awarding mail contracts to American citizens, I am sure we all agree that they should be reserved to those citizens who are engaging in and devoting all of their time, their talents, and their resources to developing an American merchant marine and not operating foreign-flag ships in competition with other American-flag ships. To aid those who are doing otherwise would be aiding foreign merchant marines rather than our own.

However, I wish to make a few observations with respect to the general subject, in view of a number of things that have been said on the floor this afternoon. There is not any doubt in my mind but that some mistakes of administration have been made. As I have many times said, I do not indorse everything that has been done by the Shipping Board.

On the whole, I think they have done very well. They have done some things which I did not approve. The same is true with respect to the Postmaster General; and one of the reasons why we are proposing amendments to-day is in order that the Shipping Board and the Postmaster General may administer the law more in accord with our views of the way it should be administered.

Now, the merchant marine act of 1928 has not been specifically criticized this afternoon, but the administration of it in certain particulars has been criticized.

My lovable friend from North Carolina [Mr. ABERNETHY] referred to this mail subvention as a subsidy. I wish to state that if it is administered in accordance with the intent of the law it is not a subsidy, although it may be a very substantial aid. A subsidy is a gift or a bounty. The award of a mail contract is neither. The merchant marine act of 1928 was not intended to grant favors to any shipbuilding company or any ship operating company. The sole purpose of it, the only justifiable purpose, was to promote the establishment and the maintenance of an American merchant marine. I for one would not have accorded my support to that bill if I had felt that the purpose of it and the effect of it would be to grant bounties or favors to individual citizens or companies. It is true, however, that there is something involved beyond the mere carriage of mail. Great Britain is the greatest maritime nation not only of the present but of all times. She has proceeded upon the theory that commerce follows the flag and mail follows commerce. The only character of aid that Great Britain has ever granted in the interest of her merchant marine was exactly the same character of aid provided in the merchant marine act of 1928—mail contracts and loans for ship construction.

Great Britain has never in all history granted a subsidy to a single ship. No country which has pursued a policy of granting subsidies has succeeded in building up a great national merchant marine. We in this law are pursuing the same policy which has proven so successful and so sound in the case of Great Britain.

Now, when a mail contract is awarded under the terms and spirit of the 1928 merchant marine act, it carries with it certain definite, specific, substantial specifications and obligations and benefits flowing to the Government and to the people. For instance, in the first place, it requires definite, specific sailings in liner service for the carriage of our mail and our commerce and our citizens. Then it provides, as already suggested here this afternoon, that ships constructed under its provisions shall be approved by the Secretary of War for use in case of national emergency as naval auxiliaries or otherwise useful in time of war.

And in this connection, while it is true that the former Postmaster General did award some mail contracts without a requirement for new construction, yet I trust this will not happen any more. I think he made a mistake. I do not believe it is the intention of the present Postmaster General to do this, because the present Postmaster General has recently advertised for bids on 13 proposed new mail contracts, and if I am not mistaken in every instance it is specifically provided that the party to whom the mail contract may be awarded shall become obligated to build new ships within specified periods, of certain types, sizes, and speeds, and, of course, to be operated in that service under the American flag. I think in every instance the new ships required will cost more than the entire amount of mail pay during the 10-year contract.

Mr. PATMAN. Will the gentleman yield there for a question?

Mr. DAVIS. I yield.

Mr. PATMAN. Is not the gentleman mistaken about that? On the line from New York to Plymouth, the United States Shipping Line purchased the ships, the *American Trader*, *Banker*, *Farmer*, *Merchant*, and *Shipper*, for $2,300,000. They have one of the new contracts whereby they will not have any new vessel constructed and no replacements are required. They handle very little, if any mail, and yet they are to receive $630,684 a year.

Mr. DAVIS. No. Those ships are now a part of the United States Lines and, under the specifications in the advertisement, the United States Lines is required to build two new ships comparable to the *Leviathan* and, in fact, much speedier than the *Leviathan*, and of not less than 45,000 gross tons each, and it is estimated that they will cost not less than $30,000,000 apiece, or $60,000,000 for the two.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. DAVIS. Yes.

Mr. WAINWRIGHT. And is it not the fact that they are prepared to enter into that contract and as yet they have not had any mail contract?

Mr. DAVIS. That is true.

Mr. WAINWRIGHT. What is the reason for that?

Mr. DAVIS. As I understand, they are also required to build additional ships to go into that Hamburg service, including two ships of not less than 20,000 tons each and of not less than 20 knots speed. It is estimated that these will cost $8,000,000 each. In other words, these ships will cost many times the full amount of the mail pay which they could possibly receive in the 10 years.

Mr. LEHLBACH. Will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from New Jersey.

Mr. LEHLBACH. The gentleman will recall that the testimony a few days ago showed that these ships will, in fact, cost $32,000,000 apiece instead of $30,000,000, or $64,000,000 for the two; and, furthermore, I would like to call attention to the fact that the *American Farmer*, *Merchant*, and so on, the ships of that line, are all ships that have been built within the last few years and are practically new ships.

Mr. DAVIS. Yes; that is correct.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. DAVIS. I yield to the gentleman.

Mr. LAGUARDIA. It is only fair to add to the statement which the gentleman has made that in many cases the amount of the mail contracts will not be sufficient for the replacements; that the replacements will be built by loans obtained from the Government under the provisions of the Jones-White Act; that is, they are only required to have themselves 25 per cent.

Mr. DAVIS. That is true. Under the construction loan law the Shipping Board may lend up to 75 per cent for the construction of ships. The owners must first put down 25 per cent, and when they do that they may borrow, if the loan is approved by the Shipping Board, the other 75 per cent. A mortgage is retained upon the ship as well as such other security as the Shipping Board may see proper to require.

Mr. LAGUARDIA. So he will have 75 per cent of his capital investment in a loan at a low rate of interest and will only have to operate to earn a reasonable profit on 25 per cent of the total valuation.

Mr. DAVIS. Yes; but hold on, he has to pay a definite part of that loan back every year. He pays every year the interest on the entire loan and he must pay the allocated part of the loan each year.

Of course, the construction-loan fund at the lowest prevailing Government rate of interest is intended to encourage ship construction. It is intended to permit ships to be built in this country in competition with ships built in foreign countries because in foreign shipyards they can be built for approximately one-half or two-thirds of what they can be built for in this country. That was the purpose of that provision, but if we can lend this money and promote the construction of ships in American shipyards by American labor without it costing the Government anything—and in this connection I want to state that up to the present time not one dollar has ever been lost on any ship loan, and a great amount has been loaned and paid back——

Mr. LAGUARDIA. The law is very young yet.

Mr. DAVIS. Oh, no; the 1920 act provided for a construction loan fund of $125,000,000. The 1928 act merely increased it to $250,000,000. So the law has been in operation for 10 years.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DAVIS. Mr. Chairman, I yield myself five minutes more.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. DAVIS. Yes.

Mr. WAINWRIGHT. Of course the two ships costing $62,000,000 are the most important ships to be built, to keep the American flag floating across the North Atlantic; but can the gentleman give us any explanation of why it is, notwithstanding the United States Lines have been willing to enter into a contract they have not yet received a mail contract for carriage of the mail on that most important mail line?

Mr. DAVIS. I wish to say to the gentleman from New York that I do not know that I can answer him definitely because that is a matter between them and the Postmaster General. I have an idea that the matter has possibly been held in abeyance on account of the pending sale of other lines for which the United States Lines has bid.

I want to say this: That the manager of the United States Lines told me that it really was a matter of indifference to them whether they get a mail contract or not, because they would get practically as much on the pound basis as they would on the contract basis.

Mr. O'CONNOR of Louisiana. Will the gentleman from Tennessee yield to me to propound a question to the gentleman from New York?

Mr. DAVIS. I will.

Mr. O'CONNOR of Louisiana. Does the gentleman from New York know whether the shipping, railroads, and financial interests of New York really desire an American merchant marine?

Mr. LAGUARDIA. Certainly; there is no doubt about that, and we were in favor of it before we had the subsidy.

Mr. DAVIS. Now, gentleman, I started to comment upon the obligations involved in these contracts. First, is the matter of regular liner service. Secondly, the construction of new ships that will be useful, not only in times of peace but in times of war; and then the law expressly provides that ships operated under a mail contract, in case of national emergency, may be taken over by our Government. Of course, we can do that in the case of any American ship, but in case of mail contracts we can take them over either for use or ownership without paying any enhancement in price on account of the rise of prices during the war and without paying consequential damages. When we realize that we spent hundreds of millions of dollars during the war for ships that we bought and ships that we built, we can realize that this is a very important factor.

Another thing, a matter in which I know the gentleman from New York is vitally interested, it is provided that the mail ship up to May, 1932, must carry not less than 50 per cent of the crew American citizens—besides the officers who are all required to be American citizens. After 1932 not only are all the officers American citizens, but not less than two-thirds of the crew must be American citizens.

Mr. LAGUARDIA. The gentleman will remember how that was resisted in the House, but was put on in the Senate.

Mr. DAVIS. The gentleman knows that I supported it, but it is in the law at any rate.

Now there are other provisions which I have not time to refer to, but I do wish to call the attention of the House to this feature: We spend two or three hundred million dollars every year for the maintenance of the Navy and for the construction of naval ships, which are admittedly of no use whatever in peace times. We build and maintain naval vessels solely for possible need in time of war. But we know from experience in the last war that merchant ships are just as important, even more important, from the standpoint of naval defense than are naval vessels. [Applause.]

Mr. WHITE. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I rise at this time because I am deeply concerned over the remarks made by the gentleman from New York [Mr. LAGUARDIA] to the effect that later on we may have to apologize for something which the Shipping Board may do. It is true that this may possibly happen. However, we own a merchant marine which has lost millions, in consequence of which we passed a shipping act, turning that merchant marine over to a board to sell the ships to private individuals in the best way they could under the provisions of the law. Of course, some of these lines may be bought in the manner of the one referred to by the gentleman, who has stated that it was purchased for $16,000,000, with only 25 per cent, or $4,000,000, paid down; whereupon the corporation proceeded to sell stocks and bonds to the country at large to get money with which to proceed to build new ships. Naturally they can capitalize their purchase to such amount as they may think should be the actual value of those ships. All of the members of the committee worry over the fact that they may fail in the undertaking, and that some day a committee of stockholders may call upon us and say, "Did not you look very carefully into the financial condition of these lines?" Of course, they are looked into, but at times we can only hope and trust that they will be successful.

If I personally own something that is not making money and want to get it off my hands, even taking back a mortgage of 75 per cent and notes for the balance, I run the risk of what may be done by the purchaser of the property. I sincerely hope the House will not be frightened, even though this actually should work out in some cases the way the gentleman says he thinks it is doing in this one. I regret that he should have brought one large shipping interest into the discussion at this time, lest it be harmed by his criticism, but as business people we ought to know that we do have to run these risks, and that these vessels may conceivably come back on our hands. We must not forget the fact that retaining the vessels would be a continually losing proposition. The gentleman says that he intends to fight the bill which is going to follow this, but I ask him, is it not exceedingly wise to give the Postmaster General authority to grant mail contracts at such price he may think fit and proper to those operators who have bid for vessels and on whose property we now hold a mortgage, rather than to ask for bids from independent companies, in which we have no interest, but which come in and say, "We demand this or that to be put up to competitive bidding." I do not mean that this competitive bidding is bad; it should be understood. But we intend to give these people preference, or make it what might be called "a preference bid," as when one of the heirs, perhaps, in one's own family is to get the old homestead, but provision is made that there must be competitive bids to determine how much the others' shares will be.

The operator knows that he is to have the property if he is willing to accept it at the sum competitively bid. Outsiders know that the managing directors of the lines in question are to have the property if they will meet their bids. We have decided that that is right, and the managing operators, in spite of what the gentleman from New York says, are sometimes called upon to spend money from their own resources to try to enlarge that business, expecting at least that in time they will receive that preference.

Mr. LAGUARDIA. Will the gentleman cite one instance where one operator has dug into its own profits?

Mr. GIFFORD. Oh, yes. I can cite an instance, and I have the authority in writing; but this is not the time or the place to cite losses or profits of these particular lines. Especially it is no time to predict catastrophe in the immediate future, even though we may be afraid of such a possibility sometimes, and even perhaps expect that some lines will fail, and that some will go out among the public and sell their bonds and stocks and perhaps make some money, and then lose their interest in shipping and throw the property back on the Government. Of course, those things are possible; but I think that the gentleman voted for the merchant marine act, and I know that his criticism is not directed against the act itself. He is now criticizing the action of the Shipping Board. We all do that. But I say to-day that they are up against a very hard position and are sincerely trying to carry out what we want them to do. I for one do not like at this time to hear that prediction of catastrophe.

Mr. WHITE. Mr. Chairman, I desire to say just a word in conclusion. I want to emphasize the closing words of the gentleman from Tennessee [Mr. DAVIS] as to the value of a merchant marine as an auxiliary to the Navy of the United States. Some of us talk about naval parity with Great Britain, but in 1927 Great Britain had 227 ships capable of conversion into naval uses, of 4,000 tons or more, with a speed in excess of 15 knots, and we here in the United States had but 70 of that character. What is the use of talking about naval parity with Great Britain so long as in merchant ships of this type she outratios us three to one. One of the major purposes of our merchant marine legislation is to build up the type of ships which will be an auxiliary to the Navy of the United States in time of stress. Under the merchant marine act of 1928 that is the type of new construction that is being required, and it is one of the outstanding purposes and one of the purposes that justifies us in supporting it.

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

Mr. WHITE. Yes.

Mr. LAGUARDIA. Has not the gentleman observed the high efficiency and vision of the administration of the British authorities in paying out their mail contracts?

Mr. WHITE. Oh, yes, indeed. They loaned to the Cunard Co. in 1902 the entire cost of the *Mauretania* and *Lusitania* at 2¾ per cent interest, and then they paid them more than $700,000 a year each in naval subvention and more than $300,000 each in postal subvention, more than a million dollars a year each, and I doubt if the *Mauretania* stands the Cunard Co. today a single nickel—and that is the value that Great Britain places upon ships of this character. We may well take a lesson from Great Britain in those regards.

Mr. LAGUARDIA. Yes. They will have at least something for their money; but if you give it to the Export Co., you will have nothing.

Mr. WHITE. We have been building up by this Export Co. a great trade in the Mediterranean which has never been enjoyed before by American ships. [Applause.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That Title IV, section 404, of the merchant marine act, 1928 (U. S. C., title 46, sec. 891h; 45 Stat. L. (pt. 1) 693), is amended to read as follows:

"SEC. 404. The Postmaster General is authorized to enter into contracts with citizens of the United States whose bids are accepted for the carrying of mails between ports (exclusive of ports in the Dominion of Canada other than ports in Nova Scotia) between which it is lawful under the navigation laws for a vessel not documented under the laws of the United States to carry merchandise: *Provided*, That the Postmaster General shall not enter into any such contract with any person, firm, corporation, or association, which is, directly or indirectly, through any subsidiary, associated or affiliated person, firm, corporation, or association, or as a holding company or through stock ownership, or otherwise, operating, or controlling the operation of, any foreign-flag ships in competition with any American-flag ships.

"He shall include in such contracts such requirements and conditions as in his best judgment will insure the full and efficient performance thereof and the protection of the interests of the Government. Performance under any such contract shall begin not more than three years after the contract is let, and the term of the contract shall not exceed 10 years."

With a committee amendment as follows:

"If the Postmaster General hereafter enters into any contract under this title for carrying mail and the holder of a contract thereafter violates the terms of this proviso, said contract shall thereupon become null and void. The Postmaster General shall submit to the Shipping Board the question of the eligibility of each applicant for a mail contract under the terms of this proviso; and if, after the award of such contract, any question arises as to whether the holder of such a contract is violating the terms of this proviso, the Postmaster General shall likewise submit such question to the Shipping Board. The Shipping Board shall determine and certify to the Postmaster General its findings with respect thereto. Such findings and certification by the Shipping Board shall be conclusive upon all parties."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. WHITE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Maine offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WHITE: On page 2, lines 1 and 2, strike out the parentheses and the words included therein "(exclusive of ports in the Dominion of Canada other than ports in Nova Scotia)."

Mr. WHITE. Mr. Speaker, in view of these bills recently passed by the Senate, this amendment is necessary in order to synchronize this bill with those.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WHITE. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the amendments, with the recommendation that the amendments be agreed to; and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CHINDBLOM, Chairman of the Committee of the Whole House on the state of the Union, having under consideration the bill (H. R. 8361) to further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States, and for other purposes, reported that that committee had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WHITE. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on either amendment? If not, the Chair will put them in gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill as amended.

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

On motion of Mr. WHITE, a motion to reconsider the last vote was laid on the table.

AIR MAIL FLIGHTS FROM SOUTH AMERICA

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to speak out of order for five minutes.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to address the House for five minutes. Is there objection?

There was no objection.

Mr. McMILLAN. Mr. Speaker and Members of the House, I wish to call the attention of the House to the epochal air mail flight from South America which ended Wednesday afternoon at Miami, Fla. The flight marked the first regular trip of the New York, Rio & Buenos Aires Line (Inc.), between the two American continents via the east coast of South America, and broke all records for transportation of mail from the important trade centers of South America to the United States.

Being a member of the Committee on the Post Office and Post Roads, I am vitally interested in air mail development, and I believe the House would be glad to hear a brief review of this flight and what it means, in my opinion, to our trade and commerce with Latin American countries.

As a result of this flight business and commerce of the continents are closer to each other than they have ever been before. Mail placed aboard a plane in Santiago, Chile, arrived in the United States eight and one-half days later. The mail cargo from Buenos Aires, the metropolis of South America, was delivered at Miami seven and one-half days later, while mail dispatched from Rio de Janeiro arrived here in the astounding time of five days.

A fleet of multi-motored flying boats and amphibian planes and speedy air mail express planes was employed on this history-making flight. The air voyage north to the United States via the east coast route of the New York, Rio & Buenos Aires Line started Tuesday, February 18 from Santiago, Chile. The initial hop was made through a 19,000-foot pass in the Andes Mountains to Buenos Aires where a giant 20-passenger flying boat roared off to Montevideo, Uruguay, and up the east coast to Brazil. Flying boats and amphibian planes were used up the entire east coast where stops were made at Santos, Rio de Janeiro, Bahia, Port Alegre and Para, Brazil, and Georgetown, British Guiana. When San Juan, Porto Rico, was reached the mail was transferred into an air mail express plane which flew to Habana, Cuba, where the mail was again transferred into a 20-passenger flying boat and brought to Miami in record-breaking time. The operating or flying time between the larger cities of South America and the United States on this flight was as follows:

Santiago, Chile, to Miami	7½ days
Buenos Aires, Argentina	6½ days
Rio de Janeiro, Brazil	5 days

Mr. Speaker, I believe this American air line should be commended for this extraordinary achievement which I know is only the first of many milestones of achievement and progress from which the American people and American business will reap many benefits. This line has become firmly intrenched in South America and has established itself in those countries of South America where our European competition is keenest. Already this company has negotiated contracts with Argentina, Uruguay, Brazil, Chile, Venezuela, and Haiti for the carrying of mail by air to the United States.

The House may be interested also in knowing that the man who is head of this American air line has done as much, if not more, than any other one man for American aviation. That man is the Hon. William P. MacCracken, jr., former Assistant Secretary of Commerce for Aeronautics. He left the Department of Commerce to become chairman of the board of the New York, Rio & Buenos Aires Line (Inc.), and the flight I have told about demonstrates the value of his leadership. I am confident we will hear more about his successful endeavors as time goes on.

At the present time the United States does not have an air mail service down the east coast of South America. Our routes now extend as far as Paramaribo, Dutch Guiana, on the north tip of South America, and down the west coast to Santiago and across the Andes Mountains to Buenos Aires and Montevideo. To aid American business, which has millions of dollars invested in South America, we should put in an air mail route between Paramaribo and Buenos Aires on the east coast. It is in this territory that about 80 per cent of the trade in South America is concentrated. And it is here also that our European competitors for South American markets are conducting the greater part of their activity. Department of Commerce reports show that in this area, which is not now included in our foreign air mail system, is located 56 per cent of the population of South America; 65 per cent of the wealth; 72 per cent of the motor vehicles; 61 per cent of the railroad mileage and telephone facilities; 88 per cent of the mail volume; and 59 per cent of the foreign trade.

With the completion of this record-breaking air-mail flight from South American over the east-coast route, I hope Congress and the Post Office Department will take steps as quickly as possible to install an air mail route to cover this territory which, I believe, holds such rich trade-development possibilities. [Applause.]

ORDER OF BUSINESS TO-MORROW

Mr. GARNER. Mr. Speaker, may I have the attention of the majority leader, to make an inquiry as to what will be done to-morrow, so that the RECORD may show and the Membership may know just what to expect to-morrow?

Mr. TILSON. There is but one bill remaining for consideration, presented by the Committee on the Merchant Marine and Fisheries, the bill H. R. 9592. This will be the only bill taken up.

Mr. GARNER. When you complete that bill you adjourn to-morrow?

Mr. TILSON. Yes. When that bill is completed we adjourn.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 875. An act authorizing C. N. Jenks, F. J. Stransky, L. H. Miles, John Grandy, and Bruce Machen, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Savanna, Ill.;

S. 3197. An act granting the consent of Congress to the Morgan's Louisiana & Texas Railroad & Steamship Co., a corporation, its successors and assigns, to construct, maintain, and operate a railroad bridge across the intracoastal canal;

S. 3297. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River approximately midway between the cities of Owensboro, Ky., and Rockport, Ind.; and

S. 3405. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Decatur, Nebr.

ADJOURNMENT

Mr. WHITE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned until to-morrow, Saturday, March 1, 1930, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Saturday, March 1, 1930, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON WAYS AND MEANS

(10.30 a. m.)

To reduce international double taxation (H. R. 10165).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

349. A letter from the Secretary of the Treasury, transmitting draft of a bill to provide better facilities for the enforcement of the customs and immigration laws; to the Committee on Public Buildings and Grounds.

350. A letter from the president of Washington Railway & Electric Co., transmitting balance sheet of the Washington Railway & Electric Co. as of December 31, 1929; to the Committee on the District of Columbia.

351. A letter from the president of Washington Railway & Electric Co., transmitting balance sheet of the Washington Interurban Railroad Co. as of December 31, 1929; to the Committee on the District of Columbia.

352. A letter from the president of Potomac Electric Power Co., transmitting balance sheet of the Potomac Electric Power Co. of December 31, 1929; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. ENGLEBRIGHT: Committee on Indian Affairs. H. R. 10081. A bill to amend the act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California; without amendment (Rept. No. 796). Referred to the House Calendar.

Mr. LUCE: Committee on the Library. H. R. 10171. A bill providing for the erection at Clinton, Sampson County, N. C., of a monument in commemoration of William Rufus King, former Vice President of the United States; without amendment (Rept. No. 797). Referred to the House Calendar.

Mr. O'CONNOR of Louisiana: Committee on Rivers and Harbors. H. R. 8299. A bill authorizing the establishment of a national hydraulic laboratory in the Bureau of Standards of the Department of Commerce and the construction of a building therefor; with amendment (Rept. No. 798). Referred to the Committee of the Whole House on the state of the Union.

Mr. WAINWRIGHT: Committee on Military Affairs. H. R. 1420. A bill to authorize the Secretary of War to loan aeronautical equipment and material for purposes of research and experimentation; without amendment (Rept. No. 799). Referred to the House Calendar.

Mr. SWING: Committee on Irrigation and Reclamation. H. R. 9442. A bill to authorize the Secretary of the Interior to make engineering and economic investigations and studies of conditions in Palo Verde and Cibola Valleys and vicinity on the Colorado River, and for other purposes; without amendment (Rept. No. 801). Referred to the Committee of the Whole House on the state of the Union.

Mr. UNDERHILL: Committee on Accounts. H. Res. 157. A resolution for the employment temporarily of an official reporter of debates (Rept. No. 786). Ordered to be printed.

Mr. SNELL: Committee on Rules. H. Res. 172. A resolution providing for the consideration of H. R. 10288, a bill to regulate the transportation of persons in interstate and foreign commerce by motor carriers operating on the public highways; without amendment (Rept. No. 787). Referred to the House Calendar.

Mr. SNELL: Committee on Rules. H. J. Res. 251. A joint resolution to promote peace and to equalize the burdens and to minimize the profits of war; without amendment (Rept. No. 788). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. FISHER: Committee on Military Affairs. H. R. 10310. A bill for the relief of Samuel Pelfrey; without amendment (Rept. No. 785). Referred to the Committee of the Whole House.

Mr. WAINWRIGHT: Committee on Military Affairs. H. R. 48. A bill donating bronze trophy guns to the Cohoes Historical Society, Cohoes, N. Y.; without amendment (Rept. No. 789). Referred to the Committee of the Whole House.

Mr. GLYNN: Committee on Military Affairs. H. R. 4050. A bill donating trophy gun to F. D. Hubbel Relief Corps, No. 103, of Hillsboro, Ill.; with amendment (Rept. No. 790). Referred to the Committee of the Whole House.

Mr. McSWAIN: Committee on Military Affairs. H. R. 6348. A bill donating trophy guns to Varina Davis Chapter, No. 1980, United Daughters of the Confederacy, Macclenny, Fla.; without amendment (Rept. No. 791). Referred to the Committee of the Whole House.

Mr. SPEAKS: Committee on Military Affairs. H. R. 9425. A bill to authorize the Secretary of War to donate a bronze cannon to the city of Martins Ferry, Ohio; without amendment (Rept. No. 792). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 653. A bill for the relief of Frederick Samuel Gilbert; without amendment (Rept. No. 793). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 4660. A bill to authorize the President to appoint Capt. Charles H.

Harlow a commodore on the retired list; without amendment (Rept. No. 794). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 10317. A bill for the relief of Samuel S. Michaelson; without amendment (Rept. No. 795). Referred to the Committee of the Whole House.

Mr. EVANS of California: Committee on Naval Affairs. H. R. 6076. A bill authorizing the Secretary of the Navy to sell to Frank Miller, of Riverside, Calif., the bell formerly in use on the U. S. S. *Sylph;* without amendment (Rept. No. 800). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARENTZ: A bill (H. R. 10368) to include certain lands in the counties of Lincoln, Nye, and White Pine, Nev., in the Nevada National Forest, Nev., and for other purposes; to the Committee on the Public Lands.

By Mr. EDWARDS: A bill (H. R. 10369) authorizing an appropriation of $85,000 for the construction of shore-protection works to protect the damage and waste of Government property at Fort Screvens, Ga., from erosions caused by tidal actions of the sea; to the Committee on Military Affairs.

By Mr. JAMES: A bill (H. R. 10370) to authorize the acquisition for military purposes of land in Virginia for use as an addition to Langley Field; to the Committee on Military Affairs.

Also (by request of the War Department), a bill (H. R. 10371) to authorize appropriations for Field Artillery instruction activities; to the Committee on Military Affairs.

Also (by request of the War Department), a bill (H. R. 10372) to authorize appropriations for instruction activities of the Infantry, Cavalry, and Coast Artillery; to the Committee on Military Affairs.

By Mr. McLEOD: A bill (H. R. 10373) to amend the act entitled "An act to amend the act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes,' approved May 22, 1920, and acts in amendment thereof," approved July 3, 1926, as amended; to the Committee on the Civil Service.

By Mr. FRANK M. RAMEY: A bill (H. R. 10374) to provide for the disposition of the pension money of deceased members of the National Home for Disabled Volunteer Soldiers; to the Committee on Military Affairs.

By Mr. WOODRUFF: A bill (H. R. 10375) to provide for the retirement of disabled nurses in the Navy; to the Committee on Naval Affairs.

By Mr. GUYER: A bill (H. R. 10376) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Kansas City, Kans.; to the Committee on Interstate and Foreign Commerce.

By Mr. CHINDBLOM: A bill (H. R. 10377) to amend section 20, as amended, of the act of June 10, 1922, as amended, entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service"; to the Committee on Military Affairs.

Also, a bill (H. R. 10378) to authorize the erection of a further addition to Veterans' Bureau hospital No. 105 at North Chicago, Ill., and to authorize an appropriation therefor; to the Committee on World War Veterans' Legislation.

By Mr. COLTON: A bill (H. R. 10379) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Roads.

By Mr. GAMBRILL: A bill (H. R. 10380) adjusting the salaries of the Naval Academy band; to the Committee on Naval Affairs.

By Mr. JOHNSON of South Dakota: A bill (H. R. 10381) to amend the World War veterans' act, 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. VINSON of Georgia: A bill (H. R. 10382) for the relief of the State of Georgia for damage to and destruction of roads and bridges by floods in 1929; to the Committee on Roads.

By Mr. MOORE of Virginia: A resolution (H. Res. 173) that the House expresses its confidence in those who represent the United States at the conference in Europe on naval armaments; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BAIRD: A bill (H. R. 10383) for the relief of R. A. Hunsinger; to the Committee on Claims.

Also, a bill (H. R. 10384) granting a pension to Ella M. Collins; to the Committee on Invalid Pensions.

By Mr. CABLE: A bill (H. R. 10385) granting a pension to Maria Hurley; to the Committee on Invalid Pensions.

By Mr. DUNBAR: A bill (H. R. 10386) granting an increase of pension to Frances Roger; to the Committee on Invalid Pensions.

By Mr. EATON of Colorado: A bill (H. R. 10387) authorizing the Secretary of the Navy in his discretion to deliver to the custody of the city of Denver, Colo., the ship's bill, plaque, war record, name plate, and silver service of the cruiser *Denver* that is now or may be in his custody; to the Committee on Naval Affairs.

By Mr. EDWARDS: A bill (H. R. 10388) granting a pension to Horace E. Hobbs; to the Committee on Pensions.

By Mr. FREEMAN: A bill (H. R. 10389) granting an increase of pension to Hattie E. Chappell; to the Committee on Invalid Pensions.

By Mr. GIFFORD: A bill (H. R. 10390) for the relief of T. Perry Higgins; to the Committee on Claims.

By Mr. GUYER: A bill (H. R. 10391) for the relief of Zora Beth Fast and Ernest Edward Beth; to the Committee on Claims.

Also, a bill (H. R. 10392) granting an increase of pension to Pearle McMurtry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10393) for the relief of Frank Conlin; to the Committee on Claims.

Also, a bill (H. R. 10394) for the relief of Joseph H. Carson; to the Committee on Military Affairs.

Also, a bill (H. R. 10395) granting a pension to Charles P. Williamson; to the Committee on Pensions.

Also, a bill (H. R. 10396) for the relief of Vernon K. Campbell; to the Committee on Claims.

Also, a bill (H. R. 10397) granting an increase of pension to Augusta Redfield Simpson; to the Committee on Invalid Pensions.

By Mr. HESS: A bill (H. R. 10398) granting a pension to Emilie Kaiser; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Nebraska: A bill (H. R. 10399) granting a pension to Maria E. Browne; to the Committee on Pensions.

By Mr. JONAS of North Carolina: A bill (H. R. 10400) granting a pension to Oma Miller; to the Committee on Invalid Pensions.

By Mr. LAMBERTSON: A bill (H. R. 10401) granting an increase of pension to Anna E. Potter; to the Committee on Invalid Pensions.

By Mr. LANHAM: A bill (H. R. 10402) for the relief of Harry W. Boyd; to the Committee on Military Affairs.

Also, a bill (H. R. 10403) for the relief of John Du Bois; to the Committee on Military Affairs.

By Mr. LETTS: A bill (H. R. 10404) granting a pension to Lucy E. Wilson; to the Committee on Invalid Pensions.

By Mrs. McCORMICK of Illinois: A bill (H. R. 10405) granting an increase of pension to Peter G. Petersen; to the Committee on Pensions.

By Mr. McKEOWN: A bill (H. R. 10406) granting an increase of pension to John W. Smith; to the Committee on Pensions.

By Mr. MOUSER: A bill (H. R. 10407) granting an increase of pension to Emma McComb; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 10408) granting an increase of pension to Wiley N. Johnston; to the Committee on Pensions.

Also, a bill (H. R. 10409) granting an increase of pension to Sarah J. Piatt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10410) granting an increase of pension to Lucy E. Findley; to the Committee on Invalid Pensions.

By Mr. PALMER: A bill (H. R. 10411) granting a pension to Jane C. Doran; to the Committee on Invalid Pensions.

By Mr. SWICK: A bill (H. R. 10412) granting an increase of pension to Malinda Berry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10413) granting an increase of pension to Amanda J. Mossman; to the Committee on Invalid Pensions.

By Mr. WYANT: A bill (H. R. 10414) granting an increase of pension to Elizabeth R. Walters; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

5161. By Mr. ARENTZ: Memorial of certain citizens of Nevada urging passage of House bill 2562, providing for in-

creased rates of pension to the men who served during the Spanish War period; to the Committee on Pensions.

5162. Also, memorial of Darrell Dunkle Post of the American Legion, Reno, Nev., asking that everything possible be done toward the establishment of a hospital for World War veterans in Nevada; to the Committee on World War Veterans' Legislation.

5163. By Mr. BAIRD: Petition of sundry citizens of Fostoria, Seneca County, Ohio, requesting action on House bill 2562, to increase the pensions of Spanish War veterans; to the Committee on Pensions.

5164. Also, memorial of Jackson Grange, No. 2299, Hoytville, Ohio, urging the support of export debenture amendment to the tariff bill; to the Committee on Ways and Means.

5165. Also petition of the Green Springs Community Institute, Green Springs, Ohio, opposing any effort to repeal the eigtheenth amendment and favoring the rigid enforcement of all laws; to the Committee on the Judiciary.

5166. By Mr. DALLINGER: Petition of certain citizens of Middlesex County, Mass., praying for the enactment of House bill 2562; to the Committee on Pensions.

5167. By Mr. DUNBAR: Petition of Ernest J. Reniking and members of Nathaniel Isler Camp, No. 87, United Spanish War Veterans and citizens and voters of Jeffersonville, Clark County, Ind., urging enactment into law of House bill 2562; to the Committee on Pensions.

5168. By Mr. ENGLEBRIGHT: Petition of Henry Neunaber and citizens of Westwood, Calif., urging more adequate relief for the veterans of the Spanish-American War; to the Committee on Pensions.

5169. By Mr. EVANS of California: Petition signed by 50 women of the committee representing 600 members of the Women's Relief Corps of Long Beach in support of an increase of pension for widows of Civil War veterans; to the Committee on Invalid Pensions.

5170. By Mr. FITZGERALD: Petition of over 1,500 veterans of the Civil War, Indian wars, Spanish War, and World War, members of the Central Branch, National Military Home at Dayton, Ohio, protesting against the passage of House bill 6141 to permit Soldiers' Home hospitals to be transferred to the United States Veterans' Bureau; to the Committee on Expenditures in the Executive Departments.

5171. By Mr. FREEMAN: Petition of citizens of Noank, Conn., requesting speedy consideration and passage of House bill 2562 and Senate bill 476 providing increased rates of pension to veterans of the Spanish War; to the Committee on Pensions.

5172. By Mr. FRENCH: Petition of 67 citizens of Ontario, Oreg., indorsing Senate bill 476 and House bill 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.

5173. By Mr. GUYER: Petition of the Central Labor Union, Kansas City, Kans., urging favorable action on Senate bill 476 and House bill 2562 to increase the pensions of veterans of the war with Spain, the Philippine insurrection, and the Chinese boxer relief expedition; to the Committee on Pensions.

5174. By Mr. HUDSON: Petition of citizens of Flint, Mich., urging favorable consideration of House bill 7884 exempting dogs from vivisection; to the Committee on the District of Columbia.

5175. By Mr. KORELL: Petition of residents of Portland, Oreg., advocating the passage of House bill 8976; to the Committee on Pensions.

5176. By Mr. KVALE: Petition of 38 residents of Wood Lake, Minn., urging passage of House bill 1410; to the Committee on Irrigation and Reclamation.

5177. By Mr. LEAVITT: Petition of members of General Nelson A. Miles Camp, No. 12, favoring passage of the Manlove bill, H. R. 8976, for the relief of veterans of Indian wars, widows of veterans, and minor orphan children; to the Committee on Pensions.

5178. Also, petition of citizens of Rimini and other cities of Montana, favoring increased rates of pension for veterans of the Spanish-American War, widows of veterans, and their orphans; to the Committee on Pensions.

5179. By Mr. LEHLBACH: Petition of Franklin Camp, No. 29, Newark, N. J., in support of House bill 2562; to the Committee on Pensions.

5180. Also, petition of citizens of the tenth congressional district of New Jersey in support of House bill 2562; to the Committee on Pensions.

5181. By Mr. McCLINTOCK of Ohio: Petition of citizens of Alliance, Ohio, favoring increased pensions for Spanish War veterans; to the Committee on Pensions.

5182. By Mr. MICHENER: Petition of numerous citizens of Ann Arbor, Mich., favoring bill increasing pensions for Civil War veterans and their dependents; to the Committee on Invalid Pensions.

5183. Also, petition of numerous citizens of Morenci, Mich., favoring the passage of House bill 2562; to the Committee on Pensions.

5184. By Mr. MILLIGAN: Petition of John G. Vantrump and other citizens of Elmira, Mo., urging enactment of additional legislation for veterans of the Spanish War; to the Committee on Pensions.

5185. By Mr. MERRITT: Petition of sundry citizens of Norwalk, East Norwalk, South Norwalk, and Westport, in the State of Connecticut, favoring passage for legislation to increase the pensions of Spanish War veterans; to the Committee on Pensions.

5186. Also, petition of sundry citizens of Bridgeport, Fairfield, and Stratford, in the State of Connecticut, favoring passage of legislation to increase the pensions of Spanish War veterans; to the Committee on Pensions.

5187. By Mr. O'CONNELL of New York: Petition of William Schwobel, president Local 251, National Federation of Post-Office Clerks, Brooklyn, N. Y., favoring the passage of the new Lehlbach retirement bill; to the Committee on the Civil Service.

5188. By Mr. O'CONNOR of New York: Resolution of the New York City Federation of Women's Clubs (Inc.), urging the passage of Senate bill 1586 and House bill 10 to create a department of public education; to the Committee on Education.

5189. Also, resolution of the directors of the New York State Farm Bureau Federation, representing more than 35,000 farmers of the State of New York, urging the passage of the Capper-Ketcham bill to provide increased Federal aid to States for the advancement of agricultural extension; to the Committee on Agriculture.

5190. Also, petition of 63 citizens of the State of New York, indorsing legislation for increased pensions to veterans of the Spanish-American War; to the Committee on Pensions.

5191. By Mr. O'CONNOR of Oklahoma: Resolution adopted by the board of commissioners of Sand Springs, Okla., for early enactment of Senate bill 476 and House bill 2562 in behalf of Spanish-American War veterans; to the Committee on Pensions.

5192. Also, resolution adopted by the Oklahoma Agricultural Cooperative Council, urging early action of Senate bill 3216 and House bill 8870; to the Committee on Agriculture.

5193. Also, resolution adopted by Local Union No. 176 of the United Association of Journeymen Plumbers and Steam Fitters of the United States and Canada, requesting Congress to enact an oil tariff; to the Committee on Ways and Means.

5194. Also, resolution adopted by International Brotherhood of Electrical Workers, Local Union No. 584, calling for enactment of oil tariff in Oklahoma; to the Committee on Ways and Means.

5195. Also, resolution of Corporation Commission of Oklahoma, opposing the Couzens bill known as S. 6; to the Committee on Interstate and Foreign Commerce.

5196. Also, resolution adopted by Mid-Continent Royalty Owners' Association, calling for oil tariff; to the Committee on Ways and Means.

5197. Also, telegram representing 25,000 ex-service men, favoring immediate action on oil tariff in Oklahoma; to the Committee on Ways and Means.

5198. By Mr. QUAYLE: Petition of the trustee of the New York Public Library, office of the secretary, New York City, with reference to section 305 of House bill 2667; to the Committee on Ways and Means.

5199. Also, petition of Castle Point Post, No. 1542, Veterans of Foreign Wars, Castle Point, N. Y., and Raymond E. Armstrong, chairman publicity committee for the uncompensated disabled veterans of the World War, favoring the passage of the Rankin bill, H. R. 7825; to the Committee on World War Veterans' Legislation.

5200. Also, petition of William Kurtz Post, No. 976, United States veterans' hospital, Castle Point, N. Y., favoring the passage of the Rankin bill; to the Committee on World War Veterans' Legislation.

5201. Also, petition of the Children's Village, Dobbs Ferry, N. Y., favoring the passage of the Norbeck-Andresen bill, H. R. 7994, for the protection of the American bald eagle; to the Committee on Agriculture.

5202. Also, petition of E. Refensburg & Sons, New York City, and Masback Hardware Co., New York City, both favoring the passage of the Capper-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5203. Also, petition of Joseph A. Kenny, New York City, favoring the passage of House bill 6983, to amend certain sections of the Federal farm loan act; to the Committee on Banking and Currency.

5204. By Mr. ROMJUE: Petition of citizens of Schuyler County, Mo., asking for the passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

5205. By Mr. SLOAN: Petition of John F. Bergmeyer, and 84 others, Seventy-first Congress bills, 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 World War Veterans' Legislation.

5206. By Mr. SNELL: Petition of New York State Farm Bureau Federation, urging Congress for the passage of the Capper-Ketcham bill now before Congress, which provides for increased Federal aid to States for the advancement of agriculture extension; to the Committee on Agriculture.

5207. By Mr. SWANSON: Petition of G. C. Bosen and 33 others, urging the passage of House bill 2562 for the relief of Spanish War veterans; to the Committee on Pensions.

5208. By Mr. SWING: Petition of members of the men's Bible class of the First Presbyterian Church of San Diego, Calif., protesting against the efforts to break down the eighteenth amendment; to the Committee on the Judiciary.

5209. By Mr. WELCH of California: Petition of sundry citizens of San Francisco, Calif., urging the early enactment of the Lehlbach retirement bill and House bill 9446; to the Committee on the Civil Service.

5210. By Mr. WIGGLESWORTH: Petition of Patrick A. Connolly and several citizens of Brockton, Mass., urging the early passage of House bill 2562 providing for increased rates of pension to Spanish War veterans; to the Committee on Pensions.

5211. By Mr. WOLVERTON of West Virginia: Petition of Dr. E. R. Cooper, of Troy, Gilmer County, W. Va., and the Kanawha Medical Association, of Charleston, W. Va., opposing favorable action on the legislation proposed in House bills 9053, 9054; to the Committee on the Judiciary.

5212. By Mr. WYANT: Petition of Herminie Council, No. 196, Junior Order of United American Mechanics, Herminie, Westmoreland County, Pa., advocating legislation to put Mexican immigration on a quota basis, to make The Star-Spangled Banner the official national anthem, and opposing the national-origins clause of the immigration law; to the Committee on the Judiciary.

5213. Also, petition of Rillton Grange, No. 1950, Rillton, Westmoreland County, Pa., indorsing debenture plan and opposing tariff on lumber, shingles, and other building materials used in construction of farm buildings; to the Committee on Ways and Means.

5214. By Mr. YON: Petition of M. M. Perriman, R. C. Sanford, B. F. Smith, H. F. Cotten, J. M. Smith, and John G. McClaim, of Quincy, Gadsden County, Fla., urging the passage of House bill 2562 granting an increase of pension to Spanish-American War veterans and widows of veterans; to the Committee on Pensions.

SENATE

SATURDAY, *March 1, 1930*

(Legislative day of Monday, January 6, 1930)

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

Mr. GOFF obtained the floor.

Mr. FESS. Mr. President, will the Senator yield to enable me to suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from West Virginia yield for that purpose?

Mr. GOFF. I yield.

Mr. FESS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

Allen	Copeland	Harris	McNary
Ashurst	Couzens	Harrison	Metcalf
Barkley	Cutting	Hatfield	Moses
Bingham	Deneen	Hawes	Norbeck
Black	Dill	Hayden	Norris
Blaine	Fess	Hebert	Nye
Blease	Fletcher	Heflin	Oddie
Borah	Frazier	Johnson	Overman
Bratton	George	Jones	Patterson
Brock	Glass	Kean	Phipps
Brookhart	Goff	Keyes	Pine
Capper	Gould	La Follette	Pittman
Caraway	Greene	McKellar	Ransdell
Connally	Hale	McMaster	Robinson, Ind.
Robsion, Ky.	Steiwer	Trammell	Waterman
Sheppard	Stephens	Tydings	Watson
Shortridge	Sullivan	Vandenberg	Wheeler
Simmons	Swanson	Wagner	
Smith	Thomas, Idaho	Walsh, Mass.	
Smoot	Thomas, Okla.	Walsh, Mont.	

Mr. FESS. I wish to announce that my colleague the junior Senator from Ohio [Mr. McCULLOCH] is unavoidably detained from the Senate. I ask that this announcement may stand for the day.

Mr. SHEPPARD. I desire to announce that the junior Senator from Utah [Mr. KING] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

I also desire to announce the necessary absence of the Senator from Arkansas [Mr. ROBINSON] and the Senator from Pennsylvania [Mr. REED], who are delegates from the United States to the Naval Arms Conference meeting in London, England.

The VICE PRESIDENT. Seventy-seven Senators have answered to their names. A quorum is present.

ORDER FOR RECESS

Mr. SMOOT. Mr. President, I ask unanimous consent that at the conclusion of its business to-day the Senate shall take a recess until 11 o'clock Monday morning.

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

INVESTIGATION OF COTTONSEED INDUSTRY (S. DOC. NO. 91)

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Federal Trade Commission, transmitting, pursuant to Senate Resolutions 136 and 147 (71st Cong., 1st sess.) a preliminary report regarding the commission's investigation of certain phases of the cottonseed industry, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

PETITION AND MEMORIAL

Mr. VANDENBERG presented a resolution adopted by the North Eastern Michigan Development Bureau, of Bay City, Mich., favoring the passage of the so-called Knutson bill, providing funds from the Federal Treasury for tree planting in the national forests, etc., which was referred to the Committee on Agriculture and Forestry.

Mr. TYDINGS presented a resolution adopted by the Baltimore (Md.) Zionist District, protesting against any change in the existing calendar which would include a blank day or any other device by which the immemorially fixed periodicity of the Sabbath would be destroyed, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

Mr. WHEELER, from the Committee on Indian Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (H. R. 564) for the relief of Josephine Laforge (Sage Woman) (Rept. No. 231); and

A bill (H. R. 565) for the relief of Clarence Stevens (Rept. No. 232).

Mr. BROOKHART, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon;

A bill (S. 363) for the relief of Charles W. Martin (Rept. No. 233); and

A bill (S. 463) for the relief of the Gray Artesian Well Co. (Rept. No. 234).

REPORT OF POSTAL NOMINATIONS

Mr. PHIPPS, as in open executive session, from the Committee on Post Offices and Post Roads, reported sundry post-office nominations, which were placed on the Executive Calendar.

BILLS INTRODUCED

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

By Mr. HALE:

A bill (S. 3777) granting an increase of pension to Ellah J. C. Perry (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 3778) granting an increase of pension to Mary E. Tolbert (with accompanying papers); to the Committee on Pensions.

By Mr. PATTERSON:

A bill (S. 3779) granting a pension to Mary E. Ewing (with accompanying papers); to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 3780) for the relief of Llewellyn B. Griffith; to the Committee on Military Affairs.