5584. By Mr. TILSON: Memorial of the court of common council of the city of Meriden, Conn., urging enactment of House Joint Resolution 167 directing the President of the United States 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; to the Committee on the Judiciary.

5585. By Mr. WALKER: Petition of B. Benson and 32 citizens of Lincoln County, Ky., urging enactment of Senate bill 476 and House bill 2562 for the relief of Spanish War veterans; to the Committee on Pensions.

5586. By Mr. WATSON: Petition of citizens of Newtown, Bucks County, Pa., favoring the Capper-Kelly bill, H. R. 11; to the Committee on Interstate and Foreign Commerce.

5587. Also, petition of citizens of Ardmore, Montgomery County, Pa., urging the early passage of Senate bill 476 and House bill 2562 granting an increase of pension to Spanish-American War veterans; to the Committee on Pensions.

5588. By Mr. WIGGLESWORTH: Petition of Frank L. Richards and several residents of Milton, Mass., urging the early passage of House bill 2562 providing for the increasing of the pensions of Spanish War veterans; to the Committee on Pensions.

5589. By Mr. WINGO: Petition of citizens of Fort Smith, Ark., and Polk County, Ark., in behalf of House bill 2562 and Senate bill 476 to increase pensions of Spanish-American War veterans; to the Committee on Pensions.

5590. By Mr. WOOD: Petition of citizens of Newton and Jasper Counties, tenth congressional district, Indiana, asking the enactment of legislation increasing the rates of pension for the veterans of the Spanish-American War period; to the Committee on Pensions.

5591. Also, petition of residents of the tenth congressional district of Indiana, asking for legislation increasing the rates of pension for the veterans of the Spanish-American War period; to the Committee on Pensions.

SENATE

THURSDAY, *March 13, 1930*

(Legislative day of Monday, January 6, 1930)

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

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

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

Mr. SHEPPARD. 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 London Naval Conference.

Mr. SCHALL. My colleague [Mr. SHIPSTEAD] is unavoidably absent. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

REVISION OF THE TARIFF

The Senate 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 VICE PRESIDENT. The clerk will state the pending question.

The CHIEF CLERK. The question is on agreeing to the motion to reconsider the vote by which the Senate concurred in the amendment made as in Committee of the Whole as amended in the Senate, on page 121, line 12, sugar.

Mr. HARRISON. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. CONNALLY (when his name was called). On this vote I have a pair with the Senator from Wyoming [Mr. KENDRICK]. I transfer that pair to the Senator from Minnesota [Mr. SHIPSTEAD] and vote "yea."

Mr. WALSH of Montana (when Mr. KING's name was called). The junior Senator from Utah [Mr. KING] is absent on account of illness. He is paired with the senior Senator from Massachusetts [Mr. GILLETT]. If the junior Senator from Utah were here, according to my information he would vote "nay." I am informed that if the senior Senator from Massachusetts were present he would vote "yea."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Illinois [Mr. DENEEN]. I have been trying to obtain a transfer, but have been unable to do so. If I could vote, I would vote "yea."

Mr. LA FOLLETTE (when Mr. SHIPSTEAD's name was called). I desire to announce the unavoidable absence of the senior Senator from Minnesota [Mr. SHIPSTEAD]. If present, he would vote "yea."

Mr. SIMMONS (when his name was called). I have been relieved from my general pair with the senior Senator from Massachusetts [Mr. GILLETT] on this vote. I vote "yea."

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH]. He is unavoidably detained from the Senate. I am unable to obtain a transfer, and therefore withhold my vote. If I were voting, I should vote "nay."

The roll call was concluded.

Mr. SHEPPARD. The senior Senator from Pennsylvania [Mr. REED] and the senior Senator from Arkansas [Mr. ROBINSON] are absent in attendance on the Naval Conference in London. They have a general pair with each other.

Mr. OVERMAN. I transfer my pair with the senior Senator from Illinois [Mr. DENEEN] to the junior Senator from South Carolina [Mr. BLEASE] and vote "yea."

The result was announced—yeas 38, nays 47, as follows:

YEAS—38

Allen	Connally	McKellar	Steck
Barkley	Cutting	McMaster	Stephens
Black	Frazier	Norbeck	Swanson
Blaine	George	Norris	Tydings
Borah	Glass	Nye	Wagner
Bratton	Harris	Overman	Walsh, Mass.
Brock	Harrison	Pittman	Walsh, Mont.
Brookhart	Hawes	Robinson, Ind.	Wheeler
Capper	Heflin	Sheppard	
Caraway	La Follette	Simmons	

NAYS—47

Ashurst	Goldsborough	Kean	Shortridge
Baird	Gould	Keyes	Smoot
Bingham	Greene	McCulloch	Steiwer
Broussard	Grundy	McNary	Sullivan
Copeland	Hale	Metcalf	Thomas, Idaho
Couzens	Hastings	Moses	Thomas, Okla.
Dale	Hatfield	Oddie	Townsend
Dill	Hayden	Patterson	Trammell
Fess	Hebert	Phipps	Vandenberg
Fletcher	Howell	Pine	Walcott
Glenn	Johnson	Ransdell	Waterman
Goff	Jones	Schall	

NOT VOTING—11

Blease	Kendrick	Robinson, Ark.	Smith
Deneen	King	Robsion, Ky.	Watson
Gillett	Reed	Shipstead	

So the Senate refused to reconsider the vote fixing the rate on sugar.

Mr. KEAN. Mr. President, I move that the Senate now proceed to the consideration of the motion to reconsider the vote whereby a duty on cement was imposed.

The VICE PRESIDENT. The question is on the motion of the Senator from New Jersey [Mr. KEAN] that the Senate proceed to the consideration of the motion of the Senator from North Dakota [Mr. NYE] to reconsider the vote whereby a duty was placed on cement.

Mr. NYE. Mr. President, I should like to inquire of the Senator from New Jersey if he would object to the motion going over until to-morrow at this hour?

Mr. KEAN. If unanimous consent may be given to vote at this hour to-morrow, I will be perfectly satisfied.

Mr. NYE. I should not object to such an agreement.

Mr. HARRISON. Mr. President, why not fix the time for voting at 12 o'clock to-morrow instead of 11 o'clock? It may be that we could accomplish a little more than we did this morning if the hour were fixed at 12 o'clock.

Mr. KEAN. I am always ready to be accommodating.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Mr. HEFLIN. Mr. President——

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

Mr. KEAN. I yield.

Mr. HEFLIN. Why not vote on the question now?

Mr. KEAN. I would rather vote on it now.

Mr. HEFLIN. We ought to get along with this bill; there is no use dillydallying forever and ever with the pending measure. Let us have a vote to-day, and get along and pass the bill this week.

Mr. WATSON. Mr. President——

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

Mr. KEAN. I yield.

Mr. WATSON. I should like to plead with the Senator from North Dakota to permit the vote to be taken now. We have a very large membership present in the Senate to-day.

Mr. NYE. I realize that, and yet I understand that there is going to be difficulty in squaring off some pairs in time for a vote at this particular hour. However, if the Senate feels that it wants to vote on the question at this time I am not going to interpose any objection.

The VICE PRESIDENT. Without objection, the motion of the Senator from New Jersey [Mr. KEAN] is agreed to, and the question now is on agreeing to the motion of the Senator from North Dakota to reconsider the vote whereby the Senate imposed a duty on cement.

Mr. KEAN. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HARRISON. I ask that the question be stated.

Mr. BINGHAM. Mr. President, may the motion be stated?

The VICE PRESIDENT. The motion will be stated by the clerk.

The CHIEF CLERK. The question is on agreeing to the motion entered by the Senator from North Dakota [Mr. NYE] to reconsider the vote imposing a duty on cement.

Mr. BINGHAM. The question, then, is not on the motion made by the Senator from New Jersey?

The VICE PRESIDENT. That was agreed to. The question now is on the motion made by the Senator from North Dakota. The Secretary will call the roll.

Mr. KEAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from New Jersey will state his parliamentary inquiry.

Mr. KEAN. Is the question now on the reconsideration of the vote?

The VICE PRESIDENT. It is.

Mr. KEAN. And a vote "nay" is against reconsideration?

The VICE PRESIDENT. A vote "nay" is against reconsideration.

Mr. BRATTON. Mr. President, what disposition was made of the motion of the Senator from New Jersey that the motion of the Senator from North Dakota be considered?

The VICE PRESIDENT. That was agreed to. The question is on the motion entered by the Senator from North Dakota, and the Senate is now proceeding to vote upon that motion. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. GOULD (when his name was called). On this question I have a pair with the Senator from Utah [Mr. KING]. If he were present and free to vote, he would vote "yea"; and if I were permitted to vote, I should vote "nay."

Mr. OVERMAN (when his name was called). I transfer the pair I have with the senior Senator from Illinois [Mr. DENEEN] to the senior Senator from Minnesota [Mr. SHIPSTEAD] and vote "yea."

Mr. LA FOLLETTE (when Mr. SHIPSTEAD's name was called). The senior Senator from Minnesota [Mr. SHIPSTEAD] is unavoidably absent. If he were present, he would vote "yea."

Mr. SIMMONS (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. GILLETT] to the senior Senator from Wyoming [Mr. KENDRICK] and vote "yea."

Mr. WATSON (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Kentucky [Mr. ROBSION] and vote "nay."

The roll call was concluded.

Mr. SHEPPARD. The senior Senator from Pennsylvania [Mr. REED] and the senior Senator from Arkansas [Mr. ROBINSON] are absent in attendance on the Naval Conference in London. They have a general pair with each other.

The result was announced—yeas 38, nays 47, as follows:

YEAS—38

Allen	Black	Borah	Capper
Ashurst	Blaine	Bratton	Caraway
Barkley	Blease	Brookhart	Connally
Cutting	Hayden	Nye	Swanson
Fletcher	Heflin	Overman	Trammell
Frazier	Howell	Schall	Walsh, Mass.
Glass	La Follette	Sheppard	Walsh, Mont.
Harris	McMaster	Simmons	Wheeler
Harrison	Norbeck	Steck	
Hawes	Norris	Stephens	

NAYS—47

Baird	Greene	McNary	Steiwer
Bingham	Grundy	Metcalf	Sullivan
Brock	Hale	Moses	Thomas, Idaho
Broussard	Hastings	Oddie	Thomas, Okla.
Copeland	Hatfield	Patterson	Townsend
Couzens	Hebert	Phipps	Tydings
Dale	Johnson	Pine	Vandenberg
Dill	Jones	Pittman	Wagner
Fess	Kean	Ransdell	Walcott
Glenn	Keyes	Robinson, Ind.	Waterman
Goff	McCulloch	Shortridge	Watson
Goldsborough	McKellar	Smoot	

NOT VOTING—11

Deneen	Gould	Reed	Shipstead
George	Kendrick	Robinson, Ark.	Smith
Gillett	King	Robsion, Ky.	

So the Senate refused to reconsider the vote fixing the rate on cement.

PETITIONS AND MEMORIALS

Mr. JONES presented a memorial of sundry citizens of Yakima County, Wash., remonstrating against any revision of the existing calendar unless a proviso be included definitely guaranteeing the preservation of the continuity of the weekly cycle without the insertion of blank days, which was referred to the Committee on Foreign Relations.

Mr. BARKLEY presented a petition of sundry citizens of Owenton, Lakeland, Eastwood, Irvington, Glencoe, New Castle, Worthville, and Frankfort, all in the State of Kentucky, praying for the passage of legislation granting increased pensions to veterans of the war with Spain, which was ordered to lie on the table.

Mr. BLAINE presented petitions signed by over 4,000 citizens of the States of Pennsylvania, Ohio, Michigan, New York, California, New Jersey, Indiana, Maryland, and Illinois praying for the repeal of the eighteenth amendment to the Constitution relative to the manufacture, sale, or transportation of intoxicating liquors, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Polish Tadeus Kosciusko Society, Branch No. 2293, Polish National Alliance of North America, of Kenosha, Wis., favoring the passage of legislation providing for the observance of October 11 of each year as General Pulaski's memorial day for the commemoration of the death of Brig. Gen. Casimir Pulaski, Revolutionary War hero, which was referred to the Committee on the Library.

Mr. SHEPPARD presented a petition of sundry citizens of Jacksonville, Tex., praying for the passage of legislation granting increased pensions to Spanish War veterans, which was ordered to lie on the table.

REPORTS OF NOMINATIONS

As in open executive session,

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

Mr. OVERMAN, from the Committee on the Judiciary, reported the nomination of Thomas D. Thacher, of New York, to be Solicitor General, vice Charles Evans Hughes, jr., resigned, which was 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. McNARY:

A bill (S. 3885) to facilitate and simplify the work of the Department of Agriculture in certain cases; to the Committee on Agriculture and Forestry.

By Mr. GLENN (for Mr. DENEEN):

A bill (S. 3886) to extend the times for commencing and completing the construction of a bridge across the Wabash River at Mount Carmel, Ill.; to the Committee on Commerce.

By Mr. SWANSON:

A bill (S. 3887) for the relief of the estate of James M. Catlett, deceased; to the Committee on Claims.

By Mr. BORAH:

A bill (S. 3888) for the relief of the Weiser State Bank, of Weiser, Idaho; to the Committee on Claims.

A bill (S. 3889) granting a pension to James Emerson (with accompanying papers); and

A bill (S. 3890) granting a pension to Samuel P. Goble (with accompanying papers); to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 3891) to amend section 1 of the act of May 12, 1900 (ch. 393, 31 Stat. 177), as amended (U. S. C., sec. 1174, ch. 21, title 26); to the Committee on Finance.

By Mr. NORBECK:

A bill (S. 3892) granting a pension to Charlie Kills-in-Sight or Kills In (with accompanying papers); to the Committee on Pensions.

A bill (S. 3893) authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the State of South Dakota the silver service presented to the United States for the cruiser *South Dakota;* to the Committee on Naval Affairs.

AMENDMENT TO THE TARIFF BILL—COTTON

Mr. SMOOT 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 160, after line 12, insert the following:

"PAR. 924. All the articles enumerated or described in this schedule shall be subject to an additional duty of 10 cents per pound on the cotton contained therein having a staple of 1⅛ inches or more in length."

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. WHEELER submitted an amendment intended to be proposed by him to House bill 6564, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

In the item for construction, repair, and maintenance of roads on Indian reservations not eligible to Government aid under the Federal highway act, on page 66, line 23, to strike out "$250,000: *Provided,*" and insert in lieu thereof "$350,000, of which sum $40,000 shall be available for expenditure on the Rocky Boy Indian Reservation, and $60,000 on the Blackfeet Indian Reservation, Mont.: *Provided,* That Indian labor shall be employed as far as practicable: *Provided further.*"

AMENDMENT OF THE RULES—COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

Mr. SHEPPARD submitted the following resolution (S. Res. 234), which was referred to the Committee on Rules:

Resolved, That Rule XXV of the Standing Rules of the Senate be, and the same hereby is, amended by adding after the paragraph reading as follows: "Committee on Territories and Insular Affairs, to consist of 14 Senators," a new paragraph reading as follows: "Committee on World War Veterans' Legislation, to consist of 15 Senators."

LIEUT. ALFORD J. WILLIAMS, JR.—FAST PURSUIT AND BOMBING PLANES

Mr. TYDINGS. Mr. President, I ask unanimous consent to introduce a resolution with reference to Lieut. Alford J. Williams, jr., who I learn has just resigned from the Navy. Lieutenant Williams is an aviator—the leading speed aviator of the Navy. In the course of experimenting he was attempting to develop a speed and bombing plane comparable to those of other countries. After a distinguished record, he was transferred to routine duty, and he has resigned to accept a position with a private company at $25,000 a year.

I therefore ask to have the resolution submitted at this time in order that the Committee on Naval Affairs may inquire into the matter.

There being no objection, the resolution (S. Res. 235) was referred to the Committee on Naval Affairs, as follows:

Whereas Lieut. Alford J. Williams, jr., has been officially credited by the Navy Department with extraordinary achievements in experimentation with fast and modern pursuit and bombing planes; and

Whereas the said Lieutenant Williams is generally acknowledged to be the preeminent naval pilot in the United States, having conducted pioneer tests for the Navy that resulted in the promotion and development of naval aircraft, and having been one of 12 Americans honored in 1929 by the American Society of Mechanical Engineers "in recognition of services rendered to aeronautics," and having received the distinguished flying cross from the President of the United States for his contribution to the "knowledge and safety of aviation" and for "keeping the United States well to the fore in the realm of world aviation"; and

Whereas the said Lieutenant Williams has for the last two years been conducting further experiments in the development of a fast and modern plane under the auspices and with the cooperation of a group of citizens interested in the progress of American aviation, and the prospect of important advances has been officially recognized by the Navy Department; and

Whereas a recent order transferring the said Lieutenant Williams to sea duty has had the effect of causing his resignation and bringing his valuable experiments to an end; and

Whereas the United States is known to be deficient in the very type of plane with which the said Lieutenant Williams has been experimenting: Therefore be it

Resolved, That the Committee on Naval Affairs be authorized to investigate the conditions surrounding the type, speed, and comparability of fast pursuit and bombing planes with those of other nations, and all other matters pertaining thereto.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 223) to provide for the expenses of participation by the United States in the International Conference for the Codification of International Law in 1930.

The message also announced that the House insisted upon its amendment to the bill (S. 15) 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, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LEHLBACH, Mr. SMITH of Idaho, and Mr. JEFFERS were appointed managers on the part of the House at the conference.

MISSISSIPPI RIVER BRIDGE, TOPEKA, MINN.

Mr. SCHALL. Mr. President, out of order, I ask unanimous consent to take up for passage House bill 8423, a bridge bill.

The VICE PRESIDENT. Let the title of the bill be stated.

The LEGISLATIVE CLERK. A bill (H. R. 8423) granting the consent of Congress to the State of Minnesota, or any political subdivision thereof, to construct, maintain, and operate a bridge across the Mississippi River at or near Topeka, Minn.

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

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Minnesota, or any political subdivision thereof, to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River, at a point suitable to the interests of navigation, at or near Topeka, Minn., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The State of Minnesota, or any political subdivision thereof, is hereby authorized, through its State highway department or other State or county agency, to construct, maintain, and operate such bridge and the necessary approaches thereto as a combined railroad bridge for the passage of railway trains or street cars, or both, and a free highway bridge for the passage of pedestrians, animals, and vehicles adapted to travel on public highway.

SEC. 3. The State of Minnesota or Morrison County is authorized to lease or otherwise convey to such person, company, or corporation as it may choose that part of the bridge constructed under this act as shall be adapted and constructed for the passage of railway trains or street cars, upon such terms and conditions as may be agreed upon between the parties for the purpose of financing the structure.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

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

ADDRESS BY SENATOR BORAH ON PEACE

Mr. THOMAS of Idaho. Mr. President, on Saturday, March 1, my colleague the senior Senator from Idaho [Mr. BORAH] delivered a radio address on peace, sponsored by the Women's International League for Peace and Freedom. I ask unanimous consent to have it printed in the CONGRESSIONAL RECORD.

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

I have been asked to discuss the subject of disarmament. Under the peculiar circumstances now obtaining it is a difficult subject to discuss. At this distance it would seem that the London conference is meeting with some discouragement. But we are represented by a delegation of able and sincere men. We have confidence in their devotion to the cause of disarmament. We should not be impatient. Disarmament must contend with the traditions and pledges and practices of centuries, must contend with the fears and suspicions inherent in international affairs, must contend at last, and by no means least, with national pride more than national security. Progress under these conditions will be often challenged. No greater responsibility has been laid upon the shoulders of any group of men

in recent days than the responsibility resting upon the delegates at the London conference. Let us hope the situation is much better than it appears to us.

I have heard it said many times of late and have seen it in print more than once that there is no real interest in the disarmament conference now meeting in London. My opinion is that there is a deep and almost universal interest, an interest which amounts to anxiety. If this conference should finally adjourn without lifting a substantial part of the burden now carried by the people for armaments—for instruments of human destruction—it would be not only a matter of great disappointment but of genuine sorrow to countless millions of thinking men and women. Armaments are no longer a matter of concern to a few people only; they are a matter of concern to the whole people in whatever walk of life they may be found. The weight reaches them all. And when we consider all the circumstances under which this conference convened, of the things which would seem to favor success, its failure would be nothing less than a catastrophe, its failure would spell nothing less than despair in the matter of relieving the world from the heaviest burden which it has to bear.

Let us consider the circumstances under which this conference was called and under which it is now meeting. The nations there assembled did not meet as antagonists or as nations charged with unfriendly purposes. The nations assembled at this conference are the nations which lately were associated as allies in the Great War; nations friendly to each other for the soundest of reasons. The endearing adjectives of four languages have been exhausted by the representatives of the nations assembled in expressing for each other their respect, their confidence, and their faith in and devotion to peace. Germany has no navy, no army of any moment. Austria is helpless. Hungary is dismembered and fighting for existence. Only the victorious friends are assembled. If these powers can not agree to reduce their fighting forces there would indeed be little hope for disarmament in the future. These nations there assembled are in a position to dictate the policy of the world with reference to armaments and with reference to war. If they agree among themselves to lift a part of this load there can be no possible danger of any moment from outside.

But even a more extraordinary fact relative to this gathering is this—all the powers assembled have signed a treaty—a solemn pledge each to the other, that never again will they seek settlement of international controversies through other than peaceful means, that they will not employ force; that they will not appeal to war in the settlement of international disputes. Here then are friendly nations, dominating nations, pledged not to go to war, meeting in conference to reduce armaments. It would seem that if success is not to crown this effort that we could hardly hope for more favorable circumstances at any time in the future. And yet, nowithstanding all this, it may not be possible even under these most favorable circumstances to sink a single ship or to discharge a single soldier. If, under these circumstances, it is found impossible to reduce these vast fighting machines, the people will have but little faith in the Kellogg pact and far less in the sincerity of governments with reference to disarmament.

In fact there is something more devolving upon this conference than that of disarmament, and that is to keep alive the confidence of the people in their governments. Current literature is crowded with discussions touching the lack of respect for authority, of loyalty to government upon the part of the people. We are told that communism threatens orderly government. Well, there is a reason for these things. Great periods of unrest do not come without cause. And the most fruitful cause at this time is the never-ending exactions of government—and 85 per cent of these exactions are for arms, for war among friendly nations pledged never to go to war. That, indeed, is a test of a people's faith in government. The people want peace. Governments hesitate. The people pray insistently to be relieved of the burden of armaments. Governments, embarrassed by ancient fears, haunted by obsolete traditions, harassed by old practices, do nothing. This is a wide gulf and may some time prove to be a dangerous gulf, which divides the people with their burdens and their cares from their governments with their almost calloused indifference to these burdens.

The President in his Armistice Day speech spoke as follows: "No one denies that the maintenance of great armament is a burden upon the backs of all who toil. The expenditure for it curtails vast projects of human betterment which governments might undertake. Every man under arms means that some other man must bear an extra burden somewhere."

This states the case as it is. There is no subject more vital for consideration, more imperative for remedial action, than that of taxation, the economic weight which the people in all these countries are carrying.

The organized military forces of the nations of the world, including the reserves, aggregate nearly 30,000,000 men. Think of this! Thirty million fighting men. At the call of nations which have bound themselves never to resort to war. What incredible insincerity! During the last year the powers assembled at London expended something like a billion dollars for naval armaments—the United States alone expending something like $374,000,000. The nations of the world are now paying out annually something like five billion to keep up their fighting forces. And by far the greater portion of that is being expended by the nations assembled at London. Can these governments indefinitely preserve the character, the moral fiber and fitness of their people and maintain and even increase this burden? I repeat, that all this is happening and these conditions are maintained among those nations pledged to peace, pledged to the outlawry of war, pledged never to seek settlement of their international controversies through these great military and naval armaments, which they are maintaining.

The King of Great Britain, in opening the present disarmament conference, expressed the hope "that there would be a reduction to a point consistent with national security." What is national security when the whole world is armed to the teeth? Can there be any national security with 30,000,000 men subject to call? And navies increasing in their fighting effectiveness each and every year. Can there be any national security when Europe is more heavily militarized than ever before in its history? And when the five nations assembled have navies without precedent for size and efficiency. It seems to be the generally accepted view that security is to be found in armaments. But there is another side to that question. Huge armaments, such as these nations now have, great military establishments, give rise to uneasiness, suspicion, distrust, enmity, and at last, war. The great World War teaches us that the more heavily nations are armed the less confidence they feel in the situation and the less sense of security they experience. When the World War broke the nations immediately concerned were heavily armed. They were all prepared for war, and being exceedingly well prepared for war, everybody expected a fight. They were like men going about the streets armed with bowie knives and revolvers—a slight movement is made, a shot is fired, and the riot starts. The world at this time is more heavily armed than at the beginning of the World War. I insist there can be no security under such circumstances. This condition of affairs is bound to create the same suspicion, the same uneasiness, and the same distrust, and, in the end, the same result. Indeed, that seems to be the situation in London now. They are so well armed they are all suspicious. There is nothing, it seems to me, which would give a sense of security, a feeling of confidence, like the drastic reduction of armaments upon the part of the nations assembled. Indeed, what, in the last analysis, is at the bottom of this hesitancy to reduce armament if not distrust?

Premier MacDonald in his address to the conference said: "The whole world, it may be said with almost literal accuracy, is turning its eyes upon us to-day. It expects that we shall deliberate and negotiate on the assumption that, having put our names to the pacts of peace, we mean to respect our signatures." Premier Tardieu declared: "The covenant of the League of Nations and the Briand-Kellogg pact have in considerable measure transformed our absolute needs into relative ones. Against the follies of the past we must now win the finest of victories—the victory of the people." Signor Grandi said: "The nations will judge us by results." Secretary Stimson declared: "Our people demand of us a success; they recognize the disaster that a failure of this conference would bring to their dearest hopes."

I would not presume to make a suggestion to that great conference; but in the light of the above expressions it would be exhilarating, and I think greatly beneficial, to have these conferences completely and absolutely in the open. It would be interesting to know just what the arguments are which make it possible and which would seem to justify a disregard for every pledge made by the leaders in the conference. There is the League of Nations, the Locarno pact, the peace pact—every conceivable means for arbitration and peaceful adjustment and every pledge which nations could possibly lay upon their conscience—and still there is maneuvering and fighting for advantage as if it were a gathering of a great aggregation of unfriendly nations free from pledges and free from all obligations of peace.

Winston Churchill, the distinguished British statesman, has expressed the fear that England would lose her long-time dominancy of the sea. She will lose it. It does not make any difference what the London conference does, no single nation in the future will dominate the seas. The sea is the commons of all humanity. It belongs to every nation and people who wish to traverse it and use it for carrying on trade and commerce. If nations are not willing to come together intelligently and agree in accordance with the decree of nature that the sea shall be free and open to all for legitimate commerce, nations will in the absence of any such agreement rely more and more upon their navies to protect their commerce. But the idea that any one nation is going to control the seas and permit all other nations to use it only by sufferance—that is to say, when it is not injurious to the dominant nation—is a thing of the past. We ought to have intelligence enough to come together as nations and people and put into law the decree of nature, that the sea belongs to all. If we do not do so, undoubtedly such failure to do so will find its expression in larger navies. But I venture the opinion that whether it is in accordance with law and understanding between nations or whether it springs from necessity of modern conditions, no one nation is longer going to be able to successfully claim it is the mistress of the seas.

It has been suggested that President Hoover should call our delegates home. I do not agree with this suggestion. In the great battle for humanity Americans should be the last to quit the field; patient, persistent, courageous, bold, to the last. If this conference is to fail, if

the world is to go forward, increasing this cruel burden of armaments, if men, women, and children are to continue to carry this load as best they may, and to be called upon year after year to sacrifice the essential elements of health and prosperity, let us not ourselves be impatient in starting such a criminal conspiracy against the human family.

The press dispatches carry the news from different quarters of the United States that the people who are seeking work are being clubbed and denounced as communists. A policy so cowardly, so inhuman, will not suffice to give contentment, or even obedience, to an overtaxed, underemployed people. If these governments and their representatives do not sufficiently realize at this time the necessity of taking some risk in order to lift this weight of armaments from their peoples, I venture to say that in due time they will have ample notice of their mistake.

REVISION OF THE TARIFF

The Senate 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 VICE PRESIDENT. The clerk will state the next amendment reserved for a separate vote.

Mr. HARRISON. Mr. President, since these two votes have been taken, I ask unanimous consent that the Senate now immediately consider lumber, and, immediately following that, oil.

Mr. SMOOT. I object. Let us go on with the bill in its regular order.

The VICE PRESIDENT. The Senator from Utah objects. May the Chair call the attention of the Senator from Utah to the amendment passed over last night on behalf of the Senator from Vermont [Mr. DALE]?

Mr. SMOOT. Yes; Mr. President, I requested it, and I now ask that spring clothespins be taken up.

The VICE PRESIDENT. The amendment made as in Committee of the Whole will be stated.

The LEGISLATIVE CLERK. In paragraph 411, spring clothespins, the Senate, as in Committee of the Whole, struck out "15 cents" and inserted "10 cents," so that it reads:

Spring clothespins, 10 cents per gross.

The VICE PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

Mr. SMOOT. Mr. President, this may be considered a very small business, but it means a great deal to the State of Vermont.

The act of 1922 carried a duty of 15 cents per gross on spring clothespins. The Finance Committee increased the 15 cents per gross to 20 cents per gross. The Senate by a vote, as in Committee of the Whole, decreased the 20 cents per gross to 10 cents per gross.

Mr. President, there were seven domestic factories reporting production of spring clothespins in 1924. Three were located in Vermont, two in Minnesota, and one each in Maine—I have not the names of the other States here.

Mr. DALE. Mr. President, if the Senator will yield, the factories are located in Michigan, West Virginia, Tennessee, Maine, New York, and Vermont.

Mr. SMOOT. I thank the Senator. My memoranda did not show the States where the other factories were located.

The production of the five companies I named in 1924 was 843,570 gross, valued at $339,000. Imports are principally from Norway, Sweden, and Germany.

In 1924 the imports were 100,661 gross, of a value of $19,312, or a unit value of only 19 cents per gross.

Chandler W. Brown, representing the domestic manufacturers of spring clothespins, testified at the Finance Committee hearings, as follows:

He stated that labor forms a large part of the cost of manufacture of spring clothespins. Less than 50 per cent of the cost of the article is material. Much of the wood used is obtained from the farmers, who cut it in the winter from their wood lots.

Because of the lower cost of raw material and labor in various Scandinavian and other European countries the cost of completed spring clothespins is approximately 20 cents per gross less than in this country. The industry, while not a large one, supplies a household necessity, and furnishes an outlet for a certain grade of hardwood which is not otherwise easily marketable or usable.

The industry originated in the New England States in 1887. The wage scale in the industry in this country during the past 10 years has been 35 cents per hour, whereas the average wage scale per hour in the Scandinavian and other European countries exporting clothespins covering the same period has been 11 cents per hour; and remember that the great item of cost of the clothespins is labor. Remember also that the wood that goes into the clothespins is taken by the farmers themselves, dried through the winter, and prepared for making the clothespins.

The cost of the birch and the beech used in this country in the manufacture of spring clothespins is, on an average, $23 per thousand feet, while the cost of the same species used in the Scandinavian and other European countries is $15 per thousand feet.

The cost of the wire used in the domestic manufacture approximates $4.88 per hundredweight, as against $3.89 per hundredweight in the foreign countries.

The witness gave the free-on-board factory selling cost as 35½ cents per gross. The average unit value of the 1929 imports was but 15.6 cents per gross.

The 1928 exports of the three largest producers in the United States totaled only 1,257 gross.

Upon that statement, Mr. President, the Finance Committee recommended a rate of 20 cents per gross. The Senate, as in Committee of the Whole, struck out "20" and inserted "10."

Mr. HALE. Mr. President, I should like to ask the Senator a question.

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Maine?

Mr. SMOOT. I do.

Mr. HALE. Is not the 10 cents per gross which the Senate, as in Committee of the Whole, inserted in the bill a lower duty than has been carried in the past?

Mr. SMOOT. Why, yes. Fifteen cents was the lowest duty carried in the past.

Mr. HALE. Without any reason it was lowered to 10 cents?

Mr. SMOOT. That is the case.

As I understand, Mr. President, there are large concerns manufacturing clothespins in West Virginia, too. In view of the importations, the production in the United States, and the cost of labor—labor being the great part of the cost of the clothespins—it does seem to me that we should at least impose the 20 per cent duty as provided for by the amendment reported by the Finance Committee.

Mr. HALE. I observe that the Tariff Information Survey says that the f. o. b. price at the mill in this country is 35 cents.

Mr. SMOOT. That is what I said. The f. o. b. price is 35½ cents per gross, and the price at which the clothespins are imported into this country is 15.6 cents per gross. There is a difference of 20 cents, and that is all they are asking in the way of a duty—just the difference between those two amounts.

Mr. HALE. Our figure is 35 cents at the mill, and theirs is 15.6 cents at the port of entry.

Mr. SMOOT. Yes; that is true, too.

If the Senate refuses to concur in the amendment that has already been made in Committee of the Whole, it seems to me, then, the rate would fall back to 15 cents per gross. I move that spring clothespins carry a duty of 20 cents per gross.

Mr. WALSH of Massachusetts. Mr. President——

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

Mr. SMOOT. I do.

Mr. WALSH of Massachusetts. I should like to make an inquiry of the Senator. What action was taken in Committee of the Whole with reference to spring clothespins?

Mr. SMOOT. The rate was reduced in Committee of the Whole to 10 cents per gross.

Mr. WALSH of Massachusetts. Upon the motion of the Senator from Oklahoma [Mr. THOMAS]?

Mr. SMOOT. Yes; lower than they have even been, in spite of the sworn statement—and not only that, but the Tariff Commission verifies it—that the cost in this country is 35 cents.

Mr. WALSH of Massachusetts. What is the rate in the present law?

Mr. SMOOT. Fifteen cents.

Mr. WALSH of Massachusetts. And what was the rate recommended by the Finance Committee originally?

Mr. SMOOT. Twenty cents.

Mr. WALSH of Massachusetts. And what did the House bill contain?

Mr. SMOOT. The bill as passed by the House contained a rate of 15 cents.

Mr. WALSH of Massachusetts. Now, the Senator is moving to restore the original rate of 20 cents recommended by the Finance Committee?

Mr. SMOOT. That is true.

Mr. DALE. Mr. President, has the Senator from Utah concluded?

Mr. SMOOT. I shall conclude as soon as I enter the motion.

I desire to ask the Chair if a motion now to substitute a rate of 20 cents per gross on spring clothespins would be in order?

The VICE PRESIDENT. It is in order to move to strike out "10" and insert "20."

Mr. SMOOT. Very well; I enter that motion.

Mr. DALE. Mr. President, the Senator from Utah [Mr. SMOOT] has reviewed the conditions so minutely and exactly that it is not necessary for me to say very much about the matter.

The old rate carried under the 1922 tariff was 15 cents a gross. At the time that tariff was placed on spring clothespins, there were factories in several States of the Union, including Vermont, New York, Minnesota, Tennessee, and Maine. Under that 15 cents per gross tariff several of those factories were put out of business. There were three Chicago concerns operating factories in Michigan and in West Virginia and in some other States, and they had to go out of business as far as spring clothespins were concerned. That is, they discontinued the manufacture of spring clothespins; and yet, while under the existing tariff these concerns had to discontinue the manufacture of this article, we are coming in here and, as the matter stands to-day, attempting to reduce the tariff one-third—to lower by one-third the tariff under which they had to go out of business.

There are comparatively large importations—because this is not a very extensive business—from foreign countries. Although the industry was first established in this country, as the Senator from Utah has stated—it is an American industry; it originated here—yet there are large importations for so small an industry from Sweden, Germany, Finland, and other countries. During the month of January last some 24,000 gross were imported from Sweden alone.

Mr. President, I should like to stress a little what the Senator from Utah said respecting the wood from which these clothespins are manufactured. They really are manufactured from wood that is of no earthly use to the farmer excepting as cordwood. You can not even make toothpicks out of it, because they are made largely from white birch. You can not make last blocks out of it; you can not make bobbins out of it, because they are made from maple. This is an industry which, if carried on, will take from the farmer the wood that he could sell for nothing more than cordwood, and pay him twice or three times as much as he could get out of it for cordwood. It seems to me that that alone is sufficient reason for the increase of the duty.

We are asking only one-fourth more duty on this. We are asking, in order to save this industry, only one-fourth more than what the rate is now.

When this action was taken on the part of the Committee of the Whole, and this duty, so far as the Committee of the Whole was concerned, was lowered, this is what took place immediately, as expressed in a letter from Danville, Quebec, to agents in New York City:

> Since writing you on the 14th that the Senate have reduced the tariff on spring clothespins to 10 cents per gross, instead of 15 cents as former.
>
> We are now able to deliver in New York in bulk, at 35 cents per gross net, all charges guaranteed, and in 3-dozen-size cartons, at 36 cents per gross net.
>
> We guarantee our goods in every respect.
>
> It would now seem to be the time to get a good volume of sales to our mutual benefit, and would be pleased to have your opinion. There will no doubt be importations of this line from Sweden with the lower tariff—

And from other countries—

> so that, if you care to take up our line, we will send samples by return of mail, and get started before the foreign importations begin to get established.

There is a notice from Canada—

> If you reduce this duty, we are all ready to flood the country with our importations.

Mr. President, there is a great deal one could say respecting this, but I am very sure the Senate does not care to listen to long talks on any subject. The vote by which the rate was reduced carried by only one majority. Under the circumstances it does seem to me that this duty should be put back where the Finance Committee fixed it, at 20 cents per gross.

Mr. NORRIS. Mr. President, we must not forget that we are here to help the farmer, and here is an opportunity to do it again. Note, I said "again."

I want to stress the argument which has already been made in the eloquent addresses of the Senator from Utah and the Senator from Vermont. This is a contest between the washerwoman and the farmer. The manufacturer of clothespins, of course, is not interested in it; we are not considering him; but the farmer raises the wood—just think of it—out of which clothespins are made. Let us increase this tariff, and all over this broad land farmers will commence to plant trees everywhere. It will bring forth a new industry. The farmers will plant trees so that their great-great-grandchildren can make clothespins. Think of it! It is going to be pretty hard on the washerwoman who has to buy them.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. THOMAS of Oklahoma. Does the Senator think that our great-great-grandchildren will be wearing clothes? [Laughter.]

Mr. NORRIS. They may not be wearing clothes, if we get the price of clothespins too high, so that the washerwoman can not operate. They will at least not be able to wear clean clothes, unless they go out in a shower.

We reduced this rate in Committee of the Whole, but that was before the new coalition was formed. Now we have to make good, and raise the tariff on clothespins.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield further?

Mr. NORRIS. I yield.

Mr. THOMAS of Oklahoma. If legislation and the tendency we see now in the country continue until our great-great-grandchildren are here, does the Senator think they will have anything to buy clothing with at that time?

Mr. NORRIS. That depends on whether this new coalition operates until that time. If we raise the price of sugar, and the price of lumber, and the price of oil, and the price of clothespins, and the price of plate glass, and the price of a lot of other things, it may be a question; but at least we can do our mite now.

This industry was started in 1887, we are told. It is just an infant industry yet. We have to assist it along. We must levy tribute upon the washerwoman and the farmer's wife in order that the farmer may be able to plant trees and raise timber for the clothespin business.

Therefore it seems to me that while we do not want to take much time on important things, we are justified in taking such time as has been taken this morning by the Senator from Utah, who was not so enthusiastic over clothespins when the bill was in Committee of the Whole as he is now—we are justified in taking the time of the Senate and of the country to reach out the hand of relief to these farmers who are going to plant timber to raise clothespins. That is what they will do, and therefore we should not hesitate to increase this duty.

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

Mr. NORRIS. I yield.

Mr. DALE. I simply want to suggest to the Senator from Nebraska that the price of clothespins is 5 cents a dozen, and any increase of duty, while it would not even increase that price, could not increase it very greatly at any rate. The statement has been repeatedly made—it was made before the Finance Committee—that 5 cents a dozen was a convenient, business, fixed price, and that the price would remain 5 cents a dozen, that there would be no increase whatever because of this duty. The duty was requested simply to save the business.

Mr. NORRIS. That is remarkable, Mr. President. We are told again, when we are increasing the duties upon the necessaries of life, that the levying of this tariff will not increase the price. What is the object of it? Why do we levy a tariff? It is so that the man who makes the clothespins can make more. What is the object if that is not it?

Mr. DALE. Does not the Senator know what the object of this increase is?

Mr. NORRIS. Yes; I know, and I am telling the truth about it.

Mr. DALE. I am telling the truth about it.

Mr. NORRIS. And the country knows what the object is. There is no secret about it.

Mr. DALE. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Vermont?

Mr. NORRIS. The object of a tariff is to increase the price which the man who makes the article will get. If the price is increased, the poor woman who buys the article has to pay a little more. The same argument is made in every case. This is only a little, this is just a mite. In this case it is the washerwoman's mite. It is just a little bit. It will not mean much for every American family, and the same little thing happens when we come to sugar, when we come to lumber, when we come to gasoline, when we come to glass, when we come to steel, when we come to everything; it is only a little, but in the aggregate it makes up the cost of living of the American people.

Mr. HATFIELD. Mr. President, located in the interior of West Virginia, in the agricultural section of that State, is to be found what I believe is the largest clothespin factory in the United States. It affords an opportunity for work to the farmer and it likewise gives employment to the farm laborer when they are not occupied on the farm. It gives both of these classes an opportunity for remunerative labor during the winter season.

I am impressed with the thought that in all probability, if the tariff is not changed, as it was lowered in Committee of the Whole, to a higher level, this industry in West Virginia, located in the farming section of my State, will close down, and I trust the amendment made as in Committee of the Whole will not be concurred in by the Senate.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Utah [Mr. SMOOT] to the amendment made as in Committee of the Whole.

Mr. HATFIELD subsequently said: Mr. President, in making my statement a little while ago I did so under the impression that I was dealing with an amendment made by the Senate as in Committee of the Whole. I thought it was an amendment detrimental to those interested in the clothespin industry and so I urged disagreement with the amendment. However, I am informed that it is an amendment offered by the Senator from Utah [Mr. SMOOT] to increase the tariff on clothespins which was lowered in the Committee of the Whole, and of course I very much favor the amendment offered by the Senator from Utah.

Mr. HALE. I ask for the yeas and nays.

Mr. BINGHAM. I suggest the absence of a quorum.

The VICE PRESIDENT. The secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President——

The VICE PRESIDENT. The roll call has started.

Mr. DALE. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DALE. An affirmative vote would be to increase the duty, would it not?

The VICE PRESIDENT. An affirmative vote would be for the amendment of the Senator from Utah. The absence of a quorum was suggested, and the secretary is calling the roll.

Mr. BINGHAM. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BINGHAM. Were the yeas and nays ordered on the amendment to the amendment?

The VICE PRESIDENT. They have not been ordered yet.

The Chief Clerk called the roll, and the following Senators answered to their names:

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

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

Mr. THOMAS of Oklahoma. Mr. President, before the vote is taken on this weighty issue I desire to make one or two observations. I was a member of the subcommittee that heard the spring-clothespin presentation. Those who favor a clothespin tariff, in my judgment, failed to make a case. When the matter reached the Senate, as in Committee of the Whole, I offered an amendment to reduce the rate from 20 cents to 10 cents and the amendment was agreed to. Now when the bill is in the Senate, the proponents of this increase in tariff from the States from whence this weighty clothespin issue comes represent that unless this raise is granted the spring clothespin industry in their States will vanish and disappear. Yet when it comes to my State with an issue of a similar nature that would be of benefit, those Senators now asking for a clothespin tariff vote for free trade.

This observation does not apply to my State alone. Look around the Senate Chamber and find a Senator who has some outstanding commodity in his State and we find a Senator who votes for tariff rates upon that commodity. The Senator from Wisconsin [Mr. BLAINE] saw to it that cheese is protected. The great dairy State of Wisconsin has the rates on cheese and other dairy products raised and sometimes doubled in this bill. The Senator from Nebraska [Mr. NORRIS] comes from a great wheat-growing State. He has seen to it that wheat is protected. He has a tariff rate of 42 cents a bushel on wheat, and then the Senator saw to it that at least one-half this rate is guaranteed by the debenture provision of this bill. I voted for the Senator's proposal and cite the record here in support of the statement made that Senators almost without exception stand for tariffs upon the products of their States.

Mr. BARKLEY. Mr. President——

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

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. Why should there be any discrimination as between seasonal clothespins? The amendment provides for an increase in the tariff on "spring" clothespins. Why should summer and autumn and winter clothespins be discriminated against if we are going to increase the tariff on "spring" clothespins?

Mr. THOMAS of Oklahoma. I refer that inquiry to the distinguished chairman of the Committee on Finance who presented the amendment.

Mr. President, we have now come to the point where it is easy to analyze the votes that are now being cast. Senators vote having in mind the interests of their States. I am neither objecting to nor criticizing the vote of any Senator. Yet when I presented an amendment in the interest of tens of thousands of my constituents, in the interest of the treasury of my State, in the interest of the counties and cities of Oklahoma, and in the interest of both farmers and workers not only in Oklahoma but in 20 States I am by some criticized for standing for tariff duties. Mr. President, their veiled charges here will not deter me from representing the interests of those who sent me here. The distinguished Senator from Mississippi [Mr. HARRISON] spoke and voted for tariffs on dyestuffs and turpentine. The distinguished Senator from Alabama [Mr. HEFLIN] voted for a tariff on graphite. Senators from the Southwest voted for a tariff on wool. Others voted for a tariff on long-staple cotton. Still others voted for a tariff on rayon. Yet when I offer an amendment to protect an industry employing 1,500,000 laborers and, counting five to the family, having 7,500,000 citizens in distress, we are by some accused of lobbying.

I serve notice now that I shall call up my petroleum amendment in due time, and then I shall have something to say which will be of interest to the country, if not here in the Senate. The amendment now before us is of no particular consequence, but it is the principle that is at stake.

The tariff on clothespins should not be increased. The amendment should not be adopted.

Mr. BLEASE. Mr. President, my good friend from Oklahoma [Mr. THOMAS] momentarily overlooked the junior Senator from South Carolina. I have received numbers of telegrams from my State asking me to vote for a tariff on lumber and for tariffs on some other things. I have absolutely refused to vote for a tariff on anything. I am opposed to any tariff, and I merely want to correct his statement for fear somebody might read the RECORD and think that I was voting to protect something in South Carolina. South Carolina in that matter, as she has always done in other matters, can protect herself.

Mr. HARRISON. Mr. President, I would not now inject myself into the discussion if it were not for the remarks just made by the Senator from Oklahoma [Mr. THOMAS]. I have tried to adhere to certain principles in the consideration of the tariff bill. I have tried to adhere to certain policies in the discussion of it upon the floor of the Senate. I have refrained from saying some things at times that I wanted to say, but which I knew were not the best things to be said; and for the further reason, too, that I did not want to wound the feelings of any individual Senator. I have tried in the discussion of the various items as they arose to leave out, as far as I could, any discussion of personalities. I have refrained from any criticism of my Democratic colleagues who have not agreed with me regarding rates or believed as I did with reference to the adoption of certain amendments.

There have been at times pangs of deep sorrow in my heart for the Democratic Party and for the constituents of those whose records here as their representatives have not reflected their wishes nor shown a sympathetic attitude as to their needs. Certain things have occurred in the consideration of the tariff bill which, so far as individual Senators are concerned, the sooner they are forgotten the better it will be. Search as one may the CONGRESSIONAL RECORD through all previous tariff discussions, and he will not find in this body another instance where Senators changed their votes overnight upon certain schedules or certain rates.

When the present bill was first considered some of us familiar with the way in which it was formulated——

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. HARRISON. I would prefer that the Senator let me proceed along the line of my discussion and then I will yield to him as often as he wishes.

We criticized individual Senators who compose the majority for the manner in which their subcommittees were organized and the manner in which they wrote rates to take care of their own particular States, forgetful of other sections of the country and the high purposes for which the Congress had been called together. The manner in which the bill was originally constructed reflected no credit upon the men who constructed it or upon this body. There have been instances in the past perhaps quite as glaring as the present one, when like policies were pursued in the formation of tariff legislation; but when we consider the manner in which the bill was originally fashioned and framed, with all the condemnation that we might pour upon it, it is infinitesimal in its consequences when we compare it to the manner in which it is now being written. Those who are familiar with the situation know how it is being framed. We had complete control of the bill in this body. By a margin of 1 or 2 votes we were writing rates in the interest of agriculture and trying to equalize and deal fairly with all the industries of the country. There were no radical steps taken. The policies were framed upon the basis of conservatism.

But what happened? It was something, as I said, that has never happened in this body before in connection with the consideration of a tariff bill. The bill was rewritten in Committee of the Whole, and when reported to the Senate a complete change has taken place through a combination of votes. I do not know whether individual Senators got together and said, "I will vote for this if you will vote for that," but I say that every Senator who voted one way in Committee of the Whole and voted another way after the bill was reported to the Senate will have to defend that particular position before his constituents. It may be that they can do it. I do not know.

I have found that the American people are of good judgment, are of sound sense; and even though sometimes we think they do not know what we are doing here they do know what is going on. They can analyze the situation just as clearly as those of us who personally know what has taken place.

I am sorry that the Senator from Oklahoma, for whom I have great respect and high regard, has taken occasion upon this floor at this time, in the peculiar circumstances surrounding us, to bring my name into the discussion. I can not sit quietly by when that is done. I have not reflected upon him; I have not discussed him in this debate. When the Senator from Oklahoma says that every Senator when the interests of his own State were at stake has voted for the highest rate of duty, I deny it, so far as I am concerned. In casting my votes I have been guided on every proposition by analysis of the facts; but because I cast a vote in favor of a duty on long-staple cotton, as did the Senator from Oklahoma, he draws the deduction, perhaps, that I am in the position of having voted for a high rate on everything in which my State was interested.

The merits of the proposal to levy a duty on long-staple cotton can not be disputed; the facts are convincing. I said on the floor of the Senate that in 1921 I voted against a proposed duty on long-staple cotton. The Senator from Michigan took occasion to read what I then said. I admit that I voted then against a duty on long-staple cotton. I did not at that time think that what was being offered would do the cotton producers any good; I did not believe it would be of any benefit to the American cotton farmer. The proponents of the tariff bill then pending were at that time intending to increase the tariff on sugar, on wool, and on many other articles; and they suggested a duty on long-staple cotton as a sop to those of us who were fighting the proposed increase on sugar and wool. They perhaps thought that we could be bought by such a proposition as that; but we refused to accept their proffer. It is a pity that others now did not follow the course we then pursued.

However, it was shown the following year that the importations of long-staple cotton fell, I think it was, to 38,000 bales from, as I recall, about 300,000 bales, while to-day there are being imported into the country approximately 400,000 bales annually of long-staple cotton, one-eighth of an inch and over in staple. We produce in the United States only approximately 900,000 bales of that kind of cotton.

The trouble with some people is that they can not differentiate between cotton with a ⅞-inch staple and that with a long staple. So, if every tariff rate is to be based upon domestic production and importations, it is apparent when we produce 900,000 bales of long-staple cotton and import 400,000 bales that the importations must have some effect upon the price paid to the American producer of long-staple cotton.

I was moved not only because of that fact, but also for the reason that if there is one industry in America that has received no consideration in a single provision of the pending tariff bill it is the production of cotton in the South. Almost every proposal in the pending measure carries increased costs to the cotton farmers of the South. They can bear it; they are inured to it; in the past for generations they have borne that burden, and they can still continue to do so if no relief is to be afforded them. But, my friends, cotton has declined in price since we passed the farm relief bill from 5 to 6 cents a pound. To-day the producer can not sell long-staple cotton at all. The premium which usually exists of from 5 to 15 cents between long-staple cotton and short-staple cotton has now dwindled until it is but from one-half to 2 cents per pound. The uses of long staple are being applied to the uses of short-staple cotton, the effect of which naturally is against the short staple.

Yes; the cotton farmers of the South are in a deplorable condition. We have heard much to the effect that the condition of the oil industry is bad, but the farmers of the South who are engaged in cotton production have been harder hit than have those who are engaged in any other industry in the country. Of course the wheat producer has been hurt also, but long ago Congress gave him a tariff rate upon his product.

So I felt in duty bound, not particularly because the product involved was in my section, but because I thought the facts permitted me, to vote for the duty, and I did vote for it.

However, Mr. President, there is one industry in my State which has appealed to me more strongly and more persistently than all others in the consideration of the pending tariff bill, and that is the lumber industry. It is one of the chief sources of the livelihood of the people of Mississippi. We have still remaining much standing timber, and there are great mills in the South engaged in turning it into lumber. However, I voted not according to their request; I voted against the duty on lumber.

Oil, it is said, has been discovered in my State. It may be that in the near future oil will be produced there in two different parts of the State. At the instance of representatives from Oklahoma interested in my State, it has been said, "Oh, we are going to have oil development there." They have petitioned me to vote for a tariff on oil. I did not do it. Why? Because the Senator from Oklahoma in his speech said that there were three big concerns importing oil into the United States—the Gulf Refining Co., the Dutch Shell, and the Standard. He further said that those concerns were distributing their product, that they had a distributing system, and to-day control the price of gasoline and of oil. They pay to the independent companies whatever they wish to pay, and they will continue to retain a strangle hold upon those independents. When we put a tariff duty on oil we merely give to those great companies a greater strangle hold on the independents, and higher prices will be levied upon the millions of users of oil and gasoline in this country.

No, I have not, simply because some people in my State were interested, followed the course of voting for high duties. I could enumerate others.

Would to God that every Democrat during the consideration of this bill had stood by his vote cast as in Committee of the Whole, a vote that was voiced after full consideration, after elaborate arguments pro and con, after deliberate reflection upon the part of each individual Senator. Yet we have found here Senators who, having voted one way after that full consideration when the bill was before the Senate as in the Committee of the Whole, when it gets into the Senate, without further arguments but merely on the roll being called, have changed their votes the other way. You know, Mr. President, and I know, and the American people know that it is by virtue of such action that the people of this country will be taxed hundreds of millions of dollars because of increased rates of duty that are going to be placed in the bill by this new combination. If there had been no switching of votes, this debacle would not now be witnessed, the work of months in the interest of the American people destroyed.

Answer to your constituents for your change of heart as well as votes, but do not reflect upon some of us who have stood the brunt of attack, who perhaps have been wounded in standing firm and in the forefront for the masses of American people.

I was for the Senator from Oklahoma going upon the Finance Committee of the Senate, because I thought he had the courage, I thought he had those qualities of statesmanship that would help us to map out a course and policy with reference to tariff legislation, and that, no matter what protests might come or what admonitions might be shouted by interested individuals,

he would stand firm, and by vote and voice cooperate with us, his party colleagues on the committee to carry on whether or no.

Senators, take the case back to your people if you will. We are now whipped. Our lines have been broken. But I can assure you that with whatever feeble qualities I possess I expect as long as my voice and strength hold out to carry the fight to the American people and reveal to them those things that have happened here during the consideration of this bill, that will ever remain a stench in the legislative annals of this country.

Mr. President, more political corpses will have been made through action taken in the last few days here in this body than were ever made in the same time in the history of the United States Senate.

Mr. THOMAS of Oklahoma. Mr. President, I regret that the distinguished Senator from Mississippi has seen fit to bring this debate down to a question of personalities. I did not—and I appeal to the RECORD to sustain my statement—say anything that was intended to be personal, or that could be construed to be in any sense personal; I referred only to the record.

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

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

Mr. THOMAS of Oklahoma. I yield to the Senator.

Mr. HARRISON. The Senator referred to me.

Mr. THOMAS of Oklahoma. I referred to the Senator's record.

Mr. HARRISON. Yes; and I referred to the record of the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. I was very much impressed by the eloquent speech made recently by the Senator in favor of a high duty on turpentine, which was advocated on the theory that it would help the naval stores interests of his State. I supported him in that effort. But, Mr. President, recently——

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

Mr. THOMAS of Oklahoma. I yield.

Mr. HARRISON. The Senator will recall that I offered an amendment the other day which was unanimously adopted by the Senate, not a voice being raised against it—I think the Senator from Alabama raised some question at first, but withdrew it—providing that if the tariff on synthetic camphor which by the amendment offered by the Senator from New Jersey was reduced from 6 cents to 5 cents did not result in establishing a camphor industry in this country within three years to the extent of 20 per cent of the consumptive needs of the country, within four years 30 per cent of the consumptive needs of the country, and within five years to the extent of one-half of the consumptive needs of the country the tariff rate should be reduced to 1 cent.

Mr. THOMAS of Oklahoma. I was impressed by the argument made, and I supported the Senator from Mississippi.

Later, Mr. President, we had another discussion. Democratic politics was involved; and we have now in the RECORD the statement that those who framed the Democratic platform at Houston wrote the tariff plank and were responsible for its unanimous adoption, such plank providing for a competitive tariff; and yet when I presented a case fitting that plank perfectly, fitting it 100 per cent, not a Senator upon this floor responsible for that plank voted for the amendment.

The Senator says he favored placing me on the Finance Committee. I appreciate the service the Senator has thus rendered me, and I give him full credit since he assumes it.

Mr. President, last night another of those strange incidents happened here. Two members of the so-called coalition, having obtained high tariff duties on the cheese products of their States, changed their former votes on the hardwood lumber item and their votes were responsible for the high duty on that commodity.

Mr. President, there has been something said here about changing votes. Last June the distinguished Senator from Idaho [Mr. BORAH] submitted a resolution to the Senate directing the Finance Committee to strike from the tariff bill all items related to industry and directed them to bring back to this body a bill proposing rates upon agricultural products only. I supported that resolution; 38 Members of this body supported that resolution; but it failed of passage by a single vote. Thus the Finance Committee was turned loose upon the gigantic task of making a tariff bill, commencing at the top and going down to the bottom and embracing over 21,000 items. When the bill was reported to the Senate I submitted a motion to strike from the bill all rates relating to industry, leaving only the agricultural rates. The motion embodied the identical policy, the identical idea, the identical proposition urged by the Senator from Idaho; but when the roll was called upon my motion, what was the vote? Twenty-eight Senators changed their votes; and what havoc has been wrought!

At that time a discussion on the motion took place upon this floor. The Senator says that the reason Senators changed their votes was with the idea of reducing some of the 1922 industrial rates; but instead of that most of those rates have been increased.

Mr. President, I do not care to continue this discussion, but I am not going to sit silent here and be charged with voting for tariff rates merely because they affect my State. Oklahoma will get practically nothing from this bill. Unless my State shall obtain relief on oil, no good result will come to the 3,000,000 people of Oklahoma; on the other hand, they will be forced to pay a higher price for everything they are forced to buy. I am not going to sit idly here and suffer shafts of criticism sent by innuendo and by inference. At this time I ask unanimous consent to place in the RECORD the vote upon the Borah resolution, and immediately following that I ask unanimous consent to have printed in the RECORD the vote upon my motion, the two proposals being identical and showing a change of 28 votes, or, rather, that 28 Senators changed their minds.

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

The votes referred to are as follows:

[Vote on the motion of Senator BORAH]

The VICE PRESIDENT. The question is on the adoption of the resolution submitted by the Senator from Idaho.

Mr. BORAH, Mr. MCKELLAR, and others called for the yeas and nays, and they were ordered.

The Chief Clerk proceeded to call the roll.

Mr. ALLEN (when his name was called). On this question I have a pair with the junior Senator from Connecticut [Mr. WALCOTT]. If he were present he would vote "nay," and if I were permitted to vote I should vote "yea."

Mr. LA FOLLETTE (when Mr. BLAINE's name was called). Making the same announcement as before concerning the pair of my colleague [Mr. BLAINE], I wish to state if he were present he would vote "yea."

Mr. NORBECK (when Mr. MCMASTER's name was called). My colleague [Mr. MCMASTER] is unavoidably absent from the city. He is paired with the junior Senator from Wyoming [Mr. KENDRICK]. If my colleague were present, he would vote "yea." If the Senator from Wyoming were present, he would vote "nay."

Mr. ODDIE (when his name was called). I am paired with my colleague [Mr. PITTMAN] and withhold my vote. If my colleague were present, he would vote "yea," and if I were at liberty to vote I should vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS] and therefore withhold my vote. If I were at liberty to vote, I should vote "nay."

Mr. SWANSON (when his name was called). I have a general pair with the senior Senator from Maine [Mr. HALE]. I transfer that pair to the junior Senator from Alabama [Mr. BLACK] and vote "yea." I desire to state that if the junior Senator from Alabama were present he would vote "yea," and if the senior Senator from Maine were present he would vote "nay."

Mr. COPELAND (when Mr. WAGNER's name was called). Making the same announcement as before relative to the absence of my colleague [Mr. WAGNER], I wish to announce that if he were present he would vote "nay."

The roll call was concluded.

Mr. GEORGE. I have a pair with the senior Senator from Colorado [Mr. PHIPPS]. I have been unable to obtain a transfer of that pair. I am advised that if the Senator from Colorado were present he would vote "nay." If I were at liberty to vote, I should vote "yea."

Mr. JONES. I desire to announce that the Senator from New Hampshire [Mr. KEYES] has a pair on this question with the Senator from Minnesota [Mr. SHIPSTEAD]. If the Senator from New Hampshire were present, he would vote "nay," and if the Senator from Minnesota were present he would vote "yea."

The result was announced—yeas 38, nays 39, as follows:

Yeas, 38: Messrs. Barkley, Blease, Borah, Bratton, Brookhart, Capper, Caraway, Connally, Copeland, Cutting, Fletcher, Frazier, Glass, Harris, Harrison, Hawes, Hayden, Howell, King, La Follette, McKellar, Norbeck, Norris, Nye, Overman, Pine, Robinson of Arkansas, Schall, Sheppard, Simmons, Smith, Swanson, Thomas of Idaho, Thomas of Oklahoma, Tydings, Tyson, Walsh of Montana, and Wheeler.

Nays, 39: Messrs. Bingham, Broussard, Burton, Couzens, Dale, Deneen, Dill, Edge, Fess, Gillett, Glenn, Goff, Goldsborough, Greene, Hastings, Hatfield, Hebert, Heflin, Johnson, Jones, Kean, McNary, Metcalf, Moses, Patterson, Ransdell, Reed, Sackett, Shortridge, Smoot, Steck, Steiwer, Townsend, Trammell, Vandenberg, Walsh of Massachusetts, Warren, Waterman, and Watson.

Not voting, 18: Messrs. Allen, Ashurst, Black, Blaine, George, Gould, Hale, Kendrick, Keyes, McMaster, Oddie, Phipps, Pittman, Robinson of Indiana, Shipstead, Stephens, Wagner, and Walcott.

So Mr. BORAH's resolution was rejected.

[Vote on the motion of Senator THOMAS of Oklahoma]

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Oklahoma [Mr. THOMAS].

Mr. REED. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BLAINE (when his name was called). I have a general pair with the junior Senator from West Virginia [Mr. HATFIELD]. Being unable to obtain a transfer, I withhold my vote.

Mr. BLEASE (when his name was called). I have a pair with the senior Senator from West Virginia [Mr. GOFF]. Not knowing how he would vote, I withhold my vote.

Mr. CARAWAY (when his name was called). I have a pair with the senior Senator from Illinois [Mr. DENEEN]. I can not get a transfer and withhold my vote.

Mr. MCKELLAR (when his name was called). I have a pair with the senior Senator from Delaware [Mr. HASTINGS], and I withhold my vote.

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. BURTON]. I am advised that if he were present he would vote as I intend to vote. Therefore I vote. I vote "nay."

Mr. TYDINGS (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. METCALF]. I understand he would vote as I shall vote, and I therefore am at liberty to vote. I vote "nay."

Mr. WATSON (when his name was called). I transfer my pair with the senior Senator from South Carolina [Mr. SMITH] to the junior Senator from Maine [Mr. GOULD] and vote "nay."

The roll call was concluded.

Mr. JONES. I desire to announce that the Senator from Idaho [Mr. THOMAS] is necessarily absent on official business. If present and permitted to vote, he would vote "nay."

Mr. BINGHAM. I have a general pair with the Senator from Virginia [Mr. GLASS]. Not knowing how he would vote, I transfer my pair to the Senator from Idaho [Mr. THOMAS] and vote "nay."

Mr. FESS. I desire to announce that the Senator from Delaware [Mr. TOWNSEND] has a general pair with the Senator from Montana [Mr. WHEELER].

Mr. WALSH of Montana. I announce the unavoidable absence of my colleague [Mr. WHEELER] on official business.

Mr. BROUSSARD. I wish to announce that my colleague [Mr. RANSDELL] is necessarily detained from the Senate on official business, and that if he were present he would vote "nay."

Mr. WAGNER. I desire to announce that my colleague the senior Senator from New York [Mr. COPELAND] is necessarily absent from the city.

The result was announced—yeas 10, nays 64, as follows:

Yeas, 10: Messrs. Frazier, Harris, Howell, McMaster, Nye, Pine, Schall, Sheppard, Thomas of Oklahoma, and Waterman.

Nays, 64: Messrs. Allen, Ashurst, Barkley, Bingham, Black, Borah, Bratton, Brock, Brookhart, Broussard, Capper, Connally, Couzens, Cutting, Dale, Dill, Edge, Fess, Fletcher, Gillett, Glenn, Goldsborough, Greene, Hale, Harrison, Hawes, Hayden, Hebert, Heflin, Johnson, Jones, Kean, Kendrick, Keyes, King, La Follette, McNary, Moses, Norbeck, Norris, Oddie, Overman, Patterson, Phipps, Pittman, Reed, Robinson of Arkansas, Robinson of Indiana, Sackett, Shortridge, Simmons, Smoot, Steck, Stephens, Swanson, Trammell, Tydings, Vandenberg, Wagner, Walcott, Walsh of Massachusetts, Walsh of Montana, Warren, and Watson.

Not voting, 21: Messrs. Blaine, Blease, Burton, Caraway, Copeland, Deneen, George, Glass, Goff, Gould, Hastings, Hatfield, McKellar, Metcalf, Ransdell, Shipstead, Smith, Steiwer, Thomas of Idaho, Townsend, and Wheeler.

So the motion of Mr. THOMAS of Oklahoma was rejected.

Mr. HEFLIN. Mr. President, I feel that I should contribute to the harmonious situation that we have at this time on this side of the Chamber, since I was one of those who voted against the Borah resolution. I did so, among other reasons, because certain agricultural products were excluded from that resolution. One of those products, in particular, was cotton cloth. I asked the question, if cloth made out of cotton produced by the farmer could be brought in under this resolution if it passed, and I was told that it could not. That situation was so ridiculous to me that I could not give my sanction to the resolution.

I wanted a proposition, if he were going to confine the bill to agricultural matters, that would reach goods and products made out of the raw material produced by the farmer; and when I found that that could not be done under that resolution, I opposed it. That was one of my reasons.

Another reason was that it was admitted upon this floor that if we should confine the activities of the Senate to a purely agricultural program and pass that program and then turn the bill over to the conferees of the two Houses, the conferees could ignore all that we had done and write a new and complete tariff bill. Nobody can deny that now. They would have done it; of course they would.

I told Senators at that time, "You have no more chance to pass through this body a tariff bill pertaining purely to agriculture than you have to fly without wings. The other interests of this country who want a tariff, who feel that they need a tariff, have a right to ask Congress to give them that tariff." I said, "Wanting a tariff, and insisting upon having a tariff, they will not permit you to pass a bill that excludes all their interests and confines the bill to another particular interest." I said, "The only way you are going to get relief for the farmer in the way of a tariff is to write it into a bill that carries other tariff items."

Any man of practical experience in Congress knows that that is true. You have to put it into a general bill.

The Senate did not accept the Borah resolution. I voted against it. The vote was 39 to 38. I have no apology to make for my vote. I want an open and fair fight on everything. I said, "Bring in your bill here and let us consider it item by item, and not permit a conference committee to write items in it that never were considered by the Senate and then bring it back and have us take it or leave it, the whole bulk of it at once." That would have been the parliamentary situation if the resolution had been adopted.

Later on, Mr. President, the able Senator from Oklahoma [Mr. THOMAS]—and he is one of the ablest and finest Members of this body—brought forth another proposition seeking to confine this work mainly to the farmers. That motion was defeated by about 28 majority, which shows that the position I took before was sustained by the Senate when it reconsidered this question; and I may say that others who were not quite so farseeing, perhaps, at the time were able later, when the scales fell from their eyes, to see that I was right in the position that I had taken on the matter.

Mr. President, we are now approaching the close of this tariff bill, I trust. I am ready to join those who want to drive through with it, delaying it as little as possible, finish up with it, and let it go into the hands of the conferees. Every interest in this Nation has a right to be heard by Congress. I do not care who the man is, how little he is, or how big he is; if he has a matter that Congress has to do with, I will hear him, and I will not regard him as a criminal when he comes here. He has a right to be heard. All of them have. Thank God, the right of petition still belongs to the American citizen! When these people come here who know their business and who know the needs of their business, we ought to hear them; for we do not know it. It is impossible for us to know in detail the workings and the needs of the various industries of our country. When these people come here they are entitled to be treated courteously. There is a vast difference between a lobbyist who is trying to corrupt somebody—and he ought to be put in the penitentiary—and the lobbyist, so called, who comes and wants to present the facts, in order that we may get the truth, so as to be able to act intelligently and justly in the matter.

Mr. President, we have the greatest Government in all the world, and I hope to see it perpetuated. Let us be fair and just to all interests. I have no criticism to make of the distinguished Senator from Oklahoma [Mr. THOMAS] for doing whatever he believes he ought to do for his people and his country. I have no criticism to make of my good friend from Mississippi [Mr. HARRISON] for pursuing the course that he thinks he ought to pursue; and I am glad to make this contribution to the harmony situation that I find on this side of the Chamber to-day.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Utah to the amendment made as in Committee of the Whole.

Mr. HALE and other Senators called for the yeas and nays, and they were ordered.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. GOULD (when his name was called). I have a general pair with the Senator from Utah [Mr. KING] and withhold my vote.

Mr. OVERMAN (when his name was called). I announce my general pair with the senior Senator from Illinois [Mr. DENEEN], and therefore withhold my vote.

Mr. SIMMONS (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. GILLETT] to the junior Senator from Arizona [Mr. HAYDEN], and will vote. I vote "nay."

Mr. WATSON (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Kentucky [Mr. ROBSION] and will vote. I vote "yea."

The roll call was concluded.

Mr. OVERMAN. I transfer my pair with the senior Senator from Illinois [Mr. DENEEN] to the senior Senator from Kentucky [Mr. BARKLEY] and vote "nay."

Mr. FESS. I desire to announce the following general pairs:

The junior Senator from Illinois [Mr. GLENN] with the junior Senator from Arkansas [Mr. CARAWAY]; and

The senior Senator from Pennsylvania [Mr. REED] with the senior Senator from Arkansas [Mr. ROBINSON].

The senior Senator from Kentucky [Mr. BARKLEY] entered the Chamber and voted "nay."

Mr. OVERMAN (after having voted in the negative). The Senator from Kentucky [Mr. BARKLEY] having entered the Chamber and voted, I withdraw my vote.

The roll call resulted—yeas 40, nays 40, as follows:

YEAS—40

Allen	Grundy	Metcalf	Shortridge
Baird	Hale	Moses	Smoot
Bingham	Hastings	Oddie	Steiwer
Broussard	Hatfield	Patterson	Sullivan
Copeland	Hebert	Phipps	Thomas, Idaho
Dale	Jones	Pine	Townsend
Fess	Kean	Pittman	Vandenberg
Goff	Keyes	Ransdell	Walcott
Goldsborough	McCulloch	Robinson, Ind.	Waterman
Greene	McNary	Schall	Watson

NAYS—40

Ashurst	Connally	Hawes	Steck
Barkley	Couzens	Heflin	Stephens
Black	Cutting	La Follette	Swanson
Blaine	Dill	McKellar	Thomas, Okla.
Blease	Fletcher	McMaster	Trammell
Borah	Frazier	Norbeck	Tydings
Bratton	George	Norris	Wagner
Brock	Glass	Nye	Walsh, Mass.
Brookhart	Harris	Sheppard	Walsh, Mont.
Capper	Harrison	Simmons	Wheeler

NOT VOTING—16

Caraway	Gould	Kendrick	Robinson, Ark.
Deneen	Hayden	King	Robsion, Ky.
Gillett	Howell	Overman	Shipstead
Glenn	Johnson	Reed	Smith

The VICE PRESIDENT. The yeas are 40 and the nays are 40. The Chair votes "yea," making 41 yeas to 40 nays, and the amendment to the amendment made as in Committee of the Whole is agreed to.

Mr. WALSH of Montana. Mr. President, I ask to have incorporated in the RECORD the vote as in Committee of the Whole by which the duty on spring clothespins was fixed at 10 cents per gross.

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

[CONGRESSIONAL RECORD, November 14, 1929]

Mr. THOMAS of Oklahoma. I now offer this amendment as a substitute for the amendment before the Senate.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. The Senator from Oklahoma offers the following substitute for paragraph 411:

"PAR. 410. Spring clothespins, 15 cents per gross; house or cabinet furniture wholly or in chief value of wood, wholly or partly finished, wood flour, and manufactures of wood or bark, or of which wood or bark is the component material of chief value, not specially provided for, 25 per cent ad valorem."

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Oklahoma [Mr. THOMAS] to the committee amendment. [Putting the question.] The noes seem to have it.

Mr. SIMMONS. I ask for the yeas and nays.

The yeas and nays were ordered and taken.

Mr. OVERMAN. I have a general pair with the senior Senator from Wyoming [Mr. Warren]. I transfer that pair to the senior Senator from Arizona [Mr. ASHURST] and vote yea.

Mr. SHEPPARD. The junior Senator from Utah [Mr. KING] is detained from the Senate by illness.

The Senator from Arizona [Mr. ASHURST], the Senator from Arkansas [Mr. CARAWAY], the Senator from Montana [Mr. WALSH], and the Senator from Nevada [Mr. PITTMAN] are detained on official business.

Mr. FESS. I wish to announce the following general pairs:

The Senator from Indiana [Mr. WATSON] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Maine [Mr. GOULD] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Ohio [Mr. MCCULLOCH] with the Senator from Nevada [Mr. PITTMAN];

The Senator from Maryland [Mr. GOLDSBOROUGH] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from Vermont [Mr. DALE] with the Senator from Montana [Mr. WALSH].

The result was announced—yeas 39, nays 37, as follows:

Yeas, 39: Messrs. Barkley, Black, Blease, Borah, Bratton, Brock, Brookhart, Capper, Connally, Copeland, Cutting, Fletcher, Frazier, George, Glass, Harris, Hawes, Hayden, Heflin, Howell, Jones, La Follette, McKellar, McMaster, Norbeck, Norris, Nye, Overman, Sheppard, Simmons, Smith, Steck, Stephens, Swanson, Thomas of Oklahoma, Tydings, Wagner, Walsh of Massachusetts, and Wheeler.

Nays, 37: Messrs. Allen, Bingham, Broussard, Couzens, Deneen, Edge, Fess, Gillett, Glenn, Goff, Greene, Hale, Hastings, Hatfield, Hebert, Kean, Kendrick, Keyes, McNary, Metcalf, Moses, Oddie, Patterson, Phipps, Ransdell, Reed, Sackett, Schall, Shortridge, Smoot, Steiwer, Thomas of Idaho, Townsend, Trammell, Vandenberg, Walcott, and Waterman.

Not voting, 19: Messrs. Ashurst, Blaine, Caraway, Dale, Dill, Goldsborough, Gould, Harrison, Johnson, King, McCulloch, Pine, Pittman, Robinson of Arkansas, Robinson of Indiana, Shipstead, Walsh of Montana, Warren, and Watson.

So the amendment of Mr. THOMAS of Oklahoma to the amendment of the committee was agreed to.

The VICE PRESIDENT. The question now is on concurring in the amendment made as in Committee of the Whole, as amended in the Senate.

The amendment as amended was concurred in.

The VICE PRESIDENT. Does the Senator from Utah desire to have taken up next the mustard-seed amendment?

Mr. SMOOT. The senior Senator from Vermont [Mr. GREENE] has asked me to agree to have the maple-sugar amendment go over for to-day, and to take it up to-morrow. I have just spoken to the senior Senator from Mississippi [Mr. HARRISON] and he said he has no objection to that course.

Mr. HARRISON. That is agreeable, if the Senator from Vermont wants it to go over.

The VICE PRESIDENT. Without objection, the amendment will be passed over. The next amendment on which a separate vote was reserved was that relating to mustard, which the secretary will state.

The CHIEF CLERK. In paragraph 779, page 145, line 15, the Senate, as in Committee of the Whole, struck out "2 cents" and inserted in lieu thereof "3 cents," so as to read:

Mustard seeds (whole), 3 cents per pound.

Mr. GOLDSBOROUGH. Mr. President, I send an amendment to the desk which I desire to offer.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. The Senator from Maryland offers the following amendment. On page 145, line 15, to strike out "3 cents" and insert in lieu thereof "1 cent," so as to read:

Mustard seeds (whole), 1 cent per pound.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Maryland to the amendment made as in Committee of the Whole.

Mr. GOLDSBOROUGH. Mr. President, the bill as it was reported to the House provided a tariff rate on mustard seed of 2 cents per pound, and on ground or prepared mustard of 8 cents per pound. The Senate committee recommended exactly the same rates. The Senate, as in Committee of the Whole, adopted an amendment offered by the Senator from North Dakota [Mr. FRAZIER] increasing the rate from 2 cents to 3 cents. My amendment now seeks to reduce the rate, and to substitute 1 cent per pound for 3 cents per pound.

Under the Fordney-McCumber Act of 1922 mustard seed was given a rate of 1 cent per pound, the same rate proposed in the amendment I now submit.

Under the Underwood-Simmons Tariff Act mustard seed was put on the free list as it was under the Payne-Aldrich Act.

In paragraph 779 of the pending bill the duty, as I have stated, is made 2 cents. The amendment of the Senator from North Dakota [Mr. FRAZIER] was to raise the duty to 3 cents, and my amendment seeks to cut that to 1 cent.

There are two major species of mustard seed, the brown and the yellow. They have their own distinct uses and purposes and are sold and priced differently.

The brown seed is the more valuable of the two, selling, ordinarily, for around 11 cents per pound, while the finest English yellow seed sells for 8 cents per pound, and "fair" yellow seed for 5 cents. The brown seed is by far the easiest to raise, especially in this country.

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

Mr. GOLDSBOROUGH. I yield.

Mr. SMOOT. Would the Senator be willing to accept the rate of 2 cents, as provided for in the House, instead of the

amendment adopted as in Committee of the Whole? I will say to the Senator that if he will do that I will ask the Senate to agree to the 2 cents.

Mr. GOLDSBOROUGH. Yes; I will accept that.

Mr. WALSH of Massachusetts. I could not agree to any such compromise.

Mr. SMOOT. That is, the Senator wants the rate 1 cent?

Mr. WALSH of Massachusetts. I want it kept at 1 cent. There are 19,000,000 pounds of this article imported into this country and only 2,000,000 pounds produced.

Mr. SMOOT. Then the Senator from Maryland may proceed.

Mr. GOLDSBOROUGH. Mr. President, the finest yellow mustard seed is imported from England. There have been attempts from time to time to raise English yellow seed in various parts of the world, including California, but all of these attempts have been unsuccessful, for actual tests and demonstrations on a commercial scale have proven that the flavor and quality of the yellow seed produced outside of England are most inferior and unsatisfactory to the American market, and the American market will not absorb such inferior products. The mere increasing of the price of the English mustard seed through increasing the duty will not increase the market for the California product and will benefit no one, while injuring the consuming public.

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

Mr. GOLDSBOROUGH. I yield.

Mr. WALSH of Massachusetts. Whatever little of this mustard seed is produced in this country is produced in California, is it not?

Mr. GOLDSBOROUGH. Yes.

Mr. WALSH of Massachusetts. Is it not a fact that large amounts of imported mustard seed are sold and used in California, the domestic supply either being inferior to the imported or the quantity not being sufficient?

Mr. GOLDSBOROUGH. That is quite true.

Mr. WALSH of Massachusetts. So that even California itself, and the manufacturers of articles into which mustard seed go, use large quantities of the 19,000,000 pounds imported?

Mr. GOLDSBOROUGH. I think the Senator is correct.

Mr. WALSH of Montana. Mr. President, will the Senator from Maryland yield to me?

Mr. GOLDSBOROUGH. I yield.

Mr. WALSH of Montana. The information given by the Senator from Massachusetts is not altogether accurate. The growing of mustard seed is a promising industry of my State—Montana—though perhaps the Senator from Massachusetts is excusable, because apparently that fact has not come to the attention of the Tariff Commission.

Mr. GOLDSBOROUGH. Mr. President, the high grade of mustard flour to be sold in the American market must be produced from English yellow seed; no other has the requisite flavor, the heat, and the sweetness which the discriminating American market demands. Whether there be a duty on mustard seed or not, this English yellow mustard seed must continue to be imported. The California yellow seed, which it is alleged is the domestic competitor of the English seed, is very different in quality and in flavor, and is produced in such small quantities that it can not and will not ever be a substitute for the English seed.

I am reliably informed that the crop of California yellow mustard seed this year will be 260,000 pounds or more.

California, in addition to producing yellow mustard seed in small quantities, produces a brown mustard seed, to which I have already referred, which is the favorite of its type on the American market, in very large quantities. The crop of California brown seed, which will be produced this year, will probably amount to in excess of 1,400,000 pounds. This seed sells at a premium higher than any other mustard seed on the American market. The net result of the proposed duty on mustard seed will be to increase the cost of mustard to the American consumer, and will, by increasing the cost of the raw material and leaving the duty on the manufactured product the same, stimulate the business of the foreign manufacturer of ground and prepared mustard, but depress the business of the American manufacturer who purchases his raw material subject to a heavy duty. No possible stimulation of the traffic in California seed can be expected, for it is reasonable to assume that since the California brown seed has for so long been selling at a premium, an additional duty will hardly stimulate its sale, and since the California yellow seed is of such a low grade and is so unmarketable that no amount of protection can force the public to consume it.

The present proposed duty on mustard seed carries no corresponding duty on prepared mustard, which retains its present rate of 8 cents per pound, while the duty on the raw material is increased from 1 cent to 2 cents. Obviously a compensating duty on the manufactured article would be, roughly, 16 cents.

The mustard industry in the United States is not asking for a higher duty on prepared mustard unless the duty on mustard seed is increased. Their desire is to see the present duties on mustard seed remain the same as they are under the 1922 act, the stated reason being that an increased duty can not advantageously affect the American producers of mustard seed because the producers of brown seed already occupy a most favorable position on the world market, and the producers of the yellow seed are few and produce an inferior product, which would not be absorbed at any price.

In the city of Baltimore there is located one of the largest spice houses in the United States. They import and pack a tremendous quantity of mustard for table use, and this portion of their business will be seriously menaced by the proposed duty, and it can only result in the increased cost being passed on to the consumer.

If it were possible for California to grow sufficient seed to supply the entire American market, and if, in addition, it were possible to grow the type of seed demanded by the American market, then a duty to protect the American grower from the competition of the foreign farmer would not perhaps be effective, but since the home demand for the home product, as differentiated from the foreign product, exceeds the quantity of the product which can be produced, and since the market for the foreign products can not be supplied by the domestic product, certainly an increased duty upon the foreign product can have no effect other than to lay a hardship upon the manufacturers and consumers of the articles made from the imported products.

In the interest of both the manufacturers and the consumers, it is eminently desirable that the duty on imported mustard seed be maintained at its present level, and the now existing differential between the duties upon unground mustard seed and prepared or ground mustard flour be rigidly maintained for the specific reason that this raw product, as required by American manufacturers, is not duplicated by any native product whatsoever, and is not competitive with any native product.

I urge the adoption of the amendment I am now submitting.

Mr. COPELAND. Mr. President, I can hardly understand why we should think of having a high rate on mustard with a total consumption of about 19,000,000 pounds in the United States, when we produce only 1,500,000 pounds in the country. While the Senator from Montana [Mr. WALSH] said that some is raised in his State, of course the great bulk of that very limited quantity is raised in California in one restricted area. If this is put forward as a farm-relief measure certainly we are not going to do something which will impose a tax upon all the farmers of the country for the sake of protecting a couple of hundred farmers who produce, as a small part of the crops they raise, mustard, and a mustard of inferior quality at that.

Prepared mustard is used almost in every home in America; I think I may say it is used in every home in America; and to impose a tax upon every home in the United States for the sake of the very small amount of money which would be received by the limited number of mustard growers, to my mind, is beyond reason. I hope sincerely that the amendment of the Senator from Maryland [Mr. GOLDSBOROUGH] will be adopted.

Mr. SHORTRIDGE. Mr. President, this matter was quite thoroughly considered by the House Ways and Means Committee and by the House, and after such consideration the rate was fixed at 2 cents per pound. I recall very well, quite distinctly, that the Finance Committee gave more or less thoughtful consideration to this particular item and that it agreed with the House for reasons to which I need not now do more than refer. It is quite true that when the item came before the Senate as in Committee of the Whole the Senator from Maryland [Mr. GOLDSBOROUGH] suggested an amendment such as he now urges, whereupon the Senator from North Dakota [Mr. FRAZIER] proposed an amendment to the suggested amendment of the Senator from Maryland, and in the hurry, may I say, a 3 cents' duty was fixed instead of 2 cents, as appeared in the bill, and 1 cent, as suggested by the Senator from Maryland.

The Senator from Maryland has stated, in response to an inquiry put by the Senator from Utah [Mr. SMOOT], the chairman of the Finance Committee, that he, the Senator from Maryland, would be willing to accept the rate fixed by the House Ways and Means Committee, the House of Representatives, and the Senate Finance Committee—namely, 2 cents per pound.

Mr. President, there were imported into this country last year, speaking in round numbers, 17,500,000 pounds of mustard seed. Forty per cent of that large amount came from China. I question very much whether the farmers of Montana or North Dakota or Nebraska or California can compete in labor costs with the unfortunate, the unhappy, the poverty-stricken labor-

ing people—men, women, and children—in China. Of course, if it is the wish to reduce the price of our labor and to put our farmers into direct competition with the poorly paid, the unhappy, and almost hopeless laboring people of other countries it can be done. But who wishes to do it?

In order that we may protect American industry on the farm, in the forest, in the mine, on the railroad, in the mill, and in the factory as against competition with men, women, and children similarly employed in foreign countries at distressingly low compensation; in order that we may keep up our level of life and living in America, we impose certain tariff duties. Of course, we have in mind also the raising of necessary revenue to carry on our great country.

Forty per cent of this product of the farm comes from China. In round figures, 38 per cent plus comes from England. The remaining part comes from other countries, some across the channel in Europe.

My learned friend from New York [Mr. COPELAND] has suggested that whereas we import 17,500,000 or, as he stated, 19,000,000 pounds of mustard seed and only produce 1,500,000 or 2,000,000 pounds, therefore—such is his logic—we should not raise the tariff; and if he were logical, his argument would lead to the conclusion that we should remove the tariff entirely and import all mustard seed from abroad.

Our purpose in levying a duty on this agricultural product is the same in purpose as the levying of a tariff on other agricultural products, and that purpose is to protect and encourage those now immediately engaged in the production of that product and to encourage others to engage in the same branch of agricultural enterprise. Our belief is that by adequate protection the American industry of mustard-seed raising will improve, develop, that more acres will be put to use, resulting in profit to those immediately engaged in the business, and by diversifying farm products be of substantial benefit to the farmer.

My friend from Maryland [Mr. GOLDSBOROUGH] quite energetically, and loyal as he is to the interests of his State, makes a plea on behalf of the manufacturer of mustard from mustard seed. He suggests that the proposed rate would be burdensome to the manufacturer, but in the next breath, forgetful of what he has just stated, he states that the added costs of mustard would be carried on to the ultimate consumer. If that were so, then, of course, the manufacturer suffers nothing.

In any event, not desiring to go into further detail in the matter, I submit to those who listen and to the Senate that the rate fixed by the House and the Senate Finance Committee, and agreeable to the Senator from Maryland, who offers the suggested amendment, should be agreed to by the Senate, namely, that the rate be 2 cents per pound—not for the protection of California alone. I repeat myself, Mr. President, when I say, as indeed I have said many times as applied to other agricultural products and manufacturing products, that I would take this position even if not one mustard seed grew in California, if it all grew in Montana, or Nebraska, or Texas, or any other one of the 48 States of this Union. Further to repeat myself, I believe in a protective tariff as a national policy, and I seek to build up an industry in Maine as cheerfully as I strive to encourage and build up an industry in California. Happily, in assisting Maine I am helping California. If I help the great imperial State of New York to set to work hundreds and thousands of men in her mills and factories I am assisting them, and at the same time I am benefiting the great and beloved State whence I come, for the great city of New York is a market for the products of California. I now look into the face of the learned Senator whose range of knowledge is to me amazing and whose industry is not exceeded by that of any Member of this body, whose devotion not only to his own State but to the Union is unquestioned. I look into the face of the learned Senator from New York and say that when he or others assist California, he and others are assisting the great State of New York; for we of California are the market for the products of his great city and State, even as they are a market for the products of California. The only difference between the two cities—San Francisco and New York—if the Senator will pardon a playful thought, is that the one is near heaven's Golden Gate while the other is near—another gate. [Laughter.]

Mr. COPELAND. Mr. President, I assume that when the Senator speaks of the other gate near which New York City is located he means the gate of heaven. I thank the Senator for his kind words. I would give him anything in the world that he asks for except a tariff on Coleman's mustard, and I can not vote for that.

Mr. HALE. Mr. President, the Senator from California said he would be very glad to help the industries of my State.

One of the industries in my State would be particularly affected by the adoption of this amendment of the Committee of the Whole proposing to increase the duty on mustard. I refer to the sardine industry. In my State sardines are put up in various ways, and one way is to put them up in mustard. Obviously the sardine packers have got to obtain their mustard somewhere; and if the price is going up on the foreign product, which seems to be about the only mustard that we can get in this country, it is going to affect the business of the sardine packers. I therefore very much hope that the amendment of the Senator from Maryland will prevail.

Mr. SHORTRIDGE. Mr. President——

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

Mr. HALE. I yield.

Mr. SHORTRIDGE. If the Senator from Maine will permit me, that is the argument that State men make—men who think of their own States first, last, and all the time.

Mr. HALE. Of course the Senator never thinks of California.

Mr. SHORTRIDGE. I think of California, but I also think of Maine.

Mr. BARKLEY. Mr. President, what does the Senator from California think of Maine?

Mr. SHORTRIDGE. I think fairly well of Maine. Maine has produced great men and still breeds them. One of the Senators from California, who honored this Chamber for twenty and odd years [Mr. Perkins] was borne in Maine. Of course he had the good taste to leave there when he was young. [Laughter.]

Mr. President, theoretically, levying a tariff on any article will increase the price of that article, but in practical operation we often find that competition keeps the price down. It, however, preserves the American market for the American producer. I am wondering upon what theory my amiable and beloved friend from Maine wanted an increase of the tariff on potatoes. People eat potatoes; and I understand the production of potatoes is quite an industry, that potatoes are produced in great volume in the far away northeastern State of Maine.

Mr. HALE. Mr. President, will the Senator from California yield?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Maine?

Mr. SHORTRIDGE. I yield.

Mr. HALE. In a favorable year we produce in this country about 60,000,000 bushels more of potatoes than we consume. I should like to ask the Senator from California if he thinks the production of potatoes is on a parallel with the production of mustard?

Mr. SHORTRIDGE. Not quite; but in time, if we shall be given ample protection, we can raise all the mustard seed in America that is or will be used in America. I am not speaking of wild mustard seed, which, of course, is a menace; but, doubt it not, the intelligent industry of our people can and will raise all the mustard seed we need, provided adequate tariff protection is given. However, whether or not we shall be able to wholly supply the American demand, I am asking for this protection for those who are now engaged in the industry. The learned Presiding Officer [Mr. FESS in the chair] recalls that when the great, thorough, 100 per cent protectionist, William McKinley, was the chairman of the House Committee on Ways and Means, and the subject matter of a tariff on tin plate was under consideration, there were a great many gentlemen who thought that tin plate was made entirely of tin! A suggested tariff on tin plate was violently opposed by those who held to the theory that we could not make tin plate as cheaply as it was made abroad and imported into this country. As of then the tin-plate industry was, indeed, an "infant industry," but think of it to-day!

If I were disposed to do so I could run down the list of practically every American industry and show that by adequate protection each and all of them have developed, giving employment to millions of skilled and unskilled labor. In other words, the proposed duty on this particular little item, which has taken up so much time—and I myself am at fault for consuming so much time—will work no injury whatever upon the manufacturer, and ultimately it will not increase the price to the consumer, but presently it will seek to keep the American market for the American producer, and will induce other agriculturists, owners of land, to plant and raise and produce this article of ordinary use and of commerce.

I think—again referring to New York and to Maine—when we stand here and favor a tariff on agricultural products which are raised in either or both of those States; when we stand here and urge, as I have urged, adequate protection for manufactured articles made in the hundreds of mills and factories of the great State of New York, that it is not a trading of votes but it is an intelligent and broad-minded reciprocity of action on their part when they vote, as I think they should, to give

adequate protection to an agricultural product raised in sister States. I hope that what is agreeable to the Senator from Maryland will be accepted here by the Senate, and that his present amendment calling for only 1 cent a pound on mustard seed may be defeated.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. GOLDSBOROUGH] to the amendment made as in Committee of the Whole.

Mr. WALSH of Massachusetts. Mr. President, this is not a question of levying a protective duty for the benefit of the mustard-seed producers; it is a question of what the rate should be. There already is a duty of 1 cent per pound. Now it is proposed—in fact, it is already incorporated in the bill as it now stands—that the duty shall be 3 cents per pound.

Let us see how these duties work out on the basis of ad valorem rates. The equivalent ad valorem of the present rate of 1 cent per pound is about 18 per cent; the equivalent ad valorem of the rate of 3 cents per pound is about 55 per cent; the equivalent ad valorem of the rate of 2 cents per pound provided in the House bill and recommended by the Senate Finance Committee is about 37 per cent. So it is proposed here to increase the duty from 18 per cent to 55 per cent, an increase in the rate of about 200 per cent upon mustard seed.

As has already been pointed out, mustard seed is used very extensively by spice and mustard manufacturers. I have rarely heard such vigorous protests and opposition to a commodity as have been presented by those manufacturers, because they claim they must import mustard seed, and therefore must pay the increased duty of 40 per cent, and must pass that duty on to the consumer. They also assert that the imported seed is superior to the domestic seed. If that be true, and the domestic industry has not been able to produce a satisfactory seed for the manufacturers of mustard and spice, it seems to me there can be no sound reason advanced for increasing this duty above 1 cent; in fact, as has been pointed out, the State of California, which produces the only substantial crop of domestic brown and yellow mustard seed, has to import a large amount of such seed for its own mustard and spice manufacturers.

I will give the Senator some figures upon that aspect of this question:

> On January 4 I wrote you, showing that the shipment of mustard seed to California from foreign countries from June 1 to January 1 (last year) was 665,000 pounds.

All that is produced in California is 240,000 pounds. So in six months there were imported 665,000 pounds, as against a domestic production of 240,000 pounds.

Mr. SHORTRIDGE. Mr. President, will the Senator allow me to interrupt him?

Mr. WALSH of Massachusetts. I will yield in just a moment. The writer of the letter further says:

> To-day I wish to add additional shipments reported by the American Spice Trade Association and confirmed by the Oil, Paint, and Drug Reporter of New York, issues January 6, 13, 20, 27, and February 3—285,780 pounds. This, added to the shipments of the previous seven months, makes a total of 950,780 pounds. This was almost all yellow seed. It is the yellow seed that our manufacturers seek, because of its color and its strength.
>
> The entire production of California yellow seed for the 12 months of 1929 was less than 240,000 pounds. Therefore, California imported foreign yellow seed, in eight months, four times the entire production of the 12 months of 1929.
>
> The arrivals the past few weeks—January 6 to February 3, 1930—were, 374 bags to Los Angeles (Joannes Corporation) and 925 bags to San Francisco (Girardelli), a total of 1,299 bags.

What is the position of the Senator from California, whose zeal and earnestness and enthusiasm for high protective duties we all understand?

Mr. SHORTRIDGE. Mr. President——

Mr. WALSH of Massachusetts. I yield.

Mr. SHORTRIDGE. The figures given refer to yellow mustard seed. What of the brown seed? Has the Senator the statistics as to the brown seed?

Mr. WALSH of Massachusetts. The total production in California of both brown and yellow is 240,000 pounds.

Mr. SHORTRIDGE. I inquire what year those figures cover?

Mr. WALSH of Massachusetts. The greatest quantity that has ever been produced in this country was 2,000,000 pounds, as against an importation of between twenty and thirty million pounds. That is correct; I am sure the Senator agrees to that.

Mr. SHORTRIDGE. I can not agree to those figures. I think the domestic production has gone up to 4,000,000 pounds, although I may be in error as to that.

Mr. WALSH of Massachusetts. I know the Senator has asserted that to be the fact; but I have evidence before me, if I should care to take the time to present it, which would contradict that figure, and which indicates that the domestic production has not been much in excess of 2,000,000 pounds.

Mr. SHORTRIDGE. If the Senator will permit me, he has called attention to the fact of the quantity imported, the quantity raised in California, and the quantity, in a sense, imported into California. Of course, the Senator will remember my suggestion that we seek to increase the acreage of production in order to satisfy the demands of our own people within the State and to supply the market in America.

Now, my question is, if that argument be erroneous and fallacious, if it has no persuasive weight at all, upon what theory does my learned friend stand up—and I humbly by his side—asking for adequate protection on certain types of shoes made by the skilled labor and the brawn and brain of the good men and women of Massachusetts?

Mr. WALSH of Massachusetts. I will tell the Senator upon what theory I take that position. When I rose I said that I was not discussing the question of whether mustard seed ought to have a protective duty or not.

Mr. SHORTRIDGE. The Senator agrees to 2 cents?

Mr. WALSH of Massachusetts. I was discussing whether the rate now levied was satisfactory and sufficient or, if an increase was necessary, what ought that increase to be.

Mr. SHORTRIDGE. I see.

Mr. WALSH of Massachusetts. I shall expect, when I propose a duty upon leather and shoes, that the Senator from California will first of all consider whether a case for any protection is made out——

Mr. SHORTRIDGE. Certainly.

Mr. WALSH of Massachusetts. And, secondly, whether I am asking for too high a rate—whether it ought not to be lower.

Mr. SHORTRIDGE. I shall do so.

Mr. WALSH of Massachusetts. I am voting for protective duties, and all the Members of this body are, day after day. Our differences are chiefly over rates—one element here seeking to keep the rates down, another element seeking to put the rates up. There is no longer any division in this body about protection to industries here.

Mr. SHORTRIDGE. I am glad to hear that. I hope that is so.

Mr. WALSH of Massachusetts. There is a serious difference between indefensible excessive protection and a defensible moderate protection.

In this very case the Senator is actually asking to extract from the pockets of the people of his State and from the mustard manufacturers and the spice manufacturers four times as much money as he seeks to put by this duty in the pockets of the mustard-seed producers.

Let me illustrate:

If this duty is to be effective, let us say it results in $50,000 a year more being given to the mustard-seed producers of California. The Senator goes right into the pockets of the people of his own State, to say nothing about the people of the country in general, and extracts $200,000. How can he justify that?

Mr. SHORTRIDGE. I justify it in this way: That our first duty is to try to help those in need of assistance; and the farmer of my State engaged in this particular line of business needs, as he thinks, this protection. I may relieve the Senator's mind, and perhaps calm my own, by saying that nobody in California—the imaginary consumer or the actual consumer—is protesting against the suggested rate.

Mr. WALSH of Massachusetts. Mr. President, I do not want to prolong the discussion of this matter. I do want to call attention to the fact that it is claimed that mustard seed is being produced in other States, in Montana and in North Dakota; and the able Senator from the latter State offered an amendment, which was adopted by the Senate, increasing this duty from 1 cent to 3 cents.

I should like to have the Senator's opinion upon this matter now. I invite the attention of the Senator from North Dakota [Mr. FRAZIER] to what I am about to say. I am informed that the mustard seed that is raised in his State is what is called wild mustard seed, or a somewhat similar name; that it sells for 1½ cents to 3 cents a pound on the average, while the imported mustard seed sells for 11 cents a pound; and that the mustard seed which is raised in the Senator's State has been declared by the Department of Agriculture to be unfit for use and objectionable on the ground of being in violation of the pure

food laws. I ask the Senator, in order to be enlightened, if my statement is correct.

Mr. FRAZIER. Mr. President, I will say to the Senator that his statement is not correct. The pure-food administrators have not said, as I understand, that the wild mustard is unfit for food. They say that it is an adulteration of the tame mustard and that if it is included in the preparation of mustard it must be so labeled; that is all.

Mr. WALSH of Massachusetts. Mr. President, I have here a letter, which I should like to have read by the clerk, which states the position of the Department of Agriculture upon that matter and which was, I think, written to the Senator from North Dakota by the Senator from Maryland. I ask to have the clerk read this memorandum.

The PRESIDING OFFICER. Without objection, it will be read.

Mr. WALSH of Montana. Mr. President, before that is done, will the Senator yield?

Mr. WALSH of Massachusetts. Certainly.

Mr. WALSH of Montana. I was a little astonished at the information given us that wild mustard seed is a commercial product at all, or that it has found a use. It grows extensively all over the West and is universally regarded as a most noxious and pestiferous weed. I never heard that it had any value for any purpose; and I was astonished to learn, from the information the Senator gives us, that it sells for a cent and a half a pound.

Mr. WALSH of Massachusetts. I am so informed.

Mr. WALSH of Montana. I think that information can not be correct.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. WALSH of Massachusetts. I do.

Mr. SMOOT. I will say that some of the wild mustard seed is being used in mustard plasters.

Mr. WALSH of Massachusetts. That is my information.

Mr. SMOOT. It is taken out of the screenings of wheat wherever possible; and lately it has become a commodity in trade, though not to a very great extent.

Mr. WALSH of Montana. That is to say, it is not grown for commerce.

Mr. SMOOT. No.

Mr. WALSH of Montana. Some of it is saved out of the wheat screenings and utilized for some purpose or other.

Mr. SMOOT. Most of it is derived in that way; but I think wild mustard grows in nearly all of the Western States, as far as that is concerned, and it is a trouble to get rid of it. I mean, it grows along ditch banks and on land that is not cultivated. The wind carries it and it grows, but lately it has been used by taking it from the screenings of oats and wheat and putting it in mustard plasters.

Mr. WALSH of Massachusetts. That is my information.

I will say to the Senator from Montana that the information I have obtained is as follows:

There is a wild or charlock black so-called mustard produced there—

Meaning in the Senator's State—

and offered for sale. According to the ruling of the Department of Agriculture, this seed is not true mustard. It does not even possess the properties of a true mustard. It has been offered for years at about 3 cents per pound, but better users do not buy it even at that.

There is also a limited quantity of yellow mustard grown in Montana and parts of one or two other mid-west States; and this is also a poor, pale type, not even as good as California yellows. Extensive experiments have been made, trying to grow better seed in the West by planting foreign-grown seed, but the resultant crop has always had the same poor domestic characteristics.

Mr. WALSH of Montana. Mr. President, from what does the Senator read now?

Mr. WALSH of Massachusetts. From a memorandum furnished me by spice manufacturers, and I assume they obtained this information from the Department of Agriculture.

The PRESIDING OFFICER. Does the Senator desire the article read which he sent to the desk?

Mr. WALSH of Massachusetts. In just a moment.

In reference to the seed that grows in Montana, I now read from a letter written me by the Stickney & Poor Spice Co., one of the largest spice manufacturers in the country, in reference to the efforts of this company to buy black and yellow mustard seed in Montana. This letter is dated January 10, 1930, and is, in part, as follows:

We bought a lot of brown mustard seed from them (the Barkemeyer Grain & Seed Co., of Great Falls, Mont.), also a lot of yellow mustard seed from them. We wanted to test out the quality of their seeds. We bought these goods February 21 for prompt shipment—almost 11 months ago. We have not received a pound. A few weeks after we made the purchase they wrote saying that the goods would be shipped very soon. They have defaulted on the business and we have made a report to that effect to the American Spice Trade Association.

This letter, as I say, is dated January 10, 1930. The information that comes to me from these manufacturers is that they can not get any brown or yellow mustard seed from any other part of this country except California; that they can get it from California, but only in limited amounts and of inferior quality.

I desire to say in conclusion that so far as I have been able to get the views of these manufacturers, they have no antagonism whatever to the domestic mustard-seed industry. They would much prefer to be able to buy this seed in America if it could be produced here; but they are unable to get it of satisfactory quantity and quality. The facts are that the imports are continuing to increase, that we are now importing over 20,000,000 pounds, and that the production in this country is about 2,000,000 pounds.

I do not think a case has been made out here to increase the duty beyond the present amount of 1 cent per pound. Mr. President, the manufacture of mustard in various forms is a large industry in this country for medicinal use, and it is the staple condiment of the common people, as it adds zest and makes palatable even coarser meats and foods.

The higher duty is advocated supposedly to benefit a few local farmers. It would not likely help even them but would help a few speculators and operators to get control of the small supplies and maintain unreasonably high prices, thereby causing the entire population to pay high prices for a necessity. The price the public will have to pay because of this increased duty will be tremendous compared to the few thousand dollars that will accrue to the seed producers of California.

The PRESIDING OFFICER. Without objection, the letter will be read.

The legislative clerk read as follows:

MARCH 5, 1930.

Hon. LYNN J. FRAZIER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: This morning in a conversation with Doctor Crawford, of the Bureau of Chemistry, Department of Agriculture, I was advised that the following ruling on mustard seed was issued on June 24, 1911, by the Board of Food and Drug Inspection, which was approved by Secretary James Wilson:

"It has come to the attention of the Board of Food and Drug Inspection that the seed of charlock (*Brassica arvensis* L., or black wild mustard) is being substituted by some manufacturers, in whole or in part, for that of true mustard, to wit, yellow or white mustard.

"Brassica: It is the opinion of the board that when charlock (or black wild mustard) is substituted in part for mustard the label should clearly indicate this fact. The condiment prepared from mustard or mustard flour and charlock, with salt, spices, and vinegar, is not 'prepared mustard,' but provided when a greater quantity of mustard than of charlock is used it should be called 'prepared mustard and charlock.'

"H. W. WILEY,
"F. L. DUNLAP,
"GEORGE P. MCCAVE,
"Board of Food and Drug Inspection."

Doctor Crawford is confirming the above by a memorandum from the department, which is being sent to me by messenger, and I shall be very glad to let you have this if you so desire in order to confirm the above.

Sincerely yours,

P. L. GOLDSBOROUGH.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Maryland [Mr. GOLDSBOROUGH] to the amendment made as in Committee of the Whole.

Mr. WALSH of Montana obtained the floor.

Mr. FRAZIER. Mr. President——

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

Mr. WALSH of Montana. I yield.

Mr. FRAZIER. I should like to suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. WALSH of Montana. I trust the Senator will not do that.

Mr. FRAZIER. If we are going to have a vote on this product, the Members of the Senate ought to hear what is said about it.

Mr. WALSH of Montana. Very well; I yield.

The PRESIDING OFFICER. The clerk will call the roll.

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

Ashurst	Glass	Keyes	Simmons
Baird	Glenn	La Follette	Smoot
Black	Goff	McCulloch	Stephens
Blaine	Goldsborough	McKellar	Sullivan
Bratton	Greene	McNary	Swanson
Brock	Grundy	Metcalf	Thomas, Idaho
Broussard	Hale	Norbeck	Thomas, Okla.
Capper	Harris	Norris	Townsend
Connally	Harrison	Oddie	Trammell
Copeland	Hatfield	Overman	Vandenberg
Couzens	Hawes	Patterson	Walcott
Cutting	Hayden	Phipps	Walsh, Mass.
Dale	Hebert	Ransdell	Walsh, Mont.
Fess	Heflin	Robinson, Ind.	Waterman
Fletcher	Johnson	Schall	Watson
Frazier	Jones	Sheppard	
George	Kean	Shortridge	

The PRESIDING OFFICER. Sixty-six Senators having answered to their names, a quorum is present.

Mr. WALSH of Montana. Mr. President, under the present law mustard seed is dutiable at the rate of 1 cent per pound, while prepared mustard is burdened with a duty of 8 cents per pound.

I can not help thinking that the information given to the Senate with respect to this particular item comes in very large part from the producers of prepared mustard, who utilize the mustard seed as the raw material of their product. Indeed, the article read to us by the mover of the pending motion, the Senator from Maryland [Mr. GOLDSBOROUGH], reads like a brief prepared by the manufacturers of prepared mustard.

That reminds me that when another infant industry of the State of Montana, the production of manganese, was under consideration, and the question of the imposition of a duty upon that particular product was before us, it, like this, was opposed by the very interests which have grown inordinately wealthy in consequence of high duties imposed upon their products, and which are here asking for increases upon them.

Mr. President, this is a new industry. Much has been said of the advisability of curtailing the production of wheat, for instance, and of how it would be good policy for the growers of wheat to engage in the production of some other kind of crops. My esteemed friend the senior Senator from Louisiana [Mr. RANSDELL] was proposing to us some time ago the extension of the culture of sugar beets and cane in order to reduce the area devoted to the culture of cotton and wheat, in order that the wheat farmer might be benefited in his economic condition. It was easy to demonstrate that it is utterly impossible to limit the production of wheat by the extension of the culture of sugar beets, sugar beets being grown only under irrigation.

Here is another infant industry in the State of Montana, gradually taking up ground which would otherwise be devoted to the culture of wheat, and we find that opposed by Senators from sections of the country whose industries are highly protected, they objecting to this small duty on mustard seed.

As indicating the possibilities of the extension of this industry, let me remark that in 1926 there were produced in Montana 11,500 pounds of mustard seed, in 1927 there were produced 72,000 pounds, in 1928 there were produced 675,000 pounds, and in 1929 there were produced 1,600,000 pounds, an increase from 1928 to 1929 of nearly a million pounds.

Let me give the Senate some reliable information upon this subject from a brief letter found in the hearings of the Committee on Ways and Means, written by Mr. Barkemeyer, of Great Falls, Mont., handling this particular product. He said:

A large number of farmers in Montana, represented by the Barkemeyer Grain & Seed Co. of Great Falls, Mont., request that the tariff on whole mustard seeds be increased to 4 cents per pound. Our reasons are as follows:

1. The feasibility of producing sufficient mustard seeds in Montana to supply the United States requirements has been amply demonstrated by the rapid increase in production of satisfactory commercial crops. The first crop ever grown in Montana was in 1926. Warehouse records show production to date as follows:

Year:	Pounds
1926	11,500
1927	72,000
1928	675,000

There are enough farmers interested in growing mustard seeds and sufficient suitable land to produce enough to meet United States requirements within a very short time if prices justified. Imports from January 1, 1927, to September 30, 1928, amounted to 34,383,991 pounds. The average prices, based on spot prices at New York City, during the same period were as follows:

Imports (per hundred pounds), $7.27; California, $8.32; Montana, $8.25.

2. The average price of mustard seeds from all countries, England excepted, for the same period was $6.57 per hundred pounds. The production for these countries during this time was 22,922,661 pounds. This fact is mentioned for the reason that Montana mustard seeds come mostly into competition with those countries outside of England who produce the bulk of the imports and with cheap labor.

3. During the period 1909 to 1926 average annual imports were 11,470,000 pounds, United States production 3,149,630 pounds, and average annual consumption 14,519,630 pounds. In 1927 imports amounted to 23,923,948 pounds, domestic production 3,220,500, the total consumption of the United States being 27,144,448 pounds. This shows that while imports have greatly increased domestic production has remained practically stationary.

4. The limited quantity of mustard seeds produced thus far in Montana has been marketed at near-by points in the West, but at present costs of production it is impossible to market any considerable quantity in eastern territory, where the bulk of it is used, against cheaply produced foreign seed.

Last and most important, Montana mustard is produced on land which is now growing wheat. It will replace this wheat acreage and not be additional acreage. It thus reduces the amount of wheat produced, of which there is an overproduction, and helps to keep the wheat price higher. It also assists in the Federal Government's scheme of diversification of agricultural production.

The foregoing presents our case in brief, and I feel sure you and your associates will give our viewpoint full consideration. If you desire further information from me I shall be glad to supply it.

Yours very truly,

A. E. BARKEMEYER,
President Barkemeyer Grain & Seed Co., Great Falls, Mont.

The junior Senator from Massachusetts [Mr. WALSH], usually accurate in the information he gives the Senate but in this respect drawing his facts, as I gather, from producers of prepared mustard, is not accurate. The figures before me, prepared, evidently with care, by Mr. Barkemeyer, disclose that the average import price from January 1, 1927, to September 30, 1928, was $7.27. That includes, I take it, the 1-cent duty, which makes the actual average import price $6.57 per hundred, or 6.57 cents per pound, and with a duty of 1 cent per pound the ad valorem rate, it will be perceived, it would be about 15 per cent.

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

Mr. WALSH of Montana. I yield.

Mr. WALSH of Massachusetts. I am very glad to have the Senator's information about the price. My information—and I state to the Senator that this is from the spice manufacturers—is that the California brown seed sold in September at 8 cents per pound, while the imported brown seed sold in that month at 10 cents c. i. f., or 11 cents duty paid.

Mr. WALSH of Montana. Mr. President, my figures in respect to that are given at page 1497 of the Summary of Tariff Information.

Reference is made to December 15, 1928, when the California brown was sold at 11½ to 12 cents, the English yellow at from 8½ to 9 cents, and the Dutch yellow at from 7½ to 8 cents.

Another particular in which the information of the Senator from Massachusetts does not seem to be entirely accurate is as to the amount of production in the United States. According to the figures before me the average annual imports to the year 1926 amounted to 11,470,000 pounds, and during that period the production in the United States was 3,149,630 pounds.

Apparently the consumption is somewhat largely increased, for in 1927 the imports amounted to 23,923,948 pounds, while domestic production remained practically stationary, advancing only to 3,220,500 pounds. In other words, while the seeds can be produced in this country, for some reason or other the industry has not developed but has remained stationary during all the time, while the consumption of mustard has very greatly increased.

I have here a more recent letter from Mr. Barkemeyer, which I desire to read. It is dated Great Falls, Mont., February 21, 1930, and reads as follows:

We have wired you to-day, per attached copy, regarding the duty on mustard seed.

About a year ago we wrote you fully concerning mustard production in Montana. Nineteen hundred and twenty-nine was our fourth year of mustard growing in this State, and, as you will note from our brief filed with the Ways and Means Committee of the House one year ago, we produced in 1928, 675,000 pounds and in 1929, 1,600,000 pounds. This increase of 1,000,000 pounds shows you the possibilities of rapid increase, but in order to do so we must have higher duty, which will enable us to compete in the largest markets of Eastern States, such as New York, Boston, Baltimore, and Philadelphia.

Mustard production is proving quite profitable to our farmers, and more so than wheat. The only markets which we are able to reach

under the present tariff are middle western markets, such as St. Louis, Chicago, and Pittsburgh.

In view of the present low prices of wheat and the possibility of a large overproduction next year, Montana farmers are anxious to raise mustard instead of wheat on part of their acreage. This increase in tariff to 3 cents per pound will benefit both mustard and wheat. I feel sure that you will give our viewpoint full consideration and enlist the cooperation of other Senators.

Thank you for your assistance.

Yours very truly,

BARKEMEYER GRAIN & SEED CO.,
A. E. BARKEMEYER, *President*.

Mr. President, this makes a very powerful appeal to me. Here is an opportunity to do the farmer some good, to limit and narrow the area devoted to the production of wheat, and to put it into a product that is more profitable to the grower and which is now very largely supplied from foreign sources. I am convinced that the Senator from Maryland [Mr. GOLDSBOROUGH], who has with due regard to the interests of his State asked for an increase in duties upon all of his own products, including prepared mustard, will feel that there ought to be a little bit of reciprocity about this matter and that he ought to have some consideration for this industry which offers so much of promise. Indeed, Mr. President, when I find an industry, which is itself highly protected and which has in the past been highly protected, objecting to a duty upon the raw material that enters into its particular product, I feel that it exhibits a spirit that no one can commend and that ought not to be particularly approved.

I hope that the rate will stand as it was agreed to in Committee of the Whole.

Mr. FRAZIER. Mr. President, the very theory of a protective tariff is to protect infant industries. The special session which considered the tariff bill was called for the benefit of agriculture especially.

So-called tame mustard is raised in California, and in Montana to a small extent. In many of the other Middle Western and Western States the wild mustard grows to such an extent that it is a noxious weed and it is practically impossible to get rid of it. There is no question that one hundred times more mustard seed can be produced in the United States than the domestic demand will require if a price can be paid to the farmers which will give them cost of production and a little profit, thus taking the place of other acres which produce now a surplus of product.

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

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from New York?

Mr. FRAZIER. I yield.

Mr. COPELAND. No one who votes for this proposal can ever find fault with the Senator who votes for a protective tariff on anything in the world. Senators may talk about an infant industry and what can be done, but it is perfectly absurd to tax every table in the country for the sake of putting a tariff on the very small amount of mustard raised in the United States.

Mr. FRAZIER. Mr. President, on many of the schedules we have passed over in this very tariff bill the argument has been made that the tariff is granted to protect a growing industry or to keep a small industry from failing. I have a letter from the Department of Agriculture, Bureau of Agricultural Economics, in reply to a request of mine asking the number of acres it would require in the United States to raise the farm products which are imported that should be raised in the United States just as well as not. Their estimate, and they say it is only an estimate, is that it would require 14,718,000 acres of land to produce the imported farm products that come in direct competition with the products produced here at home. I think their figures are very, very conservative.

I have another letter from the Farm Journal published in Philadelphia, dated October 19, 1929, in which the editor states:

Three-quarters of our total imports are of agricultural origin and the amount which may be regarded as competitive exceeds $2,000,000,000 a year for the last three fiscal years.

Mr. E. Clemens Horst, of San Francisco, appeared before the Committee on Agriculture and Forestry on the farm bill and made this statement:

We are importing products of at least 80,000,000 plow-land acres, which equals 45,000,000 acres in excess of our requirements plus 35,000 acres of legitimate exports.

That is a fact on the basis of the statement of the editor of the Farm Journal. At $25 an acre it would take 80,000,000 acres to produce $2,000,000,000 of exports which he states are coming in competition with our farm products here.

Mr. President, there is no question that we can raise plenty of mustard seed in the United States if we are given an opportunity. As the Senator from Montana [Mr. WALSH] said it is an infant industry now and should be protected. If we can get a rate of 3 cents a pound in the way of a tariff I am satisfied that the production of mustard seed will increase, and will increase rapidly, so that it will supply the whole demand for mustard seed in the United States.

Mr. WALSH of Massachusetts. Mr. President, I will say to the Senator from Montana [Mr. WALSH] that the statistics which he gave me with reference to the production of mustard seed in Montana are new to me. I had no information that there was any production of mustard seed in that State that was marketable for spice making. The figures which had been given to me related to production in California. They indicate that last year there was produced in California about 1,400,000 pounds of brown mustard seed and 240,000 pounds of yellow mustard seed. Assuming that the duty becomes effective, I figure that the domestic producers will receive approximately $900,000 a year additional above what they receive now for their mustard seed, and that the American consumers will have to pay, in consequence of that duty—at least the manufacturers will have to pay it, and of course they will pass it on to the consumers—$900,000 in the first place because of the increased duty that may be levied in the bill.

I ask the attention of the Senator from Utah [Mr. SMOOT]. The present duty on manufactured mustard is 8 cents and that is based, I understand, upon some relation to the duty upon mustard seed.

Mr. SMOOT. That is supposed to be the basis.

Mr. WALSH of Massachusetts. Is it a fact, as they claim, that if the 8-cent rate is placed upon mustard seed their duty ought to be made 24 cents?

Mr. SMOOT. No; I do not think it will be that much.

Mr. WALSH of Massachusetts. There would have to be an increase?

Mr. SMOOT. Yes.

Mr. WALSH of Montana. Mr. President, I desire to remark before we conclude that I am pleased to learn from the Senator from Massachusetts [Mr. WALSH] that the information which he gave us, alleged to come from the Department of Agriculture, concerning the inferior quality of Montana-grown mustard, does not come directly from the Department of Agriculture to him, but comes in the nature of a communication from some producers of prepared mustard who do or do not accurately reproduce the communication which they had or the information they received from the Department of Agriculture.

Mr. WALSH of Massachusetts. I will say to the Senator that that is the fact.

Mr. WALSH of Montana. Likewise, the Senator read from another producer of spices or spiced products, including mustard, I suppose, a statement to the effect that they placed an order with the Barkemeyer Co., of Great Falls, a year ago and they have not had compliance with the order. I suppose probably that is not the first time occurrences of that kind have taken place. The bare fact that they did not get a reply to their letter would indicate that there is some trouble about the communication in some manner or other. I think no one will have any difficulty at all in getting filled any orders that are placed with the Barkemeyer Co. for mustard seed.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. GOLDSBOROUGH] to the amendment made as in Committee of the Whole.

Mr. WALSH of Massachusetts. I ask for the yeas and nays.

Mr. WALSH of Montana. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present. Is the demand for the yeas and nays seconded?

The yeas and nays were ordered.

Mr. WALSH of Montana. Mr. President, for the benefit of those Senators who came into the Chamber on the quorum call, I want to state the question which is involved. The present law imposes a duty of 1 cent per pound on mustard seed; the House bill carries a duty of 2 cents a pound. That rate was approved by the Senate Finance Committee. On the floor the duty was raised to 3 cents per pound. Now it is proposed to put it back to 1 cent per pound. The product involved is one which is grown in California and Montana.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SHORTRIDGE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SHORTRIDGE. If not too late, would a suggestion of amending the proposed amendment fixing the rate at 2 cents a pound be in order?

The VICE PRESIDENT. It is now too late to offer such an amendment.

The roll call was resumed.

Mr. GLENN (when his name was called). I have a special pair for the day with the junior Senator from Arkansas [Mr. CARAWAY] and therefore withhold my vote.

Mr. OVERMAN (when his name was called). I have a general pair with the Senator from Illinois [Mr. DENEEN] and therefore withhold my vote.

The roll call was concluded.

Mr. BLEASE. Mr. President, I just came into the Chamber, and find myself in the position that I do not know exactly how to vote. Some of my friends are voting one way and others are voting the other. May the question be stated?

The VICE PRESIDENT. A vote "yea" is to vote for the imposition of a duty of 1 cent a pound.

Mr. BLEASE. How is it if a Senator shall vote "nay"?

The VICE PRESIDENT. That would be for the imposition of a duty of 3 cents a pound.

Mr. BLEASE. Then I vote "yea."

Mr. SIMMONS. I have a general pair with the Senator from Massachusetts [Mr. GILLETT]. In his absence I withhold my vote.

Mr. BINGHAM. Has the junior Senator from Virginia [Mr. GLASS] voted?

The VICE PRESIDENT. He has not.

Mr. BINGHAM. I have a general pair with the junior Senator from Virginia and therefore withhold my vote.

Mr. WATSON. I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Kentucky [Mr. ROBSION] and vote "nay."

Mr. FESS. I desire to announce the following general pairs:

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]; and

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Wyoming [Mr. KENDRICK].

Mr. MOSES (after voting in the affirmative). I transfer my general pair with the Senator from Louisiana [Mr. BROUSSARD] to the Senator from Oregon [Mr. MCNARY] and let my vote stand.

The result was announced—yeas 28, nays 39, as follows:

YEAS—28

Baird	Grundy	Metcalf	Townsend
Blease	Hale	Moses	Tydings
Copeland	Harris	Norris	Vandenberg
Couzens	Hatfield	Patterson	Wagner
Dale	Hebert	Sullivan	Walcott
Dill	Kean	Swanson	Walsh, Mass.
Goldsborough	La Follette	Thomas, Okla.	Waterman

NAYS—39

Allen	Fess	Howell	Robinson, Ind.
Ashurst	Fletcher	Johnson	Schall
Barkley	Frazier	Jones	Sheppard
Black	George	McCulloch	Shortridge
Bratton	Greene	McKellar	Smoot
Brock	Harrison	McMaster	Stephens
Brookhart	Hastings	Norbeck	Walsh, Mont.
Capper	Hawes	Nye	Watson
Connally	Hayden	Oddie	Wheeler
Cutting	Heflin	Phipps	

NOT VOTING—29

Bingham	Glenn	Pine	Smith
Blaine	Goff	Pittman	Steck
Borah	Gould	Ransdell	Steiwer
Broussard	Kendrick	Reed	Thomas, Idaho
Caraway	Keyes	Robinson, Ark.	Trammell
Deneen	King	Robsion, Ky.	
Gillett	McNary	Shipstead	
Glass	Overman	Simmons	

So Mr. GOLDSBOROUGH's amendment to the amendment made as in Committee of the Whole was rejected.

The VICE PRESIDENT. The question recurs on concurring in the amendment made as in Committee of the Whole.

Mr. SMOOT. Mr. President, I have been asked by a number of Senators again to renew my request in reference to this matter. It is as follows:

That instead of a duty of 3 cents per pound on this commodity we put it at 2 cents a pound, which is the House rate. Previously I made such a request, and I think it was agreeable to all Senators present. Now, I again ask that the duty be fixed at 2 cents per pound instead of 3 cents per pound.

The VICE PRESIDENT. A negative vote would secure that.

Mr. SMOOT. Then, I ask for a negative vote.

Mr. FESS. I ask for the yeas and nays.

The VICE PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

Mr. DILL. I ask to have the amendment stated.

The VICE PRESIDENT. The amendment made as in Committee of the Whole will be stated.

The LEGISLATIVE CLERK. On page 145, line 15, strike out "2 cents" and insert "3 cents," so as to read:

Mustard seeds (whole), 3 cents per pound.

The VICE PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

Mr. FESS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. FESS. A negative vote makes the rate 2 cents?

The VICE PRESIDENT. That is correct.

Mr. WALSH of Massachusetts. I call for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. WATSON (when his name was called). Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. NORBECK. On this question I am paired with the senior Senator from California [Mr. JOHNSON] and therefore withhold my vote. If he were present, he would vote "yea," and if I were at liberty to vote I should vote "nay."

Mr. MOSES (when his name was called). Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "nay."

Mr. FESS. I desire to announce the following general pairs:

The Senator from Massachusetts [Mr. GILLETT] with the Senator from North Carolina [Mr. SIMMONS];

The Senator from Illinois [Mr. DENEEN] with the Senator from North Carolina [Mr. OVERMAN];

The Senator from Maine [Mr. GOULD] with the Senator from Utah [Mr. KING];

The Senator from Illinois [Mr. GLENN] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Wyoming [Mr. KENDRICK].

The result was announced—yeas 21, nays 53, as follows:

YEAS—21

Ashurst	Frazier	Oddie	Walsh, Mont.
Brookhart	Hayden	Pittman	Watson
Broussard	Howell	Robinson, Ind.	Wheeler
Capper	Jones	Schall	
Connally	McMaster	Stephens	
Cutting	Nye	Thomas, Idaho	

NAYS—53

Allen	Glass	Keyes	Sullivan
Baird	Goff	La Follette	Swanson
Barkley	Goldsborough	McCulloch	Thomas, Okla.
Bingham	Greene	McKellar	Townsend
Black	Grundy	Metcalf	Trammell
Blease	Hale	Moses	Tydings
Bratton	Harris	Norris	Vandenberg
Brock	Harrison	Patterson	Wagner
Couzens	Hastings	Phipps	Walcott
Dale	Hatfield	Ransdell	Walsh, Mass.
Dill	Hawes	Sheppard	Waterman
Fess	Hebert	Shortridge	
Fletcher	Heflin	Smoot	
George	Kean	Steiwer	

NOT VOTING—22

Blaine	Glenn	Norbeck	Shipstead
Borah	Gould	Overman	Simmons
Caraway	Johnson	Pine	Smith
Copeland	Kendrick	Reed	Steck
Deneen	King	Robinson, Ark.	
Gillett	McNary	Robsion, Ky.	

So the amendment made as in Committee of the Whole was nonconcurred in.

The VICE PRESIDENT. The question is on the next amendment reserved for a separate vote, which will be stated.

The LEGISLATIVE CLERK. Long-staple cotton, paragraph 781, page 146, line 8.

Mr. WALSH of Massachusetts. Mr. President, since this amendment was adopted there has been some discussion about a compensatory duty. I have communications from the cotton manufacturers of my State inquiring whether or not any compensatory duties are to be levied. I should like to have a statement from the chairman of the committee on that subject.

Mr. SMOOT. Mr. President, if long-staple cotton carries a duty of 7 cents a pound, such as the Senate has already voted, I shall offer on page 160, after line 12, the following:

PAR. 924. All the articles enumerated or described in this schedule shall be subject to an additional duty of 10 cents per pound on the cotton contained therein having a staple of 1⅛ inches or more in length.

That is the compensatory duty.

Mr. WALSH of Massachusetts. Mr. President, may I ask the Senator for the record what is the production of long-staple cotton in this country compared to the consumption?

Mr. SMOOT. I will give the exact figures.

Mr. HARRISON. Mr. President, I can tell the Senator. I think it is approximately 900,000 bales.

Mr. SMOOT. I think that is approximately it. I was going to give the exact figure.

Mr. HARRISON. About 900,000 bales.

Mr. WALSH of Massachusetts. What is the consumption?

Mr. SMOOT. About 1,300,000 bales, I think—something like that. In other words, as I remember the figures, the importations are about 400,000 bales, and the production in the United States is about 900,000 bales.

Mr. WALSH of Massachusetts. Mr. President, at the time this amendment was adopted I think there was not appreciated by a good many Senators the fact that compensatory duties would have to be levied upon various kinds of cotton fabrics, including automobile tires and cotton goods of all kinds in which long-staple cotton is used. I have reason to believe that there has been some change of sentiment, not through a "deal" but through honest convictions on this subject, in the Senate. I know that some Senators would like to have their records cleared; and I am going to ask that a roll call be had. Further, I do not believe it was appreciated that the equivalent ad valorem of the 7-cent duty is about 24 per cent.

Mr. FESS. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Ohio.

Mr. FESS. I am glad the Senator has made that remark, because I assumed that, of course, there would be a compensatory duty, and I voted with the understanding that that would follow; but I propose not to vote for a duty on long-staple cotton unless I am assured that the other will follow.

Mr. WALSH of Massachusetts. Has the Senator received a great many protests from users of long-staple cotton in his State?

Mr. FESS. I have.

Mr. WALSH of Massachusetts. Expressing great surprise that this duty should be voted by the Senate?

Mr. FESS. With the statement that it would add 56 cents to the cost of each tire.

Mr. WALSH of Massachusetts. It would add 56 cents to the cost to the public of each tire?

Mr. FESS. Yes.

Mr. WALSH of Massachusetts. Has the Senator figured out how much that would mean in the way of a total extraction from the pockets of the American people for tires?

Mr. FESS. I have not. I assumed, of course, that if we put a duty on the raw material, it would be compensated on the finished product. There has been no effort on that score. Therefore, I shall reverse my vote.

Mr. SHORTRIDGE. Mr. President——

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

Mr. WALSH of Massachusetts. I do.

Mr. SHORTRIDGE. Mr. President, the number of pounds of long-staple cotton used in the making of an automobile tire would be a little over 4 pounds, and I have authoritative data to show that, assuming that the 7 cents a pound on long-staple would be fully effective, it would not impose upon the manufacturer more than 30 to 31 cents on a tire sold for $15 or $20 or $30 or $40.

Mr. WALSH of Massachusetts. Mr. President, on that statement I should say the Senator from Ohio ought to increase his estimate of what the increase would mean to the public, because the Senator's own statement does not provide for any pyramiding. He says the increased cost to the manufacturer would be about 30 cents; therefore, the cost to the public would be more than what the Senator from Ohio has estimated, and perhaps would reach more than double that sum, namely, 70 cents.

Mr. SHORTRIDGE. Which the manufacturer can easily absorb, and he does not need, in point of truth, any additional assistance.

Mr. WALSH of Massachusetts. I have not been able to find, as the result of my experience with the tariff, that many manufacturers generally absorb increased tariff duties.

Mr. SHORTRIDGE. The competition is such that they will very gladly do so.

Mr. WALSH of Massachusetts. I do not care to prolong the discussion, except to state that the voting of this duty has had a very depressing effect upon the cotton-textile industry. It is already in a very precarious condition, North and South. I can not adequately describe the extent of unemployment and depression in that industry to-day in this country.

I venture to say that in the last two years at least a hundred large factories employing thousands of working men and women have closed their doors. I received word the other day from the community in which I live that a factory which had been in existence there for 75 years, making at one time the finest ginghams in the world, later weaving cotton cloth, at one time employing 2,200 men, is to close down on April 1.

With that condition in this industry, the news that an increased duty was to be levied upon long-staple cotton was a very great shock to the industry, and it is unfortunate that we should have taken such action at this time.

I notice that the Senators from North Carolina, both the junior and the senior Senators, in whose State there are cotton industries and in whose State cotton is raised extensively, voted against this duty. They both feel, as I do, that it is a very serious blow to the textile industry, which is already in a very precarious condition.

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

Mr. WALSH of Massachusetts. I yield.

Mr. HAYDEN. If the news that the price of cotton might be raised 7 cents a pound was a great shock to the textile industry, it seems to me the industry should have been overjoyed at the drop in the price of the same kind of cotton during the past year of about 14 cents a pound. They should have been cheered up wonderfully by that. This grade of cotton is cheaper than it has ever been in history. A variation of 7 cents a pound is frequent during the year. It is no shock to the cotton market that long staple should go up or down 7 cents; that is within the range of normal price fluctuations.

I can not quite see that the mere fact that the Senate voted for an increase in the tariff or 7 cents is the trouble with the cotton industry. Frequently in a year it will change 7 or 10 or 15 cents a pound.

Mr. WALSH of Massachusetts. I did not mean to say that within three days the cotton industry had collapsed because of this increased duty. It has been in a precarious condition for many reasons and for a long period of time, but this certainly did not help.

In reply to the Senator, I will say that I do not suppose the cotton manufacturers, any more than any other manufacturers, measure the success of their business by what may be the price of the raw material on a particular day or during a particular week or a particular month. I presume they exercise reason, and that they can foresee the time when these duties will be effective; and they will be effective, probably, at a time when cotton will be at a very high price, regardless of the increased price caused by the duty. The objection they make is not so much because of the immediate effect of this duty but what the effect in the long run will be on the textile industry.

Mr. HAYDEN. When cotton is at a very high price, of course the effect is less, but now, when the cotton market is absolutely dragging at the bottom, and cotton is cheaper than it has been since before the war, it seems to me that they can not complain about a mere change of 7 cents a pound on this grade of cotton.

Mr. WALSH of Massachusetts. I have no desire to prolong the discussion. I have learned to accept the verdict of the Senate complacently, and I recognize the right of this body to increase or lower duties as it sees fit. I only ask in this instance that another record vote be had, in order that we may understand just what is the attitude of the Senate on this matter.

When the vote was taken before there was not much debate, and since that time Senators have had an opportunity to consider different phases of the question from those considered by them when they listened to the pleading appeal made by the able junior Senator from California [Mr. SHORTRIDGE] for the levying of this duty on long-staple cotton.

Therefore I ask for the yeas and nays upon this amendment, and I hope the action of the Senate will be reversed.

The yeas and nays were ordered.

Mr. SMOOT. Mr. President, I want to call the attention of the Senator to the exact figures as to the importations in 1929.

Of long-staple cotton there were imported in 1929, 315,225 bales. There were produced in the United States 694,500 bales.

Mr. WALSH of Massachusetts. Is it a fact that it was the judgment of the Senator's committee that it should recommend that no duty be levied on long-staple cotton?

Mr. SMOOT. That was the action of the committee.

Mr. WALSH of Massachusetts. And also the action of the Ways and Means Committee of the House?

Mr. SMOOT. I do not know whether it came before the Ways and Means Committee of the House or not.

Mr. WALSH of Massachusetts. They levied no duty in the House?

Mr. SMOOT. They levied no duty.

Mr. HARRISON. Mr. President, the Senator will permit me to say, however, that the chairman of the subcommittee having this particular matter in charge was the distinguished senior Senator from Connecticut [Mr. BINGHAM], and in the House the gentleman having it in charge in the subcommittee was one of the distinguished Representatives from the Senator's own State, Mr. TREADWAY.

Mr. WALSH of Massachusetts. Knowing the Senator's sound Democratic tariff views, I am sure that if the Senator from Mississippi had been presiding he would not have recommended the duty.

Mr. HARRISON. The Senator does not know that, because the Senator from Mississippi has expressed himself on the floor to the effect that as to any proposition such as the item relating to long-staple cotton, in the circumstances, with the prices, as revealed by the Senator from Arizona, having declined as they have, and the importations, as stated by the Senator from Utah, being about 60 per cent of the production in the United States, I should think it would be very fair to impose some duty. The Senator from California in offering his amendment has not offered the amendment as requested by these associations, because they wanted 24 cents on the very longest staple, but he has placed it at 7 cents, and these people for whom the Senator now speaks, echoing, of course, the viewpoint of Senator Lippitt, of Rhode Island, and the Senator who sits by the side of the Senator from Massachusetts, Mr. METCALF, of Rhode Island.

It was revealed that on cotton sewing thread this 7-cent raise would increase the cost 0.058 of 1 cent a spool. The fact is, too, as shown to the Senator from Mississippi, and I am sure to the Senator from Massachusetts, that on cotton sewing thread, in the bill as now adopted, there has been an increase of about 4 per cent ad valorem, and on certain long yarns in the cotton-cloth schedule there has been an increase as high in some instances as 12½ per cent ad valorem.

Those are really the facts about the matter, and the information that has come to the Senate and to various Senators since the vote was taken was from a man named Theall, who appeared before the Committee on Ways and Means in opposition to this proposition, representing the sewing-thread people, I believe it was, and, if I recall, he appeared also before the subcommittee of the Finance Committee presided over by the senior Senator from Connecticut [Mr. BINGHAM].

Mr. WALSH of Massachusetts. May I ask the Senator from Mississippi if he is prepared to vote for compensatory duties?

Mr. HARRISON. I do not think there ought to be any compensatory duty for the reason, as I stated before, that the increase on sewing thread carried in this bill already ought to take care of and absorb any compensatory duties, and that has been my view of it, and is now my view of it.

Mr. WALSH of Massachusetts. I am glad to have the Senator's view, but I ask the protectionist Senators on the other side to appreciate what the Senator from Mississippi has said, that he does not propose—and I assume he speaks for others—to support compensatory duties. Therefore the protectionist Senators who voted for this duty heretofore will please take notice, and be on their guard.

Mr. HARRISON. Of course the Senator understands that I am expressing merely my individual views. If there were no increase on cotton sewing thread, of course when you put a tariff on the raw material you have to put on a compensatory duty. That is the case with wool and other products.

Mr. WALSH of Massachusetts. There was an increased tariff duty in the cotton schedule in only two or three instances, and the increases were very small, 4 per cent in one case, and I think on a certain other fabric 12 per cent, but upon a large number of the items in that schedule there were no increases.

Mr. SMOOT. Mr. President, allow me to say that the final action of the Senate was to adopt the rate of the present law on the sewing thread. There is no increase in that.

Mr. HARRISON. But the Senator will recall that there was an increase, at the time we voted on this proposition, of 4 per cent ad valorem on cotton sewing thread. After that came up, and after we voted on it, there was an amendment offered by the Senator from Rhode Island [Mr. HEBERT]. I have not been able to analyze whether or not that carried an increase, and that may change the situation so far as the compensatory duty is concerned, but at the time we voted on this proposition before there was a 4 per cent ad valorem increase on cotton sewing thread.

Mr. SMOOT. With a different classification, and the request was that the rate go back to that in the existing law, and that is what is in the bill to-day.

I wanted to say also that the amount of long-staple cotton used in sewing thread is a mighty small proportion of the long-staple cotton used in the cotton industry. It goes into cloths of the finest kind, and the amendment I propose offering covers only those things in which long-staple cotton is used, and it is simply the compensatory duty necessary to cover the 7-cent duty.

Mr. HARRISON. I appreciate that; and in speaking of cloth the Senator knows, because the expert is by his side, that on certain cloth into which this long staple enters there has been an increase in some instances of as high as 12½ per cent.

Mr. WALSH of Massachusetts. I think in the case of velvets and velveteens that may be true in one instance.

But I want to say to the Senator from Mississippi that really there have been very few increases in the cotton schedule. I do not think the trouble with the cotton industry is due to the tariff. Increased duties in certain instances will improve the morale of the industry. As the Senator from New Hampshire [Mr. MOSES] just reminds me, there was only one increase in the basic rate on cotton cloth, and that was a small increase. But I want it understood now that this duty on long-staple cotton will not only wipe out any benefit whatever that may come from the liberal increase which has been given but will be a very serious blow, in my judgment, to the textile industry. That is the information I get from the manufacturers.

Mr. BARKLEY. Mr. President, I want to ascertain from some one what proportion of long-staple cotton, comprising something like 950,000 bales, including the domestic production and importations, is used in the textile mills of New England and what proportion is used in the textile mills of North Carolina, South Carolina, and Georgia and what proportion is used in the making of thread and other products.

Mr. WALSH of Massachusetts. I can not give the Senator the information except to say that it is used in conjunction with the common cotton, and it produces a finer yarn and a finer piece of cotton goods. It is rarely, if ever, used alone in the making of fabrics, but it is used in conjunction with other cotton in practically all the mills which make any fine-grade cotton goods.

Mr. SMOOT. Wherever there is a thread to be drawn very fine they use the long-staple cotton because of the fact that the short-staple cotton can not be drawn out in the way that is necessary.

Mr. WALSH of Massachusetts. In other words, no one mill and no one company uses the long-staple cotton, but they all use it to a certain extent.

Mr. BARKLEY. I understand it is mixed with short-staple cotton so as to make an average which is stronger than it would be if they used altogether the short staple.

Mr. WALSH of Massachusetts. When they want to spin a fine No. 30 thread they must use long-staple cotton, and much of the cotton cloth produced now is of the finer type.

Mr. SMOOT. They never mix long-staple and short-staple cotton. If they did they could not get the fine thread. The long-staple cotton is used almost entirely in drawing the finer threads. The Senator can see that if they are going to draw a fine thread and get it as fine as they have to they must use the long-staple cotton, and they are not going to take any chances with the short-staple cotton breaking.

Mr. BARKLEY. That may be true as to drawing a fine thread, but when they come to weaving the thread into the fabric, then what about it?

Mr. SMOOT. It may be all short-staple cotton.

Mr. BARKLEY. To what extent do they mix the thread?

Mr. SMOOT. They may use short-staple cotton for filling. They may use it for different colors. The warp has to be always stronger than the filling thread. The warp thread has to bear the wear and tear of the harness going up and down. There is more strain upon the warp, and therefore they have to have a warp always stronger than the filling thread.

Mr. BARKLEY. Can the Senator advise me whether long-staple cotton is used to any extent in the manufacture of rayon?

Mr. SMOOT. It may be used in a cloth that is rayon filled with a fine cotton warp.

Mr. PITTMAN. Mr. President, I would like to ask the Senator from Utah a few questions for information. Does the Sen-

ator know how many bales of short-staple cotton as against the long-staple cotton are used in the textile industry?

Mr. SMOOT. Does the Senator mean the percentages?

Mr. PITTMAN. I mean the total in any way the Senator can give it. I have tried every way possible to get it.

Mr. SMOOT. The total used under 1⅛ is 6,047,410 bales and over 1⅛ inches is 786,653 bales; in other words, it is about 12 per cent more.

Mr. PITTMAN. In fixing the compensatory duty the Senator would only take into consideration the fact that it will really take care of 12 per cent?

Mr. SMOOT. There are two paragraphs here. One is 1⅛ to 1 1/32, and the other one is 1⅜ and over. Both of those paragraphs are 1⅛ and over, so it would be 735,079 and 786,653, or in other words about 1,500,000.

Mr. PITTMAN. As against a total of how much?

Mr. SMOOT. Under 1⅛ it would be 6,047,410. That is only the long-staple cotton.

Mr. PITTMAN. Only in proportion?

Mr. SMOOT. It is whatever the proportion may be. Some years when they are making a different class of goods they would not import as much long-staple cotton as in other years. A great deal depends on the class of goods being made.

Mr. WALSH of Massachusetts. Mr. President, will the result of the levying of the duty mean, in the opinion of the chairman of the Finance Committee, an increased cost to the public for the fine lining used in the making of suits, the fine cotton dress goods worn by women, the finer shirts worn by men, and the finer curtains that are used in the adornment of homes?

Mr. SMOOT. Wherever there is a strong thread and a fine thread, they have to use this cotton. In the wool schedule there is one paragraph that will be affected by the long-staple cotton provision, and, of course, we will offer an amendment there for a compensatory duty. Among the items falling in that paragraph are the linings that we have in our coats.

Mr. WALSH of Massachusetts. I understand that. It is used more in that way than in any other kind of goods.

Mr. SHORTRIDGE. Mr. President, when this matter was before the Senate some days ago it was very fully discussed, and doubtless it will be remembered that the proposed amendment was carried by a very substantial majority. I beg leave to observe that the proposed amendment was suggested months and months ago, was printed, laid on the table, and practically all Senators were aware that it would be called up for consideration. I beg to add also and remind the Senate that as to all the articles made in America, in the making of which long-staple cotton is used in part and only in part, there has been a substantial increase of protective duties. I had that in mind when voting for the several increases. I have before me a statement submitted by the department showing what the Senate has done, the increases provided in respect of the several cloth and other articles, in the manufacture of which cotton is used.

Frankly, in perfect friendship for the manufacturers of these goods, I think they have been amply protected, and in all sincerity I do not think that there is a call for additional so-called compensatory duties. But as to the latter proposition I am perfectly willing to listen and be guided by suggestions or facts which may be submitted. As of now, however, I undertake to say that if there be one item in the bill, particularly in what is called the agricultural schedule, which needs the protection thus far by the action of this body given it, it is the one now before us.

It is idle and a waste of time to repeat arguments heretofore made and approved. It may be irritating even to restate the problem. It is enough to suggest it. Every cotton-growing State in the Union is vitally interested in this item. As my friend from Mississippi [Mr. HARRISON] suggested, the proposed duty applies to the higher grade, more expensive cotton, of which there were over 315,000 bales last year imported into the country from Egypt. The cotton growers of the cotton-growing States can not compete with Egypt in the raising of this type of cotton.

I have never impugned the motives of any Member of the Senate. I have never questioned his high integrity and patriotic purpose. I do not now. But I venture to rap upon the breasts of Senators and tell them that if they are, as I must assume they are, the friends, the true and sincere friends, not the pretended, feigned, fake friends, of the man, the woman, the child upon the farm, now is the time to demonstrate it, now is the time to act. It is very easy to indulge in words. It is very easy to indulge in rhetorical display expressive of our love, affection, devotion for the farmer or the agriculturist, or, if you please, for the miner or the manufacturer. But there comes a time for the application of the acid test. I can understand full well the Senators from Massachusetts think first of the factory. It may well be that some of us from the broad fields and prairies think first of the field and the prairie. In effect I have been called the last of the 100 per cent protective-tariff men in this body, which distinction I do not arrogate to myself; but having been called the last of the McKinley tariff men, I say to protectionists here of Massachusetts, Rhode Island, New York, and all the great States along the Atlantic seaboard and all the great manufacturing States of the Union, that if they would be protected by adequate tariff duties they should be willing to lend an attentive and sympathetic ear to the agriculturalists, the farmers of this Nation—and this is a farming item in the bill if there be any.

It is not for my own great State that I am speaking or thinking; I would take the same position if not one pound of cotton were raised in California. Arizona, New Mexico, Texas, Arkansas, Louisiana, Georgia, Alabama, Tennessee, and Mississippi are great cotton-growing States, in all types of cotton. All of those States and their people, the men and women of those States, come here to us and ask for this aid and assistance by way of a tariff duty.

To my tariff friends, those who believe in the protective-tariff theory, I appeal; and since my friend from Massachusetts says that there is no question now between the two parties as to giving protection, that the only question is as to the rates of duty or the degree of protection to be agreed upon, I appeal to him now to listen to Mississippi and to the other cotton-growing States of the Union.

Mr. President, I am about through. The Senator from Utah [Mr. SMOOT], who thinks accurately, has indicated that if this rate of 7 cents on long-staple cotton be granted—and by that is meant cotton of 1⅛-inch length of fiber or more—an amendment will be offered providing for some additional compensatory rates on articles in the making of which this type of cotton is used. I will say that in some instances it may be proper, and it may be that in all the Senator shall suggest I shall agree; but I await, of course, the offering of the amendment.

Mr. OVERMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from California yield to the Senator from North Carolina?

Mr. SHORTRIDGE. I yield.

Mr. OVERMAN. Mr. President, what cotton competes with the long-staple cotton of which the Senator is speaking?

Mr. SHORTRIDGE. The cotton that competes with this American cotton——

Mr. OVERMAN. It is the Egyptian cotton, is it not?

Mr. SHORTRIDGE. Yes, sir. If I understand the Senator's question, the competition is as between our long-staple cotton and Egyptian cotton.

Mr. OVERMAN. I understand that. I also understand from those who grow cotton—I am not thoroughly informed about it—that, if this amendment shall be agreed to, the manufacturers will be compelled to have Egyptian cotton, in any event, and will have to pay $35 a bale more for it, and that, of course, it will be necessary to impose compensatory duties on their products.

The adoption of the amendment will not help at all the cotton producers of California, because it is not the same quality as the imported cotton; it has not the same staple; and the manufacturers will have to buy Egyptian cotton. I repeat, the adoption of the amendment will not help the cotton in the State of the Senator from California, but will require the manufacturers to pay $35 a bale more. How can they do that without compensatory duties being levied on the commodities which they produce?

Mr. SHORTRIDGE. Mr. President, if I may respond to the thought suggested by the Senator from North Carolina——

Mr. OVERMAN. A million bales of cotton are raised in my State. When this question was previously before the Senate I voted against the high protection provided by the amendment, and I am against it now. The long-staple cotton produced in California does not compare with that produced in Mississippi. I understand that in California it is not called long-staple cotton, but it is called by some peculiar name.

Mr. SHORTRIDGE. Perhaps the Senator refers to Pima cotton, but "a rose by any other name would smell as sweet."

Mr. OVERMAN. I do not think it does smell as sweet, because the staple is not the same at all; the staple has not the length; and the cotton raisers in the Senator's State do not produce over 30,000 bales. Now it is proposed to impose a 7-cent duty in order to protect the 30,000 bales, when the duty, if imposed, will not help the cotton grown in the Senator's State at all, because the manufacturers will have to buy Egyptian cotton, inasmuch as the cotton which it is proposed to protect, does not compare with the foreign article. Nevertheless it is proposed to tax those who use the foreign cotton $35 a bale.

Mr. SHORTRIDGE. Mr. President, I follow the Senator's argument and respect his views. In the first place, I have heard that argument touching quality until it has become to me wearisome. During the late war when there was practically an embargo on the importations temporarily of the so-called high-grade superior Egyptian cotton, the American manufacturers used American-raised cotton. The emergency tariff bill of 1921 was passed placing a duty of 7 cents a pound on long-staple cotton. What was the result? Instead of some four hundred and odd thousand—485,000, I think—bales of cotton that had come in from Egypt the year previous, the importations fell off to something in the neighborhood of 85,000 bales. Meantime our factories were using American-grown cotton.

Now as to quality. The argument as to quality is used not only as to cotton, but it is also used by importers and by some Senators, perhaps influenced by what is told them, in respect to practically every imported article. As to cherries, almonds, walnuts, and a thousand other items of agriculture or of manufacture, we are always told that the American product is not equal in quality to the foreign.

Mr. OVERMAN. Mr. President, I am a member of the Committee on Appropriations. The Agricultural Department and the people of the South are asking for large appropriations to encourage the raising of a cotton which has a long staple, not Pima cotton, if that is what it is called; they do not want to grow that sort of cotton, but they want the real long-staple cotton. So appropriations have been made for that purpose to help them in their efforts and to show them how to restore and increase the culture of sea-island cotton, which is of very high quality and of a different class from the so-called long-staple cotton raised in the West, and of a different length.

Mr. SHORTRIDGE. Begging the Senator's pardon, let me remind him that the Legislature of Mississippi, during the month of January, considered this question and adopted a joint resolution, without a dissenting vote, indorsing a higher rate than is asked for. Many of the other cotton States have asked for a graduated increase in the rate, even up to 24 cents, on cotton running from 1⅛ inches——

Mr. OVERMAN. Mr. President——

Mr. SHORTRIDGE. Mr. President, will the Senator pardon me until I finish this sentence?

Mr. OVERMAN. Certainly.

Mr. SHORTRIDGE. Running from 1⅛ inches up to 1⅝ inches. We raise in California a great deal of cotton of 1⅛-inch staple.

Mr. OVERMAN. How many bales of cotton of the long-staple variety are raised in the Senator's State?

Mr. SHORTRIDGE. California last year raised more than 12,000 bales.

Mr. OVERMAN. California raised 12,000 bales!

Mr. SHORTRIDGE. Certainly.

Mr. OVERMAN. And the Senator proposes to put a tariff of 25 per cent on that character of cotton in order to protect 12,000 bales?

Mr. SHORTRIDGE. Of course it is all right when I vote to aid the rayon industry and the peanut producers of North Carolina. I voted for an increased duty on peanuts raised in the great State of the Senator from North Carolina.

Mr. OVERMAN. I voted for duties on some commodities produced in California.

Mr. SHORTRIDGE. As has been stated, this type of cotton is raised in the States named; and we seek to increase the acreage and improve the quality, if you please. The acreage has grown rapidly in California; Texas is increasing her cotton acreage, and, as I have said so often, we have the climate, the soil, the people, and the great American market, which we seek to supply, and the question is whether we or Egypt shall supply it.

I said the other day that there were Senators here from cotton States who could far better present this subject than I have been able to do, but still I feel that I understand the problem, and I am calling upon those who believe in the protective tariff policy to grant this relief and assistance.

The VICE PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

Mr. HEFLIN. Mr. President, I inquire what is the parliamentary status?

The VICE PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

Mr. HEFLIN. And a vote "yea" is to sustain the 7 cents a pound rate of duty?

The VICE PRESIDENT. That is correct.

Mr. WALSH of Massachusetts. Mr. President, the yeas and nays have been ordered.

The VICE PRESIDENT. The yeas and nays have been ordered, and the Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. OVERMAN (when his name was called). I have a pair with the senior Senator from Illinois [Mr. DENEEN]. I transfer that pair to the Senator from Virginia [Mr. SWANSON] and will vote. I vote "nay."

Mr. SIMMONS (when his name was called). On this question I am released from my pair with the senior Senator from Massachusetts [Mr. GILLETT]. I vote "nay."

Mr. WATSON (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to my colleague [Mr. ROBINSON] and will vote. I vote "yea."

Mr. WHEELER. Upon this question I have a pair with the junior Senator from Idaho [Mr. THOMAS]. I transfer that pair to the senior Senator from Massachusetts [Mr. GILLETT] and will vote. I vote "nay."

The roll call was concluded.

Mr. MOSES (after having voted in the negative). I voted not knowing that my pair, the senior Senator from Iowa [Mr. STECK], was absent from the Chamber. I transfer my pair with him to the junior Senator from Kentucky [Mr. ROBSION] and will permit my vote to stand.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Maine [Mr. GOULD] with the Senator from Utah [Mr. KING];

The Senator from Pennsylvania [Mr. REED] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Illinois [Mr. GLENN] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Wyoming [Mr. KENDRICK].

The result was announced—yeas 44, nays 32, as follows:

YEAS—44

Allen	Dill	Howell	Ransdell
Ashurst	Fletcher	Johnson	Schall
Baird	Frazier	Jones	Sheppard
Black	George	McKellar	Shortridge
Bratton	Harris	McMaster	Steiwer
Brock	Harrison	McNary	Stephens
Brookhart	Hastings	Nye	Sullivan
Broussard	Hatfield	Oddie	Thomas, Okla.
Capper	Hawes	Patterson	Trammell
Connally	Hayden	Phipps	Waterman
Cutting	Heflin	Pittman	Watson

NAYS—32

Barkley	Glass	La Follette	Townsend
Bingham	Goff	McCulloch	Tydings
Blaine	Goldsborough	Metcalf	Vandenberg
Blease	Greene	Moses	Wagner
Copeland	Grundy	Norris	Walcott
Couzens	Hale	Overman	Walsh, Mass.
Dale	Hebert	Simmons	Walsh, Mont.
Fess	Keyes	Smoot	Wheeler

NOT VOTING—20

Borah	Gould	Pine	Shipstead
Caraway	Kean	Reed	Smith
Deneen	Kendrick	Robinson, Ark.	Steck
Gillett	King	Robinson, Ind.	Swanson
Glenn	Norbeck	Robsion, Ky.	Thomas, Idaho

So the amendment made as in Committee of the Whole was concurred in.

Mr. HEFLIN obtained the floor.

Mr. SMOOT. Mr. President, will the Senator yield to me for just a minute?

Mr. HEFLIN. Yes.

Mr. SMOOT. The Senate has just voted a duty of 7 cents a pound on long-staple cotton. I ask unanimous consent that I may offer an amendment to the cotton schedule, in the nature of a compensatory duty, by inserting, on page 160, after line 12, the following:

PAR. 924. All the articles enumerated or described in this schedule shall be subject to an additional duty of 10 cents per pound on the cotton contained therein having a staple of 1⅛ inches or more in length.

The VICE PRESIDENT. The amendment is not in order at this time. Is there objection to its consideration?

Mr. HAYDEN. Mr. President, I suggest to the Senator from Utah that he withhold the amendment for the present. I should like to study the effect of it, inasmuch as the rate is different from the amount——

Mr. SMOOT. I can tell the Senator just how it is fixed.

Mr. HAYDEN. I should like to get a little advice with regard to it. Will the Senator have the amendment printed?

Mr. SMOOT. I send the amendment to the desk, and ask to have it printed and lie on the table.

The VICE PRESIDENT. That will be done.

Mr. HEFLIN. Mr. President, I desire to offer an amendment to come at the end of the amendment just concurred in by the Senate.

Paragraph 781 now reads:

Cotton having a staple of 1⅛ inches or more in length, 7 cents per pound.

Following that, I desire to add:

Having a staple of less than 1⅛ inches, 4 cents per pound.

Mr. COPELAND. Mr. President, when the Senator from Utah presents his amendment for a compensatory duty on cotton articles, will he have one on prepared mustard, too, so that that may have a compensatory duty to make up for the duty of 2 cents a pound on mustard seed?

Mr. SMOOT. That is already taken care of, because the House provided a duty of 2 cents a pound on mustard seed.

Mr. COPELAND. On prepared mustard?

Mr. SMOOT. No; on mustard seed.

Mr. COPELAND. Of course there should be a compensatory duty on prepared mustard.

Mr. SMOOT. There is already a compensatory duty of 8 cents a pound on prepared mustard.

Mr. COPELAND. Does the Senator think that is sufficient for a duty of 2 cents a pound on mustard seed?

Mr. SMOOT. Why, certainly.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Alabama.

The CHIEF CLERK. On page 146, after the amendment just concurred in, add the following words:

Having a staple of less than 1⅛ inches, 4 cents per pound.

The VICE PRESIDENT. That amendment is not in order at this time. It is an individual amendment.

Mr. HEFLIN. I introduced this amendment heretofore and let it lie on the table and did not press it at the time the other amendments were acted upon.

The VICE PRESIDENT. It can be offered after the reserved amendments are acted on, but not at this time.

Mr. HEFLIN. I ask unanimous consent to present it just here.

The VICE PRESIDENT. Is there objection?

Mr. BLAINE. Mr. President, I think all individual amendments ought to go over until we complete our action on the reservations.

Mr. HEFLIN. I have just stated that the reason why I make the request is that we have just passed on long-staple cotton; and this amendment deals with short-staple cotton and will perfect this provision. I should like to have it passed on now.

Mr. BLAINE. There has been a general insistence that individual amendments should be permitted to go over until the reservations are acted on. Under the circumstances, I must object.

The VICE PRESIDENT. Objection is made.

Mr. GLASS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GLASS. When did it get to be out of order to propose to increase any item in this tariff bill? [Laughter.]

The VICE PRESIDENT. The Chair will hold that that is not a parliamentary inquiry. The clerk will state the next amendment reserved for a separate vote.

The CHIEF CLERK. Paragraph 806 (b), fruit juice. On page 147, line 24, insert:

(b) Concentrated juice of lemons, oranges, or other citrus fruits, fit for beverage purposes, whether in liquid, powdered, or solid form, 70 cents per gallon on the quantity or equivalent of unconcentrated natural fruit juice into which such concentrated juice can be converted as shown by chemical analysis.

Mr. SMOOT. Mr. President, I send to the desk an amendment, which, I will state, is just a clarifying amendment recommended by the department in order that there may be no question as to the classification or the statistical information gathered under this provision.

Mr. JOHNSON. Mr. President, may I make an inquiry of the Senator? As I understand, this is in reality an administrative amendment?

Mr. SMOOT. It is.

Mr. JOHNSON. It does not alter in any degree the particular provision of the bill?

Mr. SMOOT. In no degree whatever. It is for the purpose of making it clear.

The VICE PRESIDENT. The clerk will state the amendment to the amendment made as in Committee of the Whole.

The LEGISLATIVE CLERK. On page 147, line 25, after the word "purposes," insert:

And sirups containing any of the foregoing, all the foregoing.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah to the amendment made as in Committee of the Whole.

The amendment to the amendment was agreed to.

Mr. SMOOT. The next amendment is on the next page.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 148 strike out lines 2 to 4, inclusive, and insert:

Of unconcentrated natural fruit juice contained in such concentrated juice or sirup as shown by chemical analysis.

The amendment to the amendment was agreed to.

The amendment made as in Committee of the Whole, as amended, was concurred in.

Mr. WHEELER. Mr. President, I ask unanimous consent to have inserted in the RECORD certain excerpts from Henry George's "Protection or Free Trade."

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

AN OUTLINE OF HENRY GEORGE'S "PROTECTION OR FREE TRADE"

By Will Atkinson

"It is the thorough fusion of insight into actual facts and forces, with recognition of their bearing upon what makes life worth living, that constitutes Henry George one of the world's great social philosophers." (John Dewey, professor of philosophy, Columbia University, New York.)

(Quoted verbatim from "Protection or Free Trade," by Henry George)

"Near the window by which I write, a great bull is tethered by a ring in his nose. Grazing round and round he has wound his rope about the stake until now he stands a close prisoner, tantalized by rich grass he can not reach, unable even to toss his head to rid him of the flies that cluster on his shoulder. Now and again he struggles vainly, and then, after pitiful bellowings, relapses into silent misery.

"This bull, a very type of massive strength, who, because he has not wit enough to see how he might be free, suffers want in sight of plenty, and is helplessly preyed upon by weaker creatures, seems to me no unfit emblem of the working masses.

"In all lands men whose toil creates abounding wealth are pinched with poverty, and, while advancing civilization opens wider vistas and awakens new desires, are held down to brutish levels by animal needs. Bitterly conscious of injustice, feeling in their inmost souls that they were made for more than so narrow a life, they, too, spasmodically struggle and cry out. But until they trace effect to cause, until they see how they are fettered and how they may be freed, their struggles and outcries are as vain as those of the bull. Nay, they are vainer. I shall go out and drive the bull in the way that will untwist his rope. But who shall drive men into freedom? Till they use the reason with which they have been gifted, nothing can avail. For them there is no special providence.

"Under all forms of government the ultimate power lies with the masses. It is not kings nor aristocracies nor landowners nor capitalists that anywhere really enslave the people. It is their own ignorance. Most clear is this where governments rest on universal suffrage. Workingmen may mold to their will legislatures, courts, and constitutions. Politicians strive for their favor and political parties bid against one another for their vote. But what avails this? The little finger of aggregated capital must be thicker than the loins of the working masses so long as they do not know how to use their power. * * *

"My aim in this inquiry is to ascertain beyond peradventure whether protection or free trade best accords with the interests of those who live by their labor. I differ with those who say that with the rate of wages the state has no concern. I hold with those who deem the increase of wages a legitimate purpose of public policy. To raise and maintain wages is the great object that all who live by wages ought to seek, and workingmen are right in supporting any measure that will attain that object. Nor in this are they acting selfishly, for while the question of wages is the most important of questions to laborers, it is also the most important of questions to society at large. Whatever improves the condition of the lowest and broadest social stratum must promote the true interests of all. Where the wages of common labor are high and remunerative employment is easy to obtain, prosperity will be general. Where wages are highest, there will be the largest production and the most equitable distribution of wealth. There will invention be most active and the brain best guide the hand. There will be the greatest comfort, the widest diffusion of knowledge, the purest morals, and the truest patriotism. If we would have a healthy, a happy, an enlightened, and a virtuous people; if we would have a pure government, firmly based on the popular will and quickly responsive to it, we must strive to raise wages and keep them high. * * *

"Political economy is the simplest of the sciences. It is but the intellectual recognition, as related to social life, of laws which in their moral aspect men instinctively recognize, and which are embodied in the simple teachings of Him whom the common people heard gladly. But, like Christianity, political economy has been warped by institutions which, denying the equality and brotherhood of man, have enlisted authority, silenced objection, and ingrained themselves in custom and habit of thought. Its professors and teachers have almost invariably belonged to or been dominated by that class which tolerates no ques-

tioning of social adjustments; that give to those who do not labor the fruits of labor's toil. They have been like physicians employed to make a diagnosis on condition that they shall discover no unpleasant truth. Given social conditions such as those that throughout the civilized world to-day shock the moral sense, and political economy, fearlessly pursued, must lead to conclusions that will be as a lion in the way to those who have any tenderness for 'vested interests.' But in the colleges and universities of our time, as in the Sanhedrin of old, it is idle to expect any enunciation of truths unwelcome to the powers that be."

While we may safely accept what specialists in many lines say of their special studies where there are no pecuniary temptations to warp judgment, yet the intelligence of the masses of the people must guide us in all matters concerning the production and distribution of wealth, for this common opinion makes our laws.

Fortunately only clear thinking about familiar things is needed to decide questions of political economy, and this is possible for unlearned as well as learned.

Macaulay has said that the law of gravitation would be disputed if great pecuniary interests were concerned in denying it.

The heart of the tariff question is in its relation to wages.

Adam Smith proved that protective tariffs hamper production; but he was prevented by his surroundings or his self-interest from carrying his book through to its logical end.

His great inquiry was into the causes which reduced wages from the original state in which wages were the entire products of labor to the present state in which labor gets but a small part of what it creates.

Following Smith came Malthus, who blamed the result of men's unwise laws on the Creator of the Universe and by arguments and statements which any schoolboy can prove fallacious, yet barred the gates of discussion because they harmonized with the interests of those who profit by unjust laws.

If protection really "provides employment" and raises wages, why are many idle at all times and wages lowest in our most highly protected industries?

Protectionists and tariff reformers alike shrink from carrying their arguments to logical ends. Let us follow truth wherever it may lead.

Special interests in every age have succeeded by organized effort in passing laws giving them undue advantages over their fellows.

To give our Federal Government an independent income without arousing opposition in the States, a revenue tariff was imposed whose duties were trivial compared with the British tariff then or ours now. But our Constitution prohibited State tariffs and so has brought about free trade among a hundred million people over the greater part of a continent.

The early leaders of the Republican Party were free traders.

The slogan of the Republican Party in 1856 was: "Free trade, free land, free men, Fremont."

While mothers sent their sons to the battle fields of the Civil War, selfish interests secured protective tariffs never before dreamed of, and the fear of alienating the wealthy and powerful, whose aid was deemed essential to the winning of the war, closed the mouths of the eloquent free-trade orators of the Republican Party.

If protection were needed to revive Irish industries, how can we explain Ulster's industrial progress, including her shipbuilding, for which she has no natural advantages?

Superficial thinkers attribute Ulster's greater prosperity to her Protestant faith, ignoring the fact that in Presbyterian Skye industrial conditions are as primitive as in Catholic Connemara.

In both, rapacious landlordism plunders producers and prevents the accumulation of capital, while in Ulster the land tenure leaves a larger proportion of wealth to producers. To claim that people who are annually stripped of all their produce save a bare living are poor because of their religious opinions or lack of a protective tariff is to say that a scuttled ship sinks because she has lost her figurehead.

PROTECTION AS A UNIVERSAL NEED

Protection is popular here because its advocates have claimed that its purpose is to raise wages. Does it really raise wages? Protectionists talk to workingmen in the same soft phrases they use to catch a horse they wish to saddle and ride. The pretense of tyranny has always been the protection of the masses. Kings and slave owners alike seek to justify their protection of subjects and slaves. British misrule in Ireland is said to be to protect the Irish. When has "protection" meant at any time or place anything but oppression? Special privilege "protects" labor just as farmers protect cattle—to live on them.

Does not labor produce all wealth, create all capital? Does not labor feed the world, clothe the world, house the world? Are not the three great orders of society "workers, beggars, and thieves"?

When the first man came into the world what human laws were there to "protect" him? Yet he lived and raised a family. To say that England is prosperous because she has free trade or that the United States is prosperous because it has protection is to fall into an equal error.

On a ship's deck men pull a rope and a yard rises. A man aloft clings to the tackle. His weight may help or retard, and we can only tell which by noticing what part of the tackle his weight is thrown upon. To decide whether any law helps or injures labor we must trace effects to cause.

Cities are not built on sites difficult to reach. Yet if the protective theory were true they would be. Pirates are not promotive of civilization. Yet a discriminating pirate who would seize only imports would be precisely as great a blessing as a tariff. Canals, railways, harbors, lighthouses, automobiles, everything which lessens the cost of transportation are benefits, but tariffs increase costs and neutralize these benefits.

We spend millions to make our ports more easily accessible, then erect tariff barriers to prevent our getting any benefit from that expenditure. Commerce is either a blessing or a curse. If a blessing, tariffs should be abolished. If commerce is a curse, lighthouses should be destroyed and the channels leading to our seaports filled.

If the protective theory be true, then mastery of the air, for which men have longed for ages, would be a misfortune. Not only are all improvements in transportation antagonistic to protection, but all labor-saving inventions and discoveries as well. Oil and natural gas diminish the market for coal far more than the free admission of foreign coal would. The avowed purpose of tariffs is to keep out the products of cheap foreign labor, yet machines are daily invented which produce goods cheaper than the cheapest foreign labor. Protection aims to prevent the importation of useful and valuable things in order to compel the making of such things here. But men seek not to make things but to possess things.

Protection has no scientific basis. When Texas was part of Mexico, according to the protective theory it needed a tariff against the United States. Now they assume it needs a tariff against Mexico. If the three British Kingdoms do not need tariffs against each other now, then they did not need them before they were united.

If nations need protection by tariff from other nations, do not States need it against other States? New Jersey against New York? Iowa against Illinois? City against city? Family against family? What argument for national protection exists which does not call equally for State protection and for family protection?

(The following is quoted verbatim from "Protection or Free Trade")

"It seems to me impossible to consider the necessarily universal character of the protective theory without feeling it to be repugnant to moral perceptions and inconsistent with the simplicity and harmony which we everywhere discover in natural law. What should we think of human laws framed for the government of a country which should compel each family to keep constantly on their guard against every other family, to expend a large part of their time and labor in preventing exchanges with their neighbors, and to seek their own prosperity by opposing the natural efforts of other families to become prosperous? Yet the protective theory implies that laws such as these have been imposed by the Creator upon the families of men who tenant this earth. It implies that by virtue of social laws, as immutable as the physical laws, each nation must stand jealously on guard against every other nation and erect artificial obstacles to national intercourse. It implies that a federation of mankind, such as that which prevents the establishment of tariffs between the States of the American Union, would be a disaster to the race, and that in an ideal world each nation would be protected from every other nation by a cordon of tax collectors with their attendant spies and informers.

"Religion and experience alike teach us that the highest good of each is to be sought in the good of others; that the true interests of men are harmonious, not antagonistic; that prosperity is the daughter of good will and peace; and that want and destruction follow enmity and strife. The protective theory, on the other hand, implies the opposition of national interests; that the gain of one people is the loss of others; that each must seek its own good by constant efforts to get advantage over others and to prevent others from getting advantage over it. It makes of nations rivals instead of cooperatives; it inculcates a warfare of restrictions and prohibitions and searchings and seizures which differs in weapons but not in spirit from that warfare which sinks ships and burns cities. Can we imagine the nations beating their swords into plowshares and their spears into pruning hooks and yet maintaining hostile tariffs?

"No matter whether he call himself Christian or deist, or agnostic, or atheist, who can look about him without seeing that want and suffering flow inevitably from selfishness and that in any community the golden rule which teaches us to regard the interests of others as carefully as our own would bring not only peace but plenty? Can it be that what is true of individuals ceases to be true of nations—that in one sphere the law of prosperity is the law of love; in the other that of strife? On the contrary, universal history testifies that poverty, degradation, and enslavement are the inevitable results of that spirit which leads nations to regard each other as rivals and enemies.

"Every political truth must be a moral truth. Yet who can accept the protective theory as a moral truth?"

From what or whom does a tariff protect us? Protectionists say against foreign producers. But no foreign producer can in any way force us to buy anything we do not want. Goods are not imported because Europeans want to sell them but because Americans want to buy

them. And what we import are goods; good things. Things we want so much that we are willing to pay for them.

Tariffs protect us only against ourselves. They prevent us from buying what we want and where we want and compel us to buy inferior articles at higher prices.

The natural protection to home industry given by burning deserts, stormy seas, and towering mountains would, if protectionist argument were true, give us the first steps to civilization and its most rapid growth where isolation was most complete. But the exact contrary is true. It is on accessible harbors, navigable rivers, and easy highways that cities rise and arts and sciences grow. Trade prevents war, eradicates prejudices, and diffuses knowledge.

In a world created on protective principles every part would have the same soil, climate, and production, so that each section could produce everything they need or wish at home.

But this world is one of infinite diversity in soil, climate, and products. Man can not fully satisfy his desires without trade; without exchanging wheat and corn for sugar and coffee, coal for marble, iron for fish, gold for lead, copper for tin.

If a farmer would increase quality and quantity, he must bring seed from afar, must cross native stock with imported. And with men prejudices are worn down, wits sharpened, language enriched, and new ideas enkindled by trade. "Home-keeping youths have ever homely wits" is true of nations as of men.

Protectionist restrictions no more bring prosperity than ligatures promote the circulation of the blood. Trade enables us to utilize the highest powers of nature by obtaining products from the soil and climate best fitted for each, and thereby increase enormously the returns from our labor.

But, still more important, it enables us also to utilize the highest powers of the human factor in production. The benefits of specialization are through trade shared by all. Men of different nations trade for the same reason that men of the same nation do, because they find it profitable; because through trade they can satisfy their desires with less exertion.

If any government could enforce the prohibition of trade between its own citizens, it would convert the most populous and prosperous country into a howling wilderness. And all interference with either foreign or domestic trade tends toward this—it reduces wages, increases living costs, and makes life harder.

The pioneer eats wheat of his own raising, fish caught by his boys, burns wood he cuts himself. But the wheat had to be ground, the fish brought from the lake to the pan, and the wood carried to the stove. Production is not complete until the product reaches the consumer, and whoever carries it even part way to the consumer is as really a producer as he who plants the seed or grinds the grain.

"Middlemen" save producer and consumer alike expense and trouble, and their profits are trifling compared to the enormous savings effected, like the savings each consumer makes by sharing the cost of one great water-supply system as compared with a separate system for each house.

And the middleman effects an enormous economy in the amount of commodities kept in store as compared with the amount needed if each family had to store for itself all its needs, while the saving from waste of perishable articles is equally great.

(The following is quoted verbatim from "Protection or Free Trade")

"Nor should it be forgotten that the investigator, the philosopher, the teacher, the artist, the poet, the priest, though not engaged in the production of wealth, are not only engaged in the production of utilities and satisfactions to which the production of wealth is only a means, but by acquiring and diffusing knowledge, stimulating mental powers, and elevating the moral sense, may greatly increase the ability to produce wealth. For man does not live by bread alone. He is not an engine in which so much fuel gives so much power. On a capstan bar or a topsail halliard a good song tells like muscle, and a Marseillaise' or a 'Battle Hymn of the Republic' counts for bayonets. A hearty laugh, a noble thought, a perception of harmony, may add to the power of dealing even with material things.

"He who by any exertion of mind or body adds to the aggregate of enjoyable wealth, increases the sum of human knowledge, or gives to human life higher elevation or greater fullness—he is, in the large meaning of the words, a 'producer,' a 'workingman,' a 'laborer,' and is honestly earning honest wages. But he who without doing aught to make mankind richer, wiser, better, or happier lives on the toil of others—he, no matter by what name of honor he may be called or how lustily the priests of mammon may swing their censers before him, is in the last analysis but a beggarman or a thief."

Tariffs for revenue are older than the Cæsars but have all the vices of other indirect taxes. They bear more heavily on the poor than on the rich, taking from the people, not according to what they have but according to what they consume.

(The following is quoted verbatim from "Protection or Free Trade")

"As much sugar is needed to sweeten a cup of tea for a working girl as for the richest lady in the land, but the proportion of their means which a tax on sugar compels each to contribute to the Government is in the case of the one much greater than in the case of the other. So it is with all taxes that increase the cost of articles of general consumption. They bear far more heavily on married men than on bachelors; on those who have children than on those who have none; on those barely able to support their families than on those whose incomes leave them a large surplus. If the millionaire chooses to live closely he need pay no more of these indirect taxes than the mechanic. I have known at least two millionaires—possessed not of one but of from six to ten millions each—who paid little more of such taxes than ordinary day laborers."

It is because they bear far more heavily on the poor than on the rich that indirect taxes have been adopted. The rich are ever the powerful, while the poor are voiceless. The first payers of indirect taxes pass them on with an added profit by insidious ways so that the final payer does not realize what he is paying.

Hence indirect taxes are favorites with all who wish to plunder the poor under any form of government. If tax gatherers stood in stores and collected a 25 per cent tax on every article bought there would be an immediate outcry, followed by repeal or revolution. But even greater taxes are collected by the storekeepers in increased prices without the people's knowledge. And even when realized indirect taxes are difficult to fight successfully. They "pluck the goose without making it cry," but any people jealous of their liberties should insist that all taxation be direct and so take from the people as little as possible above the net return to the Government.

Direct taxes would greatly lessen opportunities for governmental waste and corruption.

(The following is quoted verbatim from "Protection or Free Trade")

"Merely as a means of raising revenue it is clear that indirect taxes are to be condemned, since they cost far more than they yield, bear with the greatest weight upon those least able to pay, add to corruptive influences, and lessen the control of the people over their government.

"All the objections which apply to indirect taxes in general apply to import duties. Those protectionists are right who declare that protection is the only justification for a tariff, and the advocates of 'a tariff for revenue only' have no case. If we do not need a tariff for protection we need no tariff at all, and for the purpose of raising revenue should resort to some system which will not tax the mechanic as heavily as the millionaire, and will not call on the man who rears a family to pay on that account more than the man who shirks his natural obligation, and leaves some woman whom in the scheme of nature it is intended that he should support, to take care of herself as best she can."

(The following is quoted verbatim from "Protection or Free Trade")

"To make a protective tariff that would even roughly accord with the protective theory would require in the first place a minute knowledge of all trade and industry, and of the manner in which an effect produced on one industry would act and react on others. This no king, congress, or parliament ever can have. But, further than this, absolute disinterestedness is required, for the fixing of protective duties is simply the distribution of pecuniary favors among a crowd of greedy applicants. And even were it possible to obtain for the making of a protective tariff a body of men themselves disinterested and incapable of yielding to bribery, to threat, to friendship or flattery, they would have to be more than human not to be dazed by the clamor and misled by the representations of selfish interests.

"The making of a tariff, instead of being, as the protective theory requires, a careful consideration of the circumstances and needs of each industry, is in practice simply a great 'grab' in which the retained advocates of selfish interests bully and beg, bribe and logroll, in the endeavor to get the largest possible protection for themselves without regard for other interests or for the general good. The result is, and always must be, the enactment of a tariff which resembles the theoretical protectionist's idea of what a protective tariff should be about as closely as a bucketful of paint thrown against a wall resembles the fresco of a Raphael.

"The popular plea for protection in the United States to-day is not, however, the encouragement of infant industries, but the encouragement of home industry—that is, all home industry.

"Now it is manifestly impossible for a protective tariff to encourage all home industry. Duties upon commodities entirely produced at home can, of course, have no effect in encouraging any home industry. It is only when imposed upon commodities partly imported and partly produced at home, or entirely imported, yet capable of being produced at home, that duties can in any way encourage an industry. No tariff which the United States imposed could, for instance, encourage the growth of grain or cotton, the raising of cattle, the production of coal oil, or the mining of gold or silver; for instead of importing these things we not only supply ourselves but have a surplus which we export. Nor could any import duty encourage any of the many industries which must be carried on where needed, such as building, horseshoeing, the printing of newspapers, and so on. Since these industries that can not be protected constitute by far the larger part of the industries of every country, the utmost that by a protective tariff can be attempted is in the encouragement of only a few of the total industries of a country.

"Yet, in spite of this obvious fact, protection is never urged for the encouragement of the industries that alone can profit by a tariff. That would be to admit that to some it gave special advantages over

others, and so in the popular pleas that are made for it protection is urged for the encouragement of all industry. If we ask how this can be, we are told that the tariff encourages the protected industries, and then the protected industries encourage the unprotected industries; that protection builds up the factory and iron furnace, and the factory and iron furnace create a demand for the farmers' productions.

"Imagine a village of, say, a hundred voters. Imagine two of these villagers to make such a proposition as this: 'We are desirous, fellow citizens, of seeing you more prosperous, and to that end propose this plan: Give us the privilege of collecting a tax of 5 cents a day from everyone in the village. No one will feel the tax much, for even to a man with a wife and eight children it will come only to the paltry sum of 50 cents a day. Yet this slight tax will give our village two rich citizens who can afford to spend money. We will at once begin to live in commensurate style. We will enlarge our houses and improve our grounds, set up carriages, hire servants, give parties, and buy much more freely at the stores. This will make trade brisk and cause a greater demand for labor. This, in turn, will create a greater demand for agricultural products, which will enable the neighboring farmers to make a greater demand for store goods and the labor of mechanics. Thus shall we all become prosperous.'

"There is in no country under the sun a village in which the people would listen to such a proposition. Yet it is every whit as plausible as the doctrine that encouraging some industries encourages all industries.

"The only way in which we could even attempt to encourage all industry would be by the bounty or subsidy system. Were we to substitute bounties for duties as a means of encouraging industry, it would not only become possible for us to encourage other industries than those now encouraged by tariff, but we should be forced to do so, for it is not in human nature that the farmers, the stock raisers, the builders, the newspaper publishers, and so on, would consent to the payment of bounties to other industries without demanding them for their own. Nor could we consistently stop until every species of industry, to that of the bootblack or ragpicker, was subsidized. Yet evidently the result of such encouragement of each would be the discouragement of all. For as there could be distributed only what was raised by taxation, less the cost of collection, no one could get back in subsidies, were there any fairness in their distribution, as much as he would be called upon to pay in taxes.

"This practical reduction to absurdity is not possible under the protective system, because only a small part of the industries of a country can thus be 'encouraged' while the cost of the encouragement is concealed in prices and is not realized by the masses.

"We see the large smelting works and the massive mill without realizing that the same taxes which we are told have built them up have made more costly every nail driven and every needleful of thread used throughout the whole country. Our imaginations are affected as were those of the first Europeans who visited India, and who, impressed by the profusion and magnificence of the rajahs, but not noticing the abject poverty of the masses, mistook for the richest country in the world what is really the poorest.

"But reflection will show that the claim popularly made for protection that it encourages home industry (i. e., all home industry) can be true only in one sense—the sense in which Pharaoh encouraged Hebrew industry when he compelled the making of bricks without straw. Protective tariffs make more work, in the sense in which the spilling of grease over her kitchen floor makes more work for the housewife, or as a rain that wets his hay makes more work for the farmer.

"It may be to the interest of a shopkeeper that the people of his neighborhood shall be prohibited from buying from any but him, so that they must take such goods as he chooses to keep, at such prices as he chooses to charge; but who would contend that this was to the general advantage? It might be to the interest of glass companies to restrict the number and size of windows, but hardly to the interest of a community. Broken limbs bring fees to surgeons, but would it profit a municipality to prohibit the removal of ice from sidewalks in order to encourage surgery? Yet it is in such ways that protective tariffs act. Economically, what difference is there between restricting the importation of iron to benefit iron producers and restricting sanitary improvements to benefit undertakers?

"To attempt to make a nation prosperous by preventing it from buying from other nations is as absurd as it would be to attempt to make a man prosperous by preventing him from buying from other men. What protectionists ask us to do to ourselves in reserving our home markets for home producers is in kind what the Land Leaguers did to Captain Boycott. They ask us to boycott ourselves."

EXPORTS AND IMPORTS

(The following is quoted verbatim from "Protection or Free Trade")

"The aim of protection is to diminish imports, never to diminish exports. On the contrary, the protectionist habit is to regard exports with favor and to consider the country which exports most and imports least as doing the most profitable trade. When exports exceed imports there is said to be a favorable balance of trade. When imports exceed exports there is said to be an unfavorable balance of trade. In accordance with this idea, all protectionist countries afford every facility for sending things away and fine men for bringing things in.

"If the things which we thus try to send away and prevent coming in were pests and vermin—things of which all men want as little as possible—this policy would conform to reason. But the things of which exports and imports consist are not things that nature forces on us against our will, and that we have to struggle to rid ourselves of; but things that nature gives only in return for labor, things for which men make exertions and undergo privations. Him who has or can command much of these things we call rich; him who has little we call poor; and when we say that a country increases in wealth we mean that the amount of these things which it contains increases faster than its population. What, then, is more repugnant to reason than the notion that the way to increase the wealth of a country is to promote the sending of such things away and to prevent the bringing of them in? Could there be a quecrer inversion of ideas? Should we not think even a dog had lost his senses that snapped and snarled when given a bone, and wagged his tail when a bone was taken from him?

"Yet, are these arguments for protection a whit more absurd when addressed to one man living on an island than when addressed to 60,000,000 living on a continent? What would be true in the case of Robinson Crusoe is true in the case of Brother Jonathan. If foreigners will bring us goods cheaper than we can make them ourselves, we shall be the gainers. The more we get in imports as compared with what we have to give in exports, the better the trade for us. And since foreigners are not liberal enough to give us their productions, but will only let us have them in return for our own productions, how can they ruin our industry? The only way they could ruin our industry would be by bringing us for nothing all we want, so as to save us the necessity for work. If this were possible, ought it seem very dreadful?

"Exports and imports, so far as they are induced by trade, are correlative. Each is the cause and complement of the other, and to impose any restrictions on the one is necessarily to lessen the other. And so far from its being the mark of a profitable commerce that the value of a nation's exports exceed her imports, the reverse of this is true.

"In a profitable international trade the value of imports will always exceed the value of the exports that pay for them, just as in a profitable trading voyage that the return cargo must exceed in value the cargo carried out. This is possible to all the nations that are parties to commerce, for in a normal trade commodities are carried from places where they are relatively cheap to places where they are relatively dear, and their value is thus increased by the transportation, so that a cargo arrived at its destination has a higher value than on leaving the port of exportation. But on the theory that a trade is profitable only when exports exceed imports, the only way for all countries to trade profitably with one another would be to carry commodities from places where they are relatively dear to places where they are relatively cheap. An international trade made up of such transactions as the exportation of manufactured ice from the West Indies to New England, and the exportation of hothouse fruits from New England to the West Indies, would enable all countries to export much larger values than they imported. On the same theory the more ships sunk at sea the better for the commercial world. To have all the ships that left each country sunk before they could reach any other country would, upon protectionist principles, be the quickest means of enriching the whole world, since all countries could then enjoy the maximum of exports with the minimum of imports.

"It must, however, be borne in mind that all exporting and importing are not the exchanging of products. This, however, is a fact which puts in still stronger light, if that be possible, the absurdity of the notion that an excess of exports over imports shows increasing wealth. When Rome was mistress of the world, Sicily, Spain, Africa, Egypt, and Britain exported to Italy far more than they imported from Italy. But so far from this excess of their exports over their imports indicating their enrichment, it indicated their impoverishment. It meant that the wealth produced in the provinces was being drained to Rome in taxes and tribute and rent, for which no return was made.

"Many Englishmen already own American land by the hundred thousand, and even by the million acres, and are only beginning to draw rent and royalties. Punch, recently, had a ponderous joke, the point of which was that the British House of Lords had much greater landed interests in the United States than in Great Britain. If not true already, it will not under present conditions be many years before the English aristocracy will draw far larger incomes from their American estates than from their home estates—incomes to supply which we must export without any return in imports."

ADVANTAGES AND DISADVANTAGES

We have seen that low wages do not mean low production costs and that high wages are an advantage.

But protectionists claim a country of great natural advantages needs protection to develop them and also that a country with less advantages can not produce in competition.

But any country always increases its wealth by foreign trade.

Where one country has marked advantages in some branch of production and equal disadvantages in another it is evident that free exchange will benefit both. But take two countries in which one has advantages over the other in all production. Would one country do all the exporting and the other all the importing? Evidently not. Would trade, then, be impossible? No. Trade would go on to mutual benefit. The country of greater advantages would import those products in which its advantage was least and export those in which its advantages was greatest. Both would gain.

One because it thereby shared the greater advantages of the other and the other by being thereby enabled to concentrate production where its advantages were greatest. Just as a skilled workman gains by having an unskilled helper to do the rougher work.

So neither advantages nor disadvantages afford any real reason for restraining trade. Trade never arises unless both parties are benefited.

Tea used here can be produced in the United States at less labor cost than in China because of savings in transportation, packing, etc.

But in many other things, such as oil, cloth, clocks, watches, etc., our advantages over China are enormously greater than in growing tea. Hence by producing these things and trading them for tea, we get tea here for less than by growing tea here.

Free trade is voluntary. It benefits both parties, but more relatively undeveloped countries than those already rich.

To trade with Robinson Crusoe would be of mutual advantage. But how infinitely greater the benefits to Crusoe!

Some admit that free trade is good in itself, but would injure us if we adopt it before other countries do.

But they ignore the fact that it is our own people who are restrained from trading by tariffs and who are thereby the greatest sufferers. Our tariffs curtail our trade with all the world but restrain foreigners only in dealing with us. Protective tariffs injure everyone, but that injury is diffused and slight to other nations as compared with the direct injury to ourselves.

He who does most good profits most by it. Who so does evil injures most of all himself. Those who advocate a policy essentially bad because other nations embrace it are preaching, "Lie because others lie; be idle if others are lazy; refuse knowledge if any are ignorant."

PROTECTION AND WAGES

Advocates of protection claim that it raises wages or prevents wages from falling, but both claims are mere unproved assertions.

The direct object and effect of protective tariffs is to raise the price of commodities. But men who work for wages are buyers of commodities, not sellers; they sell their labor in order to buy commodities. How can any increase in the price of commodities benefit them?

Imagine a country of high wages and one of low wages, side by side, separated only by a wall which freely permits goods to pass but not men. Would the high-wage country do all the importing and the low-wage country do all the exporting? That would be absurd, for it would mean that the low-wage country would get nothing for its goods. What would happen is an exchange of products to mutual advantage based on the comparative cost of production.

If, now, we imagine a wall impassable to goods but passable to men, would that prevent a reduction of wages? Manifestly not. The aim of protection is not to protect labor, but to protect the buyers of labor. It is intended to increase profits, not wages.

The effect of encouraging any industry by taxation is to discourage other industries and thus force labor into protected industries by driving it out of others.

Nor could wages be raised by bounties paid direct to workmen. That was tried in England a century ago with agricultural laborers. Just as these grants were made did the wages paid by farmers sink.

To claim that raising wages in the protected industries would raise all wages is like saying that you can raise the level of the Atlantic Ocean by a dam across the Hudson River. To raise the level of all wages it is necessary to raise the wages of unskilled labor.

This was shown by the discovery of placer mines in California in 1849 which raised all wages so long as access to these mines was free.

But when the land there became private property, shutting off men's opportunities for employing themselves, wages went down.

Theory thus shows that protection can not raise wages, and facts prove it just as conclusively. In Spain, in France, in Mexico, in England during protection times and always and everywhere that protection has been tried.

THE ABOLITION OF PROTECTION

Beneficiaries of protection claim that since capital has been invested and industries organized under tariffs that we are bound to continue tariffs.

But there can be no vested right in a wrong. What is created by a legislative act may be destroyed by another legislative act. The true doctrine is as stated in our Declaration of Independence, the self-evident doctrine that men are endowed by their Creator with equal and inalienable rights and that any law or institution which denies or impairs this natural equality may at any time be altered or abolished. Justice is an element in the safety of investments and who so trades upon any people's ignorance or enslavement does so at his own risk.

Any community loss by flood, fire, war, or any cause will fall more lightly on the poor and more heavily on the rich if met promptly by taxation.

If the expenses of the Civil War had been met by taxes levied at the time, they would have been paid by the rich. But by the device of a public debt (a twin invention to indirect taxation) the cost of the war was met by taxation spread over a term of years and fell upon individuals not in proportion to their means but to their consumption, thereby inflicting far heavier relative burdens on the poor than on the rich. One of the surest ways to discourage war and war profiteers is to adopt the pay-as-you-go principle and adhere to the idea of no public debts and no indirect taxes.

INADEQUACY OF THE FREE-TRADE ARGUMENT

"If the protective theory is really so incongruous with the nature of things and so inconsistent with itself, how does it still obtain such wide and strong support?"

We have gone further than most free traders, but what have we proved? Merely that free trade tends to increase the production of wealth and protection tends to decrease it and to foster certain monopolies. But what benefit is there here for labor?

In our own time the workingman has seen wealth enormously increased without adding to his earnings; so even where he knows the fallacies of protection he makes no effort to abolish it.

And when an interest is already intrenched in law and habit of thought those who are not against it are for it.

Statistics may be marshaled so as to prove to those who wish to believe it that the condition of the average man is better to-day than ever. The rewards to unusual ability and unusual opportunity are more glittering. Millionaires are common, multimillionaires abound; but the lot of the average man is harder, his job less secure, his chances to rise, to employ himself are vanishing. No one who reads the papers can doubt these things.

Five centuries ago the wealth-producing power of men in England was trifling as compared with to-day. Mechanical industry was undreamed of, and even agriculture ruder and less productive. Potatoes, turnips, carrots, beets, and other vegetables had not been introduced. Cattle averaged half the size; sheep gave but half the fleece. Roads were bad, wheel carriages scare and rude, and places within a hundred miles practically as far apart as San Francisco and New York are to-day.

Yet patient students of those times, like Prof. Thorold Rogers, tell us from the records of manors, colleges, and public offices that the English laborer was not only relatively, but absolutely, better off than the English laborer of to-day.

He did not work so hard and lived better. Plagues came and occasionally famine, for poor transportation made it impossible to relieve scarcity promptly. But men did not, as they do now, starve in the very midst of abundance. If this be the result of five centuries of astounding increase in productive power, what hope is there for the laborer in the mere abolition of protection?

THE REAL STRENGTH OF PROTECTION

In the fact, ignored by both protectionists and free traders, that modern machine civilization produces more laborers seeking employment than can find it, makes work a privilege and work itself is deemed a good, lies the real strength of protection.

Protection lessens the amount of wealth a given amount of exertion can produce. It "makes more work" in the same sense as Pharaoh made more work for Hebrew brickmakers when he refused them straw; in the same sense that grease spilled on the floor makes more work for the housewife. To the scrubwoman that spilled grease may be a boon. Rain on his hay harms the farmer, but how does it look to the day laborer who gets an extra day's work by it?

In most civilized countries the majority of the people can not employ themselves, and without employers are helpless.

Hence they regard work as desirable in itself and all labor-saving devices as an injury to them. And this constitutes the real strength of protection. No man ever wanted work for its own sake. The natural reward for work is the product of that work. But under modern conditions most men get not any portion of what they produce, but wages in money.

So the idea has grown up that what men want is work when what they really want is the wages. But the fact that the wages are apparently not based on the work done tends to eliminate from the minds of the workers the fact that the natural wage of labor is what that labor produces.

Most men to-day have only the power to labor. Labor on land produces all wealth. But divorced from land, labor is helpless and can produce nothing. So landless men are forced to sell their labor to those who have access to land.

Who so sells goods may hold them for a future market, if to-day's does not suit him. But who has naught to sell save his labor must take what he can get to-day. If his work produces nothing to-day, that day is forever lost. And those who have nothing to sell save their labor are the poorest class, the least able to bear the loss.

Even when in good health and in the best of times some men find it difficult to sell their labor and suffer from anxiety, privation, and even physically.

So has grown the belief that capital employs labor; that the employer is a benefactor. This colors all our thought, speech, and literature. This idea that work is a boon is desirable in itself, leads men to welcome a system which assumes that it "benefits one country to take work away" from other countries.

And it makes workers indifferent to the fact that protective tariffs really reduce the effectiveness of labor.

The burning of a city is a real economic loss, but the fact that men by thousands are idle even in good times because they are unable to employ themselves or to find others willing to employ them involves a loss far greater. And when such a catastrophe gives employment to those idle, is it any wonder that they see in it only the advantage to themselves?

The belief that labor-saving machinery injures workers by depriving them of the opportunity to work is in itself as absurd as the idea that a protective tariff benefits labor.

An examination shows that machinery enormously increases the production of wealth and that this increase inures primarily to labor and is diffused by exchange through all other branches of labor.

It can be proved that labor-saving inventions tend to benefit labor, but that this tendency is aborted is even clearer to-day than when John Stuart Mill doubted that mechanical inventions had lightened the day's toil of any human being. It is trades-union and not machinery which, in many occupations in Great Britain, have reduced hours and increased wages.

It is legislation which has stopped the harnessing of women in mines and the working of little children in mills and brickyards.

To decide why free trade or labor-saving invention fail to produce the benefits we naturally expect, we must examine into the distribution of wealth. When increased production fails to benefit labor it must be due to increased inequality of distribution.

Suppose Robinson Crusoe's island to be visited at frequent intervals by ships. His wants could not only be satisfied by less exertion but his wealth would be increased by the ready market this would afford for his produce.

But this increase would all go to Robinson Crusoe as owner of the island. Friday, a slave, would still get only a slave's wages, just enough food and lodging to maintain his working efficiency. And if there were 1 or 100 free men on the island, but owning no land, their share would be no greater.

Let the island pass to Crusoe's heir and though wealth production be multiplied the lot of both slave and free men might become not only relatively but actually harder.

And, though statisticians might set forth, in "figures which can not lie," how their condition had improved, better housed, better fed, freed from fear of cannibals; yet condemned to a round of dreary toil, unlightened by variety, undignified by responsibility, they would be less men, more machines than Friday. Men whose freedom does not include free access to the earth, to the raw materials necessary to make labor productive, do not and can not share the increased wealth due to improvements in production or exchange. Those who want them to work give them enough to live on and maintain their strength, but if they find no one who wants them to work they are free only to beg, to freeze, or to starve.

The prodigious forces man has harnessed by invention and discovery are good or evil according to our use of them. They become our slaves or our masters as we use them wisely or not.

Where the planet is held to be private property and children born upon it are denied the right to use its opportunities save by paying rent to the heirs of some dead man, improvement in production, increase in wealth makes their lot harder and harder.

THE ROBBER THAT TAKES ALL THAT IS LEFT

To abolish protection is to drive off one robber of labor. That will help but little if we leave a stronger and more rapacious one to plunder him.

The robbers which plunder labor by diverting earnings from producers to nonproducers include monopolies of machinery and of transportation and exchange, protective tariffs, bad systems of currency and of finance, corrupt government, public debts, standing armies, war, and preparations for war. But these are the lesser robbers and to abolish them all would not really benefit labor so long as land remains private property, for increased rent swallows up all we thus save.

Land in itself has no value. It is only when the ownership of land becomes equivalent to the ownership of laborers that value attaches to it. Where population is sparse and vacant land plentiful, labor can obtain the use of land on nominal terms. It is only when all accessible land has been appropriated that the robbery of labor by the private ownership of land becomes increasingly apparent and life harder and more hopeless for those who own only their labor.

The power which the ownership of valuable land gives is that of getting human service without giving human service, which is, in essence, the same as the ownership of slaves.

Land and labor are the primary factors in production. Capital is their product and is, in itself, powerless to oppress or harm labor.

It is not as a capitalist but only as a landowner that wealth has power to harm.

No matter how simple or how complex civilization may be, wherever land is all privately owned there is always a class who can never hope to get more than a bare living by hard and unremitting toil, and whose constant anxiety is that even this bare living may fail them.

TRUE FREE TRADE

(The following is quoted verbatim from "Protection or Free Trade")

"Come with me," said Richard Cobden, as John Bright turned heart-stricken from a new-made grave. "There are in England women and children dying with hunger—hunger made by the laws. Come with me, and we will not rest until we repeal those laws."

In this spirit the free trade movement waxed and grew, arousing an enthusiasm that no mere fiscal reform could have aroused and intrenched though it was by restricted suffrage and rotten boroughs and aristocratic privilege, protection was overthrown in Great Britain.

And—there is hunger in Great Britain still, and women and children yet die of it.

But this is not the failure of free trade. When protection had been abolished and a revenue tariff substituted for a protective tariff, free trade had only won an outpost. That women and children still die of hunger in Great Britain arises from the failure of the reformers to go on. Free trade has not yet been tried in Great Britain. Free trade in its fullness and entirety would indeed abolish hunger.

This we may now see.

Our inquiry has shown that the reason why the abolition of protection, greatly as it would increase the production of wealth, can accomplish no permanent benefit for the laboring class is that so long as the land on which all must live is made the property of some increase of productive power can only increase the tribute which those who own the land can demand for its use. So long as land is held to be the individual property of but a portion of its inhabitants no possible increase of productive power, even if it went to the length of abolishing the necessity of labor, and no imaginable increase of wealth, even though it poured down from heaven or gushed up from the bowels of the earth, could improve the condition of those who possess only the power to labor. The greatest imaginable increase of wealth could only intensify in the greatest imaginable degree the phenomena which we are familiar with as "overproduction"—could only reduce the laboring class to universal pauperism.

Thus it is that to make either the abolition of protection or any other reform beneficial to the working class we must abolish the inequality of legal rights to land, and restore to all their natural and equal rights in the common heritage.

How can this be done?

Consider for a moment precisely what it is that needs to be done, for it is here that confusion sometimes arises.

Here are two simple principles, both of which are self-evident:

I. That all men have equal rights to the use and enjoyment of the elements provided by nature.

II. That each man has an exclusive right to the use and enjoyment of what is produced by his own labor.

There is no conflict between these principles. On the contrary, they are correlative. To fully secure the individual right of property in the produce of labor we must treat the elements of nature as common property. If anyone could claim the sunlight as his property and could compel me to pay him for the agency of the sun in the growth of crops I had planted, it would necessarily lessen my right of property in the produce of my labor. And, conversely, where everyone is secured the full right of property in the produce of his labor, no one can have any right of property in what is not the produce of labor.

No matter how complex the industrial organization, nor how highly developed the civilization, there is no real difficulty in carrying out these principles. All we have to do is to treat the land as the joint property of the whole people, just as a railway is treated as the joint property of many shareholders, or as a ship is treated as the joint property of several owners.

To make land virtually the common property of the whole people, and to appropriate ground rent for public use, there is a way that involves no shock, that will conform to present customs, and that, instead of requiring a great increase of governmental machinery, will permit of a great simplification of governmental machinery.

In every well-developed community large sums are needed for common purposes, and the sums thus needed increase with social growth, not merely in amount but proportionately, since progress tends steadily to devolve on the community as a whole functions which in a ruder stage are discharged by individuals. Now, while people are not used to paying rent to government, they are used to paying taxes to government. Some of these taxes are levied upon personal or movable property; some upon occupations or businesses or persons (as in the case of income taxes which are in reality taxes on persons according to income); some upon the transportation or exchange of commodities, in which last category fall the taxes imposed by tariffs; and some, in the United States at least, on real estate—that is to say, on the value of land and of the improvements upon it, taken together. That part of the tax on real estate which is assessed on the value of land irrespective of im-

provements is, in its nature, not a tax but a rent—a taking for the common use of the community of a part of the income that properly belongs to the community by reason of the equal right of all to the use of land.

It is only necessary to abolish, one after another, all other taxes now levied, and to increase the tax on land values till it reaches, as near as may be, the full annual value of the land.

Whenever this point of theoretical perfection is reached, the selling value of land will entirely disappear, and the charge made to the individual by the community for the use of the common property will become in form what it is in fact—a rent. But until that point is reached, this rent may be collected by the simple increase of a tax upon the selling value of land irrespective of improvements—a value that can be ascertained more easily and more accurately than any other value.

For a full exposition of the effects of this change in the method of raising public revenues, I must refer the reader to the works in which I have treated this branch of the subject at greater length than is here possible. Briefly, they would be threefold:

In the first place, all taxes that now fall upon the exertion of labor or use of capital would be abolished. No one would be taxed for building a house or improving a farm or opening a mine, for bringing things in from foreign countries, or for adding in any way to the stock of things that satisfy human wants and constitute national wealth. Everyone would be free to make and save wealth, to buy, sell, give, or exchange, without let or hindrance, any article of human production the use of which did not involve any public injury. All those taxes which increase prices as things pass from hand to hand, falling finally upon the consumer, would disappear.

In the second place, a large and constantly increasing fund would be provided for common uses, without any tax on the earnings of labor or on the returns of capital—a fund which in well-settled countries would not only suffice for all of what are now considered necessary expenses of government, but would leave a large surplus to be devoted to purposes of general benefit.

In the third place, and most important of all, the monopoly of land would be abolished, and land would be thrown open and kept open to the use of labor, since it would be unprofitable for anyone to hold land without putting it to its full use, and both the temptation and the power to speculate in natural opportunities would be gone. The speculative value of land would be destroyed as soon as it was known that, no matter whether land was used or not, the tax would increase as fast as the value increased, and no one would want to hold land that he did not use. With the disappearance of the capitalized or selling value of land, the premium which must now be paid as purchase money by those who wish to use land would disappear, differences in the value of land being measured by what would have to be paid for it to the community nominally in taxes but really in rent. So long as any unused land remained, those who wished to use it could obtain it, not only without the payment of any purchase price but without the payment of any tax or rent. Nothing would be required for the use of land till less advantageous land came into use, and possession thus gave an advantage over and above the return to the labor and capital expended upon it. And no matter how much the growth of population and the progress of society increased the value of land, this increase would go to the whole community, swelling that general fund in which the poorest would be an equal sharer with the richest.

Thus the great cause of the present unequal distribution of wealth would be destroyed, and that one-sided competition would cease which now deprives men who possess nothing but power to labor of the benefits of advancing civilization, and forces wages to a minimum no matter what the increase of wealth. Labor, free to the natural elements of production, would no longer be incapable of employing itself, and competition, acting as fully and freely between employers as between employed, would carry wages up to what is truly their natural rate—the full value of the produce of labor—and keep them there.

"A tax on land values is of all taxes that which best fulfills every requirement of a perfect tax." As land can not be hidden or carried off, a tax on land values can be assessed with more certainty and can be collected with greater ease and less expense than any other tax, while it does not in the slightest degree check production or lessen its incentive. It is, in fact, a tax only in form, being in nature a rent—a taking for the use of the community of a value that arises not from individual exertion but from the growth of the community. For it is not anything that the individual owner or user does that gives value to land. The value that he creates is a value that attaches to improvements. This, being the result of individual exertion, properly belongs to the individual and can not be taxed without lessening the incentive to production. But the value that attaches to land itself is a value arising from the growth of the community and increasing with social growth. It, therefore, properly belongs to the community, and can be taken to the last penny without in the slightest degree lessening the incentive to production.

Taxes on land values are thus the only taxes from which, in accordance with the principle of free trade, any considerable amount of revenue can be raised, and it is evident that to carry out the free-trade principle to the point of abolishing all taxes that hamper or lessen production would of itself involve very nearly the same measures which we have seen are required to assert the common right to land and place all citizens upon an equal footing.

To make these measures identically the same, it is only necessary that the taxation of land values, to which true free trade compels us to resort for public revenues, should be carried far enough to take, as near as might practically be, the whole of the income arising from the value given to land by the growth of the community.

But we have only to go one step farther to see that free trade does, indeed, require this, and that the two reforms are thus absolutely identical.

Free trade means free production. Now, fully to free production it is necessary not only to remove all taxes on production but also to remove all other restrictions on production. True free trade, in short, requires that the active factor of production, labor, shall have free access to the passive factor of production, land. To secure this all monopoly of land must be broken up, and the equal right of all to the use of the natural elements must be secured by the treatment of the land as the common property in usufruct of the whole people.

Thus it is that free trade brings us to the same simple measure as that which we have seen is necessary to emancipate labor from its thraldom and to secure that justice in the distribution of wealth which will make every improvement or reform beneficial to all classes.

The partial reform miscalled free trade, which consists in the mere abolition of protection—the mere substitution of a revenue tariff for a protective tariff—can not help the laboring classes, because it does not touch the fundamental cause of that unjust and unequal distribution which, as we see to-day makes "labor a drug and population a nuisance" in the midst of such a plethora of wealth that we talk of overproduction. True free trade, on the contrary, leads not only to the largest production of wealth but to the fairest distribution. It is the easy and obvious way of bringing about that change by which alone justice in distribution can be secured, and the great inventions and discoveries which the human mind is now grasping can be converted into agencies for the elevation of society from its very foundations.

FREE TRADE AND SOCIALISM

(The following is quoted verbatim from "Protection or Free Trade")

"Individualism and socialism are in truth not antagonistic but correlative. Where the domain of the one principle ends that of the other begins. And although the motto laissez faire has been taken as the watchword of an individualism that tends to anarchism, and so-called free traders have made 'the law of supply and demand' a stench in the nostrils of men alive to social injustice, there is in free trade nothing that conflicts with a rational socialism. On the contrary, we have but to carry out the free-trade principle to its logical conclusions to see that it brings us to such socialism.

"Whether businesses in their nature monopolies should be regulated by law or should be carried on by the community is a question of method. It seems to me, however, that experience goes to show that better results can be secured, with less risk of governmental corruption, by state management than by state regulation. But the great simplification of government which would result from the abolition of the present complex and demoralizing modes of taxation would vastly increase the ease and safety with which either of these methods could be applied. The assumption by the state of all those social functions in which competition will not operate would involve nothing like the strain upon governmental powers, and would be nothing like as provocative of corruption and dishonesty as our present method of collecting taxes. The more equal distribution of wealth that would ensure from the reform which thus simplified government, would, moreover, increase public intelligence and purify public morals, and enable us to bring a higher standard of honesty and ability to the management of public affairs.

"There is another way, moreover, in which true free trade tends strongly to socialism in the highest and best sense of the term. The taking for the use of the community of that value of privilege which attaches to the possession of land would, wherever social development has advanced beyond a certain stage, yield revenues even larger than those now raised by taxation, while there would be an enormous reduction in public expenses consequent, directly and indirectly, upon the abolition of present modes of taxation. Thus would be provided a fund, increasing steadily with social growth, that would be applied to social purposes now neglected. And among the purposes which will suggest themselves to the ready by which the surplus income of the community could be used to increase the sum of human knowledge, the diffusion of elevating tastes, and the gratification of healthy desires, there is none more worthy than that of making honorable provision for those deprived of their natural protectors, or through no fault of their own incapacitated for the struggle of life."

PRACTICAL POLITICS

(The following is quoted verbatim from "Protection or Free Trade")

"Free trade, narrowed to a mere fiscal reform, can only appeal to the lower and weaker motives—to motives that are inadequate to

move men in masses. Take the current free-trade literature—its aim is to show the impolicy of protection rather than its injustice; its appeal is to the pocket, not to the sympathies. Yet to begin and maintain great popular movements it is the moral sense rather than the intellect that must be appealed to, sympathy rather than self-interest. For however it may be with any individual, the sense of justice is with the masses of men keener and truer than intellectual perception, and unless a question can assume the form of right and wrong it can not provoke general discussion and excite the many to action. And while material gain or loss impresses us less vividly the greater the number of those we share it with, the power of sympathy increases as it spreads from man to man—becomes cumulative and contagious.

"But he who follows the principle of free trade to its logical conclusion can strike at the very root of protection; can answer every question, and meet every objection, and appeal to the surest of instincts and the strongest of motives. He will see in free trade not a mere fiscal reform but a movement which has for its aim and end nothing less than the abolition of property, and of the vice and crime and degradation that flow from it, by the restoration to the disinherited of their natural rights and the establishment of society upon the basis of justice. He will catch the inspiration of a cause great enough to live for and to die for, and be moved by an enthusiasm that he can evoke in others.

"It is true that to advocate free trade in its fullness would excite the opposition of interests far stronger than those concerned in maintaining protective tariffs. But on the other hand it would bring to the standard of free trade forces without which it can not succeed. And what those who would arouse thought have to fear is not so much opposition as indifference. Without opposition that attention can not be excited, that energy evoked that are necessary to overcome the inertia that is the strongest bulwark of existing abuses. A party can no more be rallied on a question that no one disputes than steam can be raised to working pressure in an open vessel.

"The working classes have been awakened to the fact that there is some deep wrong in the constitution of society, although they may not see clearly what that wrong is. They have been gradually coming to feel that to emancipate labor radical measures are needed, although they may not know what those measures are.

"And scattered through the great body thus beginning to stir and grope are rapidly increasing number of men who do know what this primary wrong is—men who see that in the recognition of the equal right of all to the element necessary to life and labor is the hope, and the only hope, of curing social injustice.

"It is to men of this kind that I would particularly speak. They are the leaven which has in its power to leaven the whole lump.

"To abolish private property in land is an undertaking so great that it may at first seem impracticable.

"But this seeming impracticability consists merely in the fact that the public mind is not yet sufficiently awakened to the justice and necessity of this great change. To bring it about is simply a work of arousing thought. How men vote is something we need not much concern ourselves with. The important thing is how they think.

"Now the chief agency in promoting thought is discussion. And to secure the most general and most effective discussion of a principle it must be embodied in concrete form and presented in practical politics, so that men, being called to vote on it, shall be forced to think and talk about it.

"The advocates of a great principle should know no thought of compromise. They should proclaim it in its fullness, and point to its complete attainment as their goal. But the zeal of the propagandist needs to be supplemented by the skill of the politician. While the one need not fear to arouse opposition, the other should seek to minimize resistance. The political art, like the military art, consists in massing the greatest force against the point of least resistance; and to bring a principle most quickly and effectively into practical politics, the measure which presents it should be so moderate as (while involving the principle) to secure the largest support and excite the least resistance. For whether the first step be long or short is of little consequence. When a start is once made in a right direction, progress is a mere matter of keeping on.

"It is in this way that great questions always enter the phase of political action. Important political battles begin with affairs of outposts, in themselves of little moment, and are generally decided upon issue joined, not on the main question but on some minor or collateral question. Thus the slavery question in the United States came into practical politics upon the issue of the extension of slavery to new territory, and was decisively settled upon the issue of secession. Regarded as an end, the abolitionist might well have looked with contempt on the proposals of the Republicans, but these proposals were the means of bringing to realization what the abolitionists would in vain have sought to accomplish directly.

"To secure equal rights to land there is in this stage of civilization but one way. Such measures as peasant proprietary, or 'land limitation,' or the reservation to actual settlers of what is left of the public domain, do not tend toward it; they lead away from it.

"The only way to abolish private property in land is by the way of taxation. That way is clear and straightforward. It consists simply in abolishing, one after another, all imposts that are in their nature really taxes, and resorting for public revenues to economic rent, or ground value. To the full freeing of land, and the complete emancipation of labor, it is, of course, necessary that the whole of this value should be taken for the common benefit; but that will inevitably follow the decision to collect from this source the revenues now needed, or even any considerable part of them, just as the entrance of a victorious army into a city follows the rout of the army that defended it.

"Thus it is that when men take up the principle of freedom they are led on and on, and that the hearty advocacy of freedom to trade becomes at length the advocacy of freedom to labor. Once the tariff question becomes a national issue, and in the struggle against protection, free traders will be forced to attack indirect taxation; while before the abolition of indirect taxation is reached, the incidence of taxation and the nature and effect of private property in land will have been so well discussed that the rest will be but a matter of time.

"Property in land is as indefensible as property in man. It is so absurdly impolitic, so outrageously unjust, so flagrantly subversive of the true right of property, that it can only be instituted by force and maintained by confounding in the popular mind the distinction between property in land and property in things that are the result of labor. Once that distinction is made clear—and a thorough discussion of the tariff question must now make it clear—private property in land is doomed."

A NOBLER CAREER

(The following is quoted verbatim from "Protection or Free Trade")

"That which is good harmonizes with all things good; and that which is evil tends to other evil things. Properly does Buckle, in his History of Civilization, apply the term 'protective' not merely to the system of robbery by tariffs, but to the spirit that teaches that many are born to serve and the few to rule; that props thrones with bayonets, substitutes small vanities and petty jealousies for high-minded patriotism, and converts the flower of European youth into uniformed slaves, trained to kill each other at the word of command. Fortifications and navies and standing armies not merely suit the protectionist purpose in requiring a constant expenditure, and developing a class who look on warlike expenditures as conducive to their own profit and importance, but they are of a piece with a theory that teaches us that our interests are antagonistic to those of other nations.

"Unembarrassed by hostile neighbors; unentangled in European quarrels; already the most powerful nation on earth, and rapidly rising to a position that will dwarf the greatest empires, the American Republic can afford to laugh to scorn any suggestion that she should ape the armaments of Old World monarchies, as she should laugh to scorn the parallel suggestion that her industries could be ruined by throwing open her ports to the commerce of the world.

"The giant of the nations does not depend for her safety upon steel-clad fortresses and armor-plated ships which the march of invention must within a few years make, even in war time, mere useless rubbish; but in her population, in her wealth, in the intelligence and inventiveness and spirit of her people, she has all that would be really useful in time of need. No nation on earth would venture wantonly to attack her, and none could do so with impunity. If we ever have a foreign war it will be of our making. And too strong to fear aggression, we ought to be too just to commit it.

"In throwing open our ports to the commerce of the world we shall far better secure their safety than by fortifying them with all the 'protected' plates that our steel ring could make. For not merely would free trade give us again that mastery of the ocean which protection has deprived us of, and stimulate the productive power in which real fighting strength lies; but while steel-clad forts could afford no defense against the dynamite-dropping balloons and death-dealing airships which will be the next product of destructive invention, free trade would prevent their ever being sent against us. The spirit of protectionism, which is the real thing that it is sought to defend by steel plating, is that of national enmity and strife. The spirit of free trade is that of fraternity and peace.

"A nobler career is open to the American Republic than the servile imitation of European follies and vices. Instead of following in what is mean and low, she may lead toward what is grand and high. This league of sovereign States, settling their differences by a common tribunal and imposing no impediments to trade and travel, has in it possibilities of giving to the world a more than Roman peace.

"What are the real, substantial advantages of this Union of ours? Are they not summed up in the absolute freedom of trade which it secures, and the community of interests that grows out of this freedom? If our States were fighting each other with hostile tariffs, and a citizen could not cross a State boundary line without having his baggage searched, or a book printed in New York could not be sent across the river to Jersey City without being held in the post office until duty was paid, how long would our Union last, or what would it be worth? The true benefits of our Union, the true basis of the interstate peace it secures, is that it has prevented the establishment of State tariffs and given us free trade over the better part of a continent.

"We may 'extend the area of freedom' whenever we choose to—whenever we apply to our intercourse with other nations the same principle that we apply to intercourse between our States. We may annex Canada to all intents and purposes whenever we throw down the tariff wall we have built around ourselves. We need not ask for any reciprocity; if we abolish our customhouses and call off our baggage searchers and Bible confiscators, Canada would not and could not maintain hers. This would make the two countries practically one. Whether the Canadians chose to maintain a separate Parliament and pay a British lordling for keeping up a mock court at Rideau Hall need not in the slightest concern us. The intimate relations that would come of unrestricted commerce would soon obliterate the boundary line; and mutual interest and mutual convenience would speedily induce the extension over both countries of the same general laws and institutions.

"And so would it be with our kindred over the sea. With the abolition of our customhouses and the opening of our ports to the free entry of all good things, the trade between the British Islands and the United States would become so immense, the intercourse so intimate, that we should become one people and would inevitably so conform currency and postal system and general laws that Englishman and American would feel themselves as much citizens of a common country as do New Yorker and Californian. Three thousand miles of water are no more of an impediment to this than are 3,000 miles of land. And with relations so close, ties of blood and language would assert their power, and mutual interest, general convenience, and fraternal feeling might soon lead to a pact which, in the words of our own, would unite all the English-speaking peoples in a league 'to establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty.'

"Thus would free trade unite what a century ago protectionism severed, and in a federation of the nations of English speech—the world tongue of the future—take the first step to a federation of mankind.

"And upon our relations with all other nations our repudiation of protection would have a similar tendency. The sending of delegations to ask the trade of our sister Republics of Spanish America avails nothing so long as we maintain a tariff which repels their trade. We have but to open our ports to draw their trade to us and avail ourselves of all their natural advantages. And more potent than anything else would be the moral influence of our action. The spectacle of a continental republic such as ours really putting her faith in the principle of freedom, would revolutionize the civilized world.

"For, as I have shown that violation of natural rights which imposes tariff duties is inseparably linked with the violation of natural rights which compels the masses to pay tribute for the privilege of living. The one can not be abolished without the other. And a republic wherein the free-trade principle was thus carried to its conclusion, wherein the equal and inalienable rights of men were thus acknowledged, would, indeed, be as a city set on a hill.

"The dangers to the Republic come not from without but from within. What menaces her safety is no armada launched from European shores, but the gathering cloud of tramps in her own highways. That Krupp is casting monstrous cannon and that in Cherbourg and Woolwich projectiles of unheard-of destructiveness are being stored need not alarm her, but there is black omen in the fact that Pennsylvania miners are working for 65 cents a day. No triumphant invader can tread our soil till the blight of 'great estates' has brought 'failure of the crop of men'; if there be danger that our cities blaze it is from torches lit in faction fight, not from foreign shells.

"Against such dangers forts will not guard us, ironclads protect us, or standing armies prove of any avail. They are not to be avoided by any aping of European protectionism; they come from our failure to be true to that spirit of liberty which was invoked at the formation of the Republic. They are only to be avoided by conforming our institutions to the principle of freedom.

"For it is true, as was declared by the first National Assembly of France, that 'ignorance, neglect, or contempt of human rights are the sole causes of public misfortunes and corruptions of government.'

"Here is the conclusion of the whole matter: That we should do unto others as we would have them do to us—that we should respect the rights of others as scrupulously as we would have our own rights respected is not a mere counsel of perfection to individuals but it is the law to which we must conform social institutions and national policy if we would secure the blessings of abundance and peace."

The VICE PRESIDENT. The clerk will state the next amendment reserved for a separate vote.

The LEGISLATIVE CLERK. Paragraph 1001, on page 160, crin vegetal: The Senate, as in Committee of the Whole, inserted on line 18, after the word "pound" and before the semicolon, the following:

Flax tow and flax noils, 1 cent per pound; crin vegetal, twisted or not twisted, 4 cents per pound.

Mr. COPELAND. Mr. President, crin vegetal is a substance used in upholstering. It is used largely by the steamship companies for filling mattresses. They are required by the regulations to destroy these mattresses at regular intervals; and this, being a very cheap product, is used for that purpose. Furthermore, it has the property of repelling vermin, and on that account is particularly suitable for this use.

It has been proposed to raise this rate from 1 cent to 4 cents a pound, and on the theory that that would help the moss-growing people of the South.

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

Mr. COPELAND. I yield.

Mr. WALSH of Massachusetts. The present rate is three-fourths of a cent per pound?

Mr. COPELAND. It is.

Mr. WALSH of Massachusetts. I understand that represents an equivalent ad valorem rate of 33 per cent.

Mr. COPELAND. Yes.

Mr. WALSH of Massachusetts. And the rate of 4 cents per pound incorporated in the bill represents an ad valorem rate of 176 per cent.

Mr. COPELAND. That is right.

Mr. WALSH of Massachusetts. How can any such rate be justified?

Mr. COPELAND. It can not be justified, of course, and the theory that by making this price high there is going to be an increased use of substitutes is absurd, because crin vegetal does not have the same use that the moss has, and there can be no possible excuse for increasing the rate as was done in Committee of the Whole.

Mr. WALSH of Massachusetts. Has the Senator received protests from the upholsterers and manufacturers of the country?

Mr. COPELAND. It is a remarkable thing that I have had very few letters from my own State. I am very happy to say that. But I have received protests from Pennsylvania, and even from Louisiana and Massachusetts and many other States, and from Michigan, where cheap furniture is made.

Mr. WALSH of Massachusetts. I have also received protests from the railroads, which use, of course, a great deal of upholstery, protesting very vigorously against this duty. They state this is a commodity they must import, and it means a very large increase in the cost of their upholstering if this increased duty stands.

Mr. COPELAND. Mr. President, I thank the Senator for what he has said. The present rate is three-fourths of a cent. The House increased that to 1 cent. Those who are standing for high rates ought certainly to be satisfied with that. But on top of that to add another 3 cents makes the duty almost a hundred per cent rate on the article itself.

Mr. WALSH of Massachusetts. The motive behind this increase is a desire to cause the upholsterers to use a substitute which is inferior and which is subject to being infested with vermin.

Mr. COPELAND. That is correct.

Mr. WALSH of Massachusetts. So that we are confronted with an attempt to put an embargo on a material which must be used in upholstering if we are to have our upholstery vermin proof.

Mr. COPELAND. That is right. I have no disposition to prolong the argument, but I urge the Senate to oppose the amendment and to let the bill stand as it came from the House. The rate as it came from the House is too high; it ought to go back to the old rate.

Mr. WALSH of Massachusetts. I hope the Senator will have a roll call.

Mr. SMOOT. Mr. President, let me ask the Senator if he would not agree to a rate of 2 cents a pound. That is 100 per cent increase.

Mr. COPELAND. What rate?

Mr. SMOOT. Two cents, instead of 4 cents. I think it ought to be increased over the 1 cent, and I believe the figures will demonstrate that; but I do not think 4 cents is justified. I ask the Senator if he will not accept a rate of 2 cents a pound.

Mr. BROUSSARD. Mr. President, I would like to make a statement for the RECORD, if the Senator from New York will yield to me.

Mr. COPELAND. I yield.

Mr. BROUSSARD. Mr. President, people do not understand this proposition, and I want to say that the amendment was not proposed in a spirit of trying to grab anything. I want the Senate to understand why this rate was fixed.

Crin vegetal is a fiber from the palm that grows wild in Algeria and Tunis. The people who gather these wild palms receive from 1 to 2 francs a day. For years this fiber was used on steamships, and when they arrived in port it was

thrown overboard. Much of it was used for packing and was left in the harbors of the various ports of entry of this country.

It began to be used then. It was an article of such little value that nobody used it before that, excepting that people picked it up, and the poorest classes got it free.

I want to tell the Senate just what the moss industry in my State means; and this statement applies to Texas and Florida and Mississippi, and some of the other States.

I want the Senate to know that the facts disclose that there were in 1925 in my State 15,000 people engaged in gathering Spanish moss. There were 64 gins, which employed 700 people. The Summary of Tariff Information shows that the importations of crin vegetal increased so rapidly that in two years' time 50 per cent of the gins in my State were closed.

I wish to state to the Senator from New York that many of the protests I have received have been from citizens of the city of New York and upstate New York, people who own and operate about 20 of those gins in my State.

The industry is very important. As I have said, in 1925 the total number of people employed as gatherers was about 15,700, and there were 700 people employed in the gins. We find that in 1928 there were only 6,310 people altogether employed in the industry.

We are competing with negroes in Tunis and Algeria who get 1 or 2 francs a day, while our people get $4.50 a day for gathering this moss. They get 4½ cents a pound, and one ton of it will yield 300 pounds of the finished product. So that it can be seen that it is impossible to sell it in competition with the imported fiber.

My people appeared before the Ways and Means Committee and asked for a tariff rate of 4 cents. I offered the amendment which now appears in the bill, and it was accepted. It is a meritorious one. I say to the Senator from New York that he has stood manfully by the people in his State who are unemployed, and I ask him to reflect that in 1925 there were nearly 17,000 people in Louisiana alone employed in the industry.

I hope that if I accept this amendment, the conferees on the part of the Senate will try to secure the rate suggested, and with that hope, anyway, I am willing to accept the suggestion made by the chairman of the Finance Committee.

Mr. COPELAND. Mr. President, if I felt that hundreds and thousands of persons in this country were to be put out of employment unless there was a tariff on crin vegetal, I would vote for 15 or 20 cents, if need be. I might even have done that as to mustard seeds. But the situation is this: Kauffman & Son, of New York, are the jobbers in this product.

Mr. BROUSSARD. Mr. President, I told the Senator that I had received a number of letters from the State of New York. One of the first witnesses appearing before the Ways and Means Committee was a citizen of New York State, and I think perhaps the Senator knows him. The first man was Mr. Selle, of Minneapolis, Minn.

Mr. COPELAND. That is not in my State.

Mr. BROUSSARD. I will get to New York in a moment.

The next was the statement of C. C. Martin, of Minneapolis, Minn. Then there was the statement of Walter Wilhelm, of Gowanda, N. Y. He is a man who operates 15 or 20 gins in my State. He is very largely interested in this matter.

Then I find that a Member of Congress from Florida appeared. I am referring now to the tariff readjustment hearings. If the Senator will consult the report of those hearings, he will find that everything I have said is absolutely correct, and that although these people, 15,000 of them, do not devote their entire time to this industry, this is a work which the poorer classes of people who are out of employment will resort to at any time there is any lack of employment in my State, and the poorest people are the ones who make their livelihood out of gathering this moss.

I may say to the Senator from New York that in my State, where we have frequent overflows, where thousands of farmers are wiped out, they make enough money in picking this moss to go back on their farms.

Mr. COUZENS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I yield.

Mr. COUZENS. I would like to ask the Senator from Louisiana if this is not a case of putting a tariff on bananas to make people eat apples? In other words, it is just to compel them to use a substitute for this palm fiber or vegetal.

Mr. BROUSSARD. I do not think that is true, because one who eats a banana knows he is not eating an apple, but if he will sit in an automobile or a cheap chair he will not know whether the upholstery on which he is sitting is crin vegetal or on moss.

I wish to say to the representatives of States producing cotton and flax that if they will look at the Summary of Tariff Information and look at the evidence before the Ways and Means Committee they will find that this crin vegetal has absolutely knocked these domestic products out of the market. When flax tow is used, cotton is used over it, and this vegetal has not only practically ruined the moss industry in my State, but it has affected the flax people and the cotton people of the United States. It is not a question of a man sitting on one chair or the other where he can tell which is which in certain grades. I do not subscribe to the statement about the substitution of the banana for the apple.

Mr. COUZENS. One is forced to use a different article from what he wants to use because a prohibitive tariff is put on the imported article.

Mr. BROUSSARD. If a man ate an apple and did not know the difference between an apple and a banana, I would say it was a similar case. But that is not true. The fellow who eats a banana knows he is not eating an apple.

Mr. COUZENS. But the fellow who pays for the moss about which the Senator is talking knows he is paying for it, and he has to pay more for it because a prohibitive tariff is put on the stuff he wants to have, which is not produced in this country.

Mr. BROUSSARD. It is not only not produced in this country, but it is produced so cheaply that it is thrown overboard in our ports. It is used as packing material and for bedding where it is necessary to destroy the beds. It is not anything like the moss the Senator knows, and the people who came here from the State of Minnesota are people who have been using moss for years, but they are using vegetal to-day and they say there is no comparison between the two; but the man who purchases the furniture does not know the difference when he pays for it. It is all concealed.

Mr. COUZENS. He pays an excessive price because of the fact that there is a demand for a tariff on something we do not produce. Certainly he knows that, because he has to pay more because of the tariff on something we do not produce.

Mr. BROUSSARD. I will say to the Senator from Michigan that when we adopted this amendment there was not a man on the floor of the Senate who knew what crin vegetal was.

Mr. COUZENS. Senators did not know because it was not an amendment considered by the committee. That is a danger I pointed out some time ago; amendments are offered on the floor to raise or lower rates and votes are taken without any committee having considered any evidence at all.

Mr. BROUSSARD. The Senate adopted the amendment without protest.

Mr. COUZENS. We did not know anything about it.

Mr. BROUSSARD. That is what I have said.

Mr. COUZENS. As a matter of fact, the rate the Senator suggests is 200 per cent ad valorem, is it not?

Mr. BROUSSARD. It is a rate that is amply justified.

Mr. COPELAND. Mr. President, the Senator from Louisiana spoke about having a letter from one of the citizens of my State. I think probably I have a thousand letters from citizens of my State who own stock in oil wells urging me to vote for a tariff on oil, which I did not do. There is no reason why the Senator from Louisiana should complain.

I started to relate what these jobbers, Kauffman & Son, of New York City, said. They deal largely in the various upholstery materials. That has been their line for 35 years. They have no prejudice in the matter, because they not only deal in crin vegetal but also in flax straw, moss, and tow.

Mr. BROUSSARD. Who is the firm the Senator mentioned?

Mr. COPELAND. I. Kauffman & Son, of New York, who are jobbers in these upholstery materials.

Mr. BROUSSARD. Are they importers?

Mr. COPELAND. They are jobbers who deal in all upholstery materials, including those from the Senator's State, and the flax straw and tow as well as crin vegetal.

Mr. BROUSSARD. Are they importers?

Mr. COPELAND. I think probably they do import.

Mr. BROUSSARD. Of course, we know the importers are always for free raw material.

Mr. COPELAND. This is the statement that they make: They say that their sales of moss have not decreased, and their various accounts throughout the country would not and could not use fiber in the place of moss or tow. They say there never has been a surplus of moss, and at this time there is a scarcity.

Mr. BROUSSARD. If crin vegetal is denied a low rate, there will be no moss on the market at all. Moss is used in the making of upholstery of the higher quality.

Mr. COPELAND. And the price of the moss is twice as high as the price of the crin vegetal, and it does not compete at all with crin vegetal, which is used in the very cheap upholstery,

largely for mattresses on railroads and steamships. The moss is a superior article which will always be in demand because of its superior quality.

When we come to flax at the present selling price crin vegetal at this moment is twice as high as flax tow. It does not compete in any sense whatever. There is no argument, no reason, or logic that can justify a 4-cent rate on this cheap product. So far as I am concerned I want the Senate to vote upon it, and I hope we may have a record vote.

Mr. WALSH of Massachusetts. There is no domestic production at all, is there?

Mr. COPELAND. Not at all.

Mr. WALSH of Massachusetts. It all has to be imported?

Mr. COPELAND. Every bit.

Mr. WALSH of Massachusetts. Therefore the increased duty would be effective to the last dollar.

Mr. COPELAND. Yes.

Mr. WALSH of Massachusetts. Let us have the yeas and nays.

Mr. BROUSSARD. Mr. President, I stated for the sake of having an adjustment of this matter that I would be willing to accept the suggestion, but if there is to be a vote I must say something additional and I must insist upon the full duty.

Mr. SMOOT. Of course, if it is not satisfactory to the Senator I shall withdraw my request and then the Senator can speak.

Mr. BROUSSARD. I do not want to appear here in the attitude of accepting 2 cents when really I want to have a vote on the 4-cent proposal.

The VICE PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

Mr. WALSH of Massachusetts. Let us have the yeas and nays.

The yeas and nays were not ordered.

The amendment made as in Committee of the Whole was noncurred in.

Mr. BROUSSARD. I now offer an amendment to make the figure 2 cents instead of 4 cents, the same as the amendment just voted on except that I have changed the figure.

The PRESIDENT pro tempore. That amendment can not be entertained except by unanimous consent.

Mr. BROUSSARD. I shall wait until it is in order.

The PRESIDENT pro tempore. Upon reaching the stage of individual amendments the amendment will be in order.

Mr. VANDENBERG. Mr. President, on last evening the Senate voted upon my amendment on page 118, paragraph 404, line 25, proposing to add 10 per cent to the ad valorem duty on birch and alder plywood, making a total duty of 50 per cent on these plywoods. According to this morning's CONGRESSIONAL RECORD, at page 5092, on a division the amendment was concurred in. But according to the clerk's official Senate record the amendment was rejected. This must be cleared up.

There was a general misapprehension regarding the proposal anyway. There is absolutely no difference of opinion between the Senator from Massachusetts [Mr. WALSH], who was in charge of the wood schedule for the Democrats, and myself regarding this item. This is in fact an amendment originally proposed by the Senator from Massachusetts. I am very sure the Senate, if the amendment was rejected as shown by the clerk's record, rejected it under a misapprehension, because there is no disagreement and no basis for argument. In view of the fact that the record is wrong at one point or the other, I ask unanimous consent for reconsideration of the item and submission without debate.

The PRESIDENT pro tempore. Is there objection?

Mr. WALSH of Massachusetts. I have no objection. I simply want to confirm the statement made by the Senator. If I remember rightly, the Senator, in Committee of the Whole, proposed an amendment for a very substantial increase of duty. I could not agree to that but did propose to him that I would accept, so far as I could for the minority, a duty of 50 per cent.

The PRESIDENT pro tempore. There being no objection, the question is on concurring in the amendment made as in Committee of the Whole.

The amendment made as in Committee of the Whole was concurred in.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION 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 joint resolution, and they were signed by the President pro tempore:

H. R. 4767. An act to authorize sale of iron pier in Delaware Bay, near Lewes, Del.;

H. R. 7971. An act to extend the times for commencing and completing the construction of a bridge across the French Broad River on Tennessee Highway No. 9 near the town of Bridgeport in Cocke County, Tenn.;

H. R. 8287. An act granting the consent of Congress to the State Highway Commission of Virginia to maintain a bridge already constructed across the Shenandoah River in Clarke County, Va., United States Route No. 50;

H. R. 9180. An act to legalize a bridge across the Roanoke River at or near Weldon, N. C.; and

H. J. Res. 223. Joint resolution to provide for the expenses of participation by the United States in the International Conference for the Codification of International Law in 1930.

REVISION OF THE TARIFF

The Senate 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. The clerk will report the next reserved amendment.

The LEGISLATIVE CLERK. Paragraph 1105, page 172, wool waste and rags.

Mr. WALSH of Massachusetts. Mr. President, it is quite apparent that a rediscussion of the particular paragraph now before us will result in the same action being taken in the Senate that was taken as in Committee of the Whole. I regret very much that the Committee of the Whole voted by a substantial majority in favor of increasing the duty on virgin wool from 31 to 34 cents and increasing the duty upon wool rags to 16 cents. I think it is most unfortunate that the action was taken, but I recognize there has been no change in sentiment and that there will be without question a reaffirmation of the vote taken in Committee of the Whole.

I can not let the occasion go by without pointing out the very serious consequences this increased duty on virgin wool and more particularly on wool rags will have upon the woolen industry as a whole in a very substantial increased cost of woolen fabrics to the American public. I think it was the Baltimore Sun which a few days ago stated that the estimated increase in the cost of cloth by reason of these increased duties to the American public would be $125,000,000. It is bound to be very substantial and it is unfortunate that it is occurring at this time with the industry in such a depressed condition. The woolen industry, as the Senator from Utah [Mr. SMOOT] knows, is in a very sad plight. I have grave fears as to whether it will be able to withstand the financial depression that now surrounds it. At this time increasing the duty upon its raw product, virgin wool, and increasing the duty upon wool rags is going to be very detrimental. It is another serious impediment to the industry because it increases the cost of production.

Gentlemen on the Republican side of the Chamber, you have done and are doing a bad day's work for your party when you increase the duty upon long-staple cotton, as you have done to-day, and also when you increase the duty upon virgin wool and woolen rags. There is some justification for Senators from the Southern States; but when Senators who come from States where there is not a single bit of cotton grown, and even where there are cotton-textile industries, vote for these increased duties it is indefensible, and the blame is on the Republican side of the Chamber for the increase of 7 cents on long-staple cotton. There were more votes on the Democratic side against that duty than in any other vote that could be classed as an agricultural product. I think there were at least 11 votes upon this side of the Chamber against it, and yet we were not able to get enough votes on the other side of the Chamber to prevent this body blow, this stiletto in the back of a tottering industry, the cotton-textile industry. Now comes the second body blow, through virgin wool and wool rags, to the woolen-textile industry.

The Republican Party will have much to defend in this bill, but, in my judgment, they are going to have requests come pouring in here in the next few weeks, before the bill is finally passed, from industries of the country urging that the industries be saved from ruin because of these increased rates. One of the serious objections to the bill is that it has piled up increased duties upon the many raw materials that are used by all our industries. Practically every industry in the country has had additional burdens placed upon it without any increased protection to speak of. Do not think for one moment that many of the largest industries of the country are not going to be opposed to this bill. How is the Republican Party going to have the hardihood to face the people of the country with most of the industries of the country opposed to their protective tariff bill? In fact, before the Senate gets through with this bill it will not have any friends. The members of the farm bloc are now turning the other way.

Industries are getting nothing but burdens. The consumers are being penalized by duties that will increase prices. Who is going to be benefited? There will be a demand from the people

of the country to kill the bill and let the present tariff law remain effective. There can not be any other sane result or decision reached, in view of the changes that have been voted in recent days upon such rates as wool, lumber, cement, sugar, cotton, casein, china clay, and all food products and raw materials of every kind.

I was astounded at the last roll call. I can not now understand some of the votes. I can understand how Senators from cotton-growing States can favor a duty on long-staple cotton, but, when it is made manifest that the cost of tires will thereby be increased, to the extent, even, upon the admission of the Senator advocating the increase, of 35 cents to the manufacturer and from 60 to 70 cents to the consumer, I can not understand how Senators not coming from cotton States can vote to impose a duty of from 50 to 75 cents upon each tire purchased by thousands of people in their respective States. How do they ever expect to get back here? With an intelligent, progressive, live candidate against them who can make plain the facts, how do they ever expect to return?

Mr. WHEELER and Mr. BROOKHART addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield; and if so, to whom?

Mr. WALSH of Massachusetts. I heard first the voice of the Senator from Montana, and I yield to him.

Mr. WHEELER. Mr. President, I agree with a great deal the Senator from Massachusetts has said, but I want him to bear in mind that it has been the tariff-protected industries that have gone out and sold the idea to the farmers of the country that high tariff rates are needed in order to benefit the farmer.

Mr. WALSH of Massachusetts. O Mr. President, it is always some Democrat who spoils a good Democratic speech. [Laughter.] Here I was lecturing the Republicans, and a Democrat had to remind me that I was not on sound ground. It is ever thus; no wonder we are a minority. [Laughter.] I now yield to the Senator from Iowa.

Mr. BROOKHART. Mr. President, as I understand the Senator's argument, he is opposed to the protection of raw materials.

Mr. WALSH of Massachusetts. I was trying to show that the Senator from Iowa would, in all probability, vote against this bill if the present method of shaping it continues. Perhaps I am mistaken as to that.

Mr. BROOKHART. I can tell the Senator about that in just a moment. Since, however, 70 per cent of the raw material used by the factories of our country comes from the farm, it seems to me the Senator's argument is pretty hard on the farmer.

So far as voting for the bill is concerned, let me say that the part of this bill which is effective is the debenture. I can vote for the debenture, but if the debenture goes out, the Senator will find me voting against the bill. I do not propose that we shall levy from ten to twelve hundred million dollars of taxes on the farmers of this country by high tariff rates without affording the farmers the benefit which can be given them by the debenture plan, which will make the farm rates effective.

Mr. WALSH of Massachusetts. Has the Senator any doubt about the debenture plan going out of the bill?

Mr. BROOKHART. I have not conceded as yet that it is going out; I am still fighting for it.

Mr. WALSH of Massachusetts. I am glad the Senator has his courage with him, but, in view of some recent roll calls, I should think he would be getting a little bit nervous about this bill. I think there is every reason why the Senators who have been espousing the cause of the farmer should feel a little bit discouraged. I think that they should put their mourning bands on, for the situation looks very grave.

Mr. BROOKHART. I thought, perhaps, we might secure a little help from the Senator from Massachusetts.

Mr. WALSH of Massachusetts. Mr. President, not having succeeded in arousing upon the Democratic side of the Chamber any sympathy, or very little, for my protest against the wickedness of the Republicans in increasing tariff duties upon cotton and wool and lumber and sugar and cement, upon everything the people eat and everything they wear, I think I ought to yield the floor, stating first that I do not want to be grieved further by hearing another roll call upon the question of whether the increased duties upon wool rags and virgin wool shall be sustained. I prefer to try to forget what has happened, to sit silently by, let the chorus of "ayes" confirm the action taken as in Committee of the Whole, and let a few of the minority be content with trying to shout "nay" as loud as they can.

Mr. WHEELER. Mr. President, I was not trying to spoil the speech of the Senator from Massachusetts; I was trying to help it out a little, but I could not help but call his attention to the fact that he has quite consistently voted for high duties upon manufactured articles which affected New England. I am not blaming him for that at all, because I realize——

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

Mr. WHEELER. Yes.

Mr. WALSH of Massachusetts. Once again I have to explain my record as a Democrat. I consider it no offense to vote for protection or increased protection when a case is made out for the need of it to protect the domestic industry against excessive imports.

Mr. WHEELER. No.

Mr. WALSH of Massachusetts. I do not think it is becoming of a Democratic Senator to embarrass another; but I want to say to the Senator that if he will look through my record he will find that the increased duties for which I have voted have been fully justified on the facts, and my votes in those instances have been based upon what seemed to be, to me, at least, very sound reasons for increasing the duties. I intend to prevent a depressed industry from being ruined by unchecked imports that rob it of the domestic market.

Mr. WHEELER. I have not the slightest doubt of that, but the Senator takes offense because I called his attention to the fact that the manufacturing interests have sought to create the impression among the farmers that high tariff rates on industrial commodities are for the benefit of the farmer. I agree that many of the tariff rates which have been written in this bill will not do the farmers any good at all, and I have been opposed to many of them——

Mr. WALSH of Massachusetts. I called attention to a series of commodities upon which increased duties have been levied in this bill which I supposed Democrats would take advantage of to present as issues to the country.

Mr. WHEELER. I was directing attention to the fact that tariff leagues and others in the East have caused the farmers of the country to believe if anything is wrong with any of their industries the thing that is necessary for them to do to help themselves is to have high tariff duties. That is what has brought about this situation. The result is that the manufacturers themselves are going to suffer.

I can agree and did agree with a great deal the Senator said, and I think he is right about it in many respects, but I can not quite understand why he should protest when I merely called attention to the fact that the manufacturers themselves or those that claim to represent them have been responsible for these high duties upon farm products and upon all other commodities.

Mr. CONNALLY. Mr. President, I ask unanimous consent to print in the RECORD an article from this morning's New York World with relation to the tariff. I ask leave to have the article printed in the RECORD at this particular time because it contains a very illuminating letter from the present Secretary of the Navy, Mr. Adams, reflecting his views on the tariff in 1909, when he expressed himself along the lines of free trade. I thought probably, in view of the fact that the tariff is now occupying so much time and there being so much doubt as to the views of the President, whether he favors the former coalition bill or the new coalition bill, that it might be interesting to know the views of the Secretary of the Navy, one of the members of the Cabinet, the same Secretary who some time ago made a speech in Boston taking to task Senators on the other side of the aisle who are supposed to be progressives and insurgents from the party organization.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Utah?

Mr. CONNALLY. I yield.

Mr. SMOOT. I take it for granted that the Senator approves of the letter written by Secretary Adams.

Mr. CONNALLY. Oh, no. The Senator from Utah is a very astute Senator, but he ought not to reach that conclusion, I am sure, with all due respect to him.

Mr. SMOOT. The Senator referred to the Secretary of the Navy as being a free trader in 1909.

Mr. CONNALLY. I had supposed, the Senator from Utah being a very stalwart administration leader, that his views would more nearly coincide with those of a member of the Cabinet of the President whose banner he is always following than would those of the Senator from Texas, who rarely if ever can be found in that camp.

Mr. SMOOT. I do not know what the views of the President are as to the items of this bill.

Mr. CONNALLY. The Senator does not suffer any distinction in that regard when he says he does not know what the views of the President are.

Mr. SMOOT. Nor do I know what the views of Mr. Adams are, and if I did know his views they would not make a particle of difference to me.

Mr. CONNALLY. In view of that statement I do not see why the Senator wanted to associate my views with those of the Secretary of the Navy, because if the Senator from Utah has no respect for the views of the Secretary of the Navy I do not see how he can expect the Senator from Texas to have any respect for them.

Mr. SMOOT. I did not say I had no respect for the views of the Secretary of the Navy, but I do not agree with him; that is all.

The PRESIDENT pro tempore. Without objection, the article referred to by the Senator from Montana will be printed in the RECORD.

The article is as follows:

[From the New York World March 13, 1930]

POLITICS FROM THE SIDE LINES

By Elliott Thurston

WASHINGTON, March 12.—It seems incredible that Charles Francis Adams, now Secretary of the Navy, really wrote this amazing letter classifying people who profit by high tariffs as "hogs" or "thieves." Secretaries of the Navy are notoriously reckless. The present Secretary, now detailed to the London Naval Conference, already has lived up to that tradition. But this letter—with its admission that Mr. Adams himself is a "tariff thief," its terrific indictment of the tariff, its solemn notice to the administration that the public is in a state of revolt—well, it just seems incredible, that's all.

Adamses are so numerous around Boston Common that there is an outside chance that some other Charles Francis Adams penned this astounding document; and yet who but "the" Charles Francis Adams, son of John Quincy, and, as Who's Who neatly puts it, g. g. g. s. of John Adams, could have written it? Who else would have inherited the noncomformity to speak out in this devastating fashion?

Why, nothing so bluntly, brutally frank, so mercilessly scalding has been uttered in all the long, weary days of tariff debate. Nothing could be more appropriate. Astonishing as such sweeping candor is, particularly from a member of President Hoover's own Cabinet, it is even more surprising to think that no outraged GRUNDY, no son of a wild jackass, nobody at all has risen in the Senate to exhibit this letter to the Nation and to the world as a shocking example of what a Cabinet member should not say out loud, or even breathe, for that matter, to the family cat.

But let the letter speak for itself. Here is what it says of those who actively seek or passively profit by high tariffs:

"Speaking after the fashion of men, they are either thieves or hogs. I myself belong to the former class. I am a tariff thief, and I have a license to steal. It bears the broad seal of the United States. I stole under it yesterday. I am stealing under it to-day. I propose to steal under it to-morrow. The Government has forced me into this position, and I both do and shall take full advantage of it. I am therefore a tariff thief with a license to steal. And what are you going to do about it?"

What a confession! But wait; there is much more. Thus:

"The other class comes under the hog category—that is, they rush squealing and struggling to the great Washington protection trough and, with all four feet in it, they proceed to gobble the swill. Well acquainted with those of this class, you know their attitude and their utterances. It is useless for me to dilate upon either. To this class I do not belong. I am simply a tariff thief, but, as I have said, with a license to steal."

What does old JOE GRUNDY think of that? What do all the rest of the party's protectionist seekers think of that? But the letter goes on:

"But, on the other hand, I am a tariff reformer. I would like to see every protective schedule swept out of existence, my own included."

A free trader in the President's own camp? Charles Francis Adams would like to toss the party's magnificent tariff into the sea, would he? It takes one's breath away to think that such a man sits at Mr. Hoover's Cabinet table.

And still the dumfounding letter continues. Alluding to the unfortunate consumer and the futility of his trying to come to Washington to plead for mercy before the tariff-fixing committees, Charles Francis Adams declares:

"Meanwhile, what inducement have I to go to Washington on a public mission of this sort? A mere citizen, I represent no one. If I went I would receive from the committee scarcely a respectful hearing—if any hearing at all. My position in these respects is exactly the position of myriads of others. And they say we do not exist.

"Meanwhile I do know this: On every occasion when, of late, I have had occasion to address an audience any reference to 'protection run mad' or to the tariff as the 'mother of trusts,' it has invariably elicited a more spontaneous response than any other utterance I could make. This feeling is abroad, becoming stronger, and will certainly, soon or late, be in evidence at the polls."

Has the White House failed to hear this ominous warning from the Secretary of the Navy?

"Meanwhile," says this unbelievable letter, "the tens of thousands of persons who feel in that way, like myself, can not afford either the time or, more frequently, the money to go to Washington to ask to be heard before a committee which they know in advance is both prejudiced and packed against them."

Just let REED SMOOT and WILL HAWLEY and their committee colleagues lay to that. Prejudiced and packed against the public, eh?

"I have in this letter," adds the dauntless Mr. Adams, "set forth the situation, so far as a revision of the tariff is concerned, as it exists within your personal knowledge and my personal knowledge. You are welcome to make such use of it before the committee or elsewhere as you see fit. I should have no objection to seeing it in print. Meanwhile have it well understood that my position is exactly the position of tens of thousands of others scattered throughout the country."

So this incorrigible Adams is so lost to all proper Republican feelings that he wants to see these scandalous heresies in print, does he? Well, there they are. So far as I can discover, nobody has obliged him since he wrote this letter to a Massachusetts Congressman, a member of the very committee now headed by WILL HAWLEY, back in November, 1908.

Mr. COPELAND. Mr. President, I do not think it is fair that one Democrat should criticize another for his views regarding a tariff item. The Senator from Montana made a vigorous fight for a 30-cent-a-pound rate on rayon but he was not for free rayon.

Mr. WHEELER. The Senator is entirely wrong. If he will confine himself to the facts——

Mr. COPELAND. Very well. Suppose the Senator correct me and give us the basis of the facts.

Mr. WHEELER. So that the Senator from New York may know the facts, I favored taking off the 45 cents specific duty on rayon. I said that there was not any Senator upon the floor who attempted to justify the rate proposed or to dispute the facts presented by me. I was perfectly willing——

Mr. COPELAND. Did the Senator want to take all the duty off?

Mr. WHEELER. All the specific duty. I was perfectly willing to let the ad valorem duty remain. I have repeatedly said upon the floor of the Senate that I am perfectly willing to give the manufacturers of this country a rate of tariff equal to the difference between the cost of production at home and abroad. I have felt that way with reference to manufactured articles produced in Massachusetts or any other State.

Let me say further to the Senator from New York that I have not criticized the Senator from Massachusetts for anything that he said or anything that he has done upon the floor. I do not know why the Senator from New York should be called upon to rise in his seat and defend the Senator from Massachusetts, who, I am sure, is perfectly capable of taking care of himself.

Mr. COPELAND. The Senator from Massachusetts needs no defense from me or from anybody else; but the Senator from Montana admits that he is in favor of a tariff, and so the only difference is as to how much the tariff rate shall be. Whether inadvertently or otherwise, the impression was given by the Senator to the citizens of my State that because I did not vote with him on the rayon schedule therefore I had violated my duty as a Democrat, and that I should have followed the Senator from Montana. As a matter of fact, the only difference between us is that the Senator from Montana desired one rate of duty, while the Senator from New York felt that another rate of duty was needed. It was not a question of whether there should be free trade or protection, but merely a question of judgment as to how much the rate should be.

The Senator from Utah [Mr. SMOOT], when the rayon item was previously under consideration, convinced me that there was a difference between the cost of production here and abroad of 42½ cents a pound, I think, in addition to the ad valorem rate.

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

Mr. COPELAND. I yield.

Mr. WHEELER. Let me say that the Senator from Utah did not cite any figures given him by the Tariff Commission to substantiate his statement, because the Tariff Commission figures do not show that a 45 per cent specific duty is justified.

Mr. COPELAND. It was a matter of judgment. I had to form a decision in my mind as to whether the Senator from Utah was right or whether the Senator from Montana was right. I reached a certain conclusion, and voted accordingly. I voted for protection. So did the Senator from Montana. There is not the slightest difference from the Democratic standpoint between the Senator from Montana and myself, because

we were both for a tariff. It was only a question of how much the rate should be.

So far as the Senator from Massachusetts [Mr. WALSH] is concerned, he needs no defender. He has stood on the floor of the Senate since the middle of last September, and, in season and out of season has fought for the consumers of America; and many many times he has taken a position here in opposition to his selfish interests. If he had sought only to follow "Massachusetts—there she stands"—he would have been for higher tariffs time and time again. I think the Senator from Massachusetts this afternoon has well presented his case. So far as I am concerned, I applaud it, and thank him from the bottom of my heart.

Mr. SMOOT. Mr. President, now that we have had this little family row over the tariff, I hope we can get a vote upon the next item—knit goods.

The PRESIDENT pro tempore. The question is on concurring in the amendment made as in Committee of the Whole. Without objection, the vote will be taken upon all the amendments contained in paragraph 1105.

Upon this question the yeas and nays have been demanded. A sufficient number not having seconded the demand, all those in favor of concurring in the amendment made as in Committee of the Whole will say "aye." [A pause.] Those opposed to concurring in the amendment made as in Committee of the Whole will say "no." [A pause.] The amendment is concurred in.

The clerk will state the next amendment reserved for a separate vote.

The LEGISLATIVE CLERK. Paragraph 1114, knit goods, page 177.

Mr. COPELAND. Mr. President, if I may have the attention of the Senator from Utah [Mr. SMOOT], I desire to ask him a question.

The criticism made by the manufacturers in my State is that the rate fixed on knit fabric in paragraph 1114 does not correspond to the rate on wool yarn in paragraph 1107. The criticism is that there is a lack of 5 per cent protection in paragraph 1114 if the rate on the fundamental yarn is to be left as it is in paragraph 1107. What does the Senator say about that?

Mr. SMOOT. Mr. President, the Senator will notice that the rate on knit fabric in the piece, wholly or in chief value of wool, valued at not more than $1 per pound, is 33 cents per pound and 40 per cent ad valorem; valued at more than $1 per pound, 46 cents per pound and 50 per cent ad valorem.

A knit fabric the price of which——

The PRESIDENT pro tempore. May the Chair interject to say that under the parliamentary situation the only amendment which can now be dealt with is the amendment on lines 6 and 7, "finished or unfinished." If other amendments are to be considered, they will have to be offered as individual amendments when that stage of the procedure has been reached. At the present moment the only thing that may be dealt with is the amendment the Chair has stated.

Mr. COPELAND. I am satisfied with the ruling; but it may be that the interchange of two or three sentences will end the matter, so far as the future is concerned.

The PRESIDENT pro tempore. So far as the Chair is concerned, anything for the enlightenment of the Senate.

Mr. SMOOT. As I was saying, knit fabric in the piece, wholly or in chief value of wool, valued at not more than $1 per pound, must of necessity have some by-product, I will call it, of wool. It would not be all wool—I mean, in the sense of virgin wool—if it is knit into a fabric selling at that price. Therefore, we impose a duty of 33 cents per pound and 40 per cent ad valorem. In other words, the specific rate, the Senator will notice, is a little less than some of the other rates and the ad valorem rate is 40 per cent, which on that class of goods, being a coarser yarn and made into coarser goods, is certainly sufficient protection. When the value is over $1 a pound, however, we get into a finer piece of cloth, and there we impose a duty of 46 cents per pound and 50 per cent ad valorem. Those are the finest goods that are made in knit fabrics in the piece, and there should be that differential. As to the cheaper goods, I will say that the yarn that goes into that perhaps may be 50 per cent reworked wool; and that is why the rates are so different in the two values.

Mr. COPELAND. Mr. President, may I hand to the Senator three letters from Brooklyn knitting mills and ask him if he will give them consideration through his experts?

Mr. SMOOT. I will.

Mr. COPELAND. They are from Meyer Dorfmann, the Bristol Knitting Mills, and the Mayflower Knitting Mills. I shall be glad if the Senator will be good enough to study their criticisms.

Mr. SMOOT. I will; and I will answer the Senator by letter.

Mr. COPELAND. I thank the Senator very much. I withdraw the reservation.

The PRESIDENT pro tempore. The question is on concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

The PRESIDENT pro tempore. The clerk will state the next amendment reserved for a separate vote.

The LEGISLATIVE CLERK. Paragraph 1122, page 180: The Senate, as in Committee of the Whole, inserted a new paragraph, reading as follows:

PAR. 1122. For the purposes of this act all fabrics in the piece containing 15 per cent or more in weight of wool, whether or not in chief value thereof, and whether or not more specifically provided for, shall be dutiable under the appropriate provision of this schedule for fabrics in the piece wholly or in chief value of wool.

The PRESIDENT pro tempore. The question is on concurring in the amendment made as in Committee of the Whole.

Mr. SMOOT. Mr. President, I desire to add to the amendment the words "except printing-machine cylinder lapping in chief value of flax."

There is none of this product made in the United States. I think that ought to be excepted from this paragraph. I have taken up the matter with a number of Senators, and also with the department; and they say that no harm could come to any local industry by excepting printing-machine cylinder lapping in chief value of flax.

The PRESIDENT pro tempore. Does the Senator offer that as an amendment to the amendment made as in Committee of the Whole?

Mr. SMOOT. I do. In order that the Senate may know just what the amendment is, I send it to the desk, and offer it as a substitute.

The PRESIDENT pro tempore. The clerk will state the proposed substitute for the information of the Senate.

The CHIEF CLERK. On page 180, it is proposed to strike out paragraph 1122, inserted by the amendment of the Senator from Idaho [Mr. THOMAS], and in lieu thereof to insert the following:

PAR. 1122. For the purposes of this act all fabrics in the piece or otherwise (except printing-machine cylinder lapping in chief value of flax) containing 15 per cent or more in weight of wool, whether or not in chief value thereof, and whether or not more specifically provided for, shall be dutiable under the appropriate provision of this schedule as if wholly or in chief value of wool.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Utah as a substitute for the amendment made as in Committee of the Whole.

Mr. BLAINE. Mr. President, I am not going to discuss the amendment offered by the Senator from Utah. I desire, however, to call the Senator's attention to the fact that this amendment, paragraph 1122, whether amended as suggested by the Senator from Utah or not, is going to override every other schedule relating to textiles. It is going to dislocate practically every rate that has been fixed in the cotton, the rayon, the silk, the flax, and the hemp schedules as relates to fabrics.

Take, for instance, the cotton schedule, paragraph 906—cloth, in chief value of cotton, containing wool, 60 per cent ad valorem. I have not any doubt but that the proposed amendment will give an increase over that rate perhaps more than twofold. The same thing is true with reference to wool fabrics, increasing the rate on the present values as high as 135 per cent ad valorem.

This proposal is the most outrageous proposal that has been made in the consideration of the tariff bill. There is no excuse for it. It is wholly indefensible.

So, Mr. President, while I am convinced that it is perfectly useless to undertake to defeat this amendment, I desire to call the attention of the Senate to the fact that it is going back to the scheme and plan that was engaged in in the tariff building of the law of 1909. Here it is proposed to impose, upon fabrics containing 15 per cent of wool, the wool rates, whether the other material is cotton, hemp, rayon, or in any other textile.

So, Mr. President, I ask for a roll call on this amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Utah to the amendment made as in Committee of the Whole. On this question the yeas and nays are demanded. Is the demand seconded?

Mr. BLAINE. I suggest the absence of a quorum.

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

The Chief Clerk called the roll, and the following Senators answered to their names:

Allen	Blease	Copeland	Frazier
Baird	Borah	Couzens	George
Barkley	Bratton	Cutting	Glass
Bingham	Brookhart	Dill	Goff
Black	Capper	Fess	Goldsborough
Blaine	Connally	Fletcher	Grundy

Hale	Keyes	Overman	Swanson
Harrison	La Follette	Patterson	Thomas, Okla.
Hastings	McCulloch	Phipps	Townsend
Hatfield	McKellar	Pine	Trammell
Hawes	McMaster	Pittman	Vandenberg
Hayden	McNary	Robinson, Ind.	Wagner
Hebert	Metcalf	Sheppard	Walsh, Mass.
Heflin	Moses	Shortridge	Walsh, Mont.
Howell	Norbeck	Simmons	Watson
Johnson	Norris	Smoot	Wheeler
Jones	Nye	Steiwer	
Kean	Oddie	Stephens	

The PRESIDENT pro tempore. Seventy Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment proposed by the Senator from Utah to the amendment made as in Committee of the Whole.

Mr. METCALF. Mr. President, unless this amendment prevails wool may come in duty free in cloth, instead of paying a duty, as when it is in the bale.

Mr. GEORGE. Mr. President, I realize that it is entirely useless to quarrel about high rates in this bill, since the junior Senator from Pennsylvania formed his organization. All of the trouble did not occur when we reached sugar, or oil, or cement, or wood, or shingles. It occurred when we reached the wool schedule. That is where it had its inception. This wool schedule has been the backbone of unconscionable protective rates for 40 years or more. It still is.

I do not want to argue this matter again, but I want to say this: That if the Senate is now to vote to make dutiable at the high rates given the woolen fabrics any article which contains, by weight, 15 per cent or more of wool, it will take an additional step which heretofore no one has been inclined to ask.

Under the present leadership, however, which has taken complete charge of the Republican Party, the Senate a few days ago voted for this increased rate.

Not only is the rate increased but the whole principle upon which tariffs have been made is repudiated, thrown in the discard, perchance because of the desire of the coalition between the worsted manufacturers and the wool growers, under the generalship of the junior Senator from Pennsylvania, who, in vacation, at odd times, is the collector of the revenue for the Republican Party.

It has been the traditional policy of the protectionists themselves to fix a duty, whatever the duty might be, upon any fabric according to the material constituting the chief value of the fabric. In other words, if the chief value of the cloth was of cotton, then that particular cloth was dutiable as cotton. If the cloth was composed wholly or in chief value of wool, the article was dutiable as wool. But now, if the cloth contains 15 per cent or more of wool by weight, although 85 per cent of it may be cotton, or may be some other material, the cloth is made dutiable as wool.

When the Senate Finance Committee submitted this bill to the Senate, it contained a provision that hose containing any part of rayon, though made of cotton or of silk, should be dutiable as rayon, under a particular provision in the rayon schedule. The Senate, after full deliberation, voted that provision out because it was contrary to the principle upon which tariffs had been made, voted it down in the cotton, wool, and other textile schedules. Now it is proposed to make any fabric, any cloth, containing as much as 15 per cent by weight of wool, dutiable at the high rate.

Mr. President, I do not think it worth while to argue the case. I do not think the country thinks it is worth while to argue the case, because I am satisfied that the country knows that this woolen schedule is not based upon reason. It is not based upon facts.

I have not protested, since the Senate fixed an increased duty upon virgin wool, or even upon wool waste, against a just compensatory to take care of the increases, but there can be no possible excuse for the amendment now before the Senate, except the disposition of the woolen and worsted manufacturers, mainly the worsted manufacturers, because the woolen manufacturers are the victims of the conspiracy between woolgrower and worsted manufacturer. In the long run they will find this statement to be true.

There is no excuse for this provision in the bill, contrary, as it is, to the traditional policy of levying tariffs.

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

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Nebraska?

Mr. GEORGE. I yield.

Mr. NORRIS. I would like to submit an inquiry to the Senator. I was called out of the Chamber temporarily. Upon what page of the bill is the amendment which we are discussing to be found?

Mr. GEORGE. It is a new amendment offered by the junior Senator from Idaho [Mr. THOMAS] a few days ago. It is not in the printed text.

Mr. NORRIS. That is not the pending amendment.

Mr. GEORGE. I understood that it was.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Utah to the amendment made as in Committee of the Whole, and that amendment is not in the printed text of the bill.

Mr. GEORGE. There is no opposition to the amendment offered by the Senator from Utah to the amendment.

Mr. SMOOT. I understood that to be the case.

Mr. GEORGE. I therefore thought the question was on the amendment made as in Committee of the Whole as amended.

The PRESIDENT pro tempore. That is not the question yet. The question is on the amendment proposed by the Senator from Utah to the amendment made as in Committee of the Whole.

Mr. GEORGE. There was no objection, and I thought it was stated that the amendment was agreed to.

The PRESIDENT pro tempore. If there is no objection, the amendment submitted by the Senator from Utah to the amendment made as in Committee of the Whole will be regarded as agreed to, and the question now recurs upon the amendment made as in Committee of the Whole as amended by the amendment proposed by the Senator from Utah. Upon that question the yeas and nays have been demanded.

Mr. NORRIS. Let us have the amendment reported.

The PRESIDENT pro tempore. The amendment will be reported for the information of the Senate.

The CHIEF CLERK: On page 180, strike out paragraph 1122 as inserted by the amendment of the Senator from Idaho [Mr. THOMAS] and in lieu thereof insert:

PAR. 1122. For the purposes of this act all fabrics in the piece or otherwise (except printing-machine cylinder lapping in chief value of flax) containing 15 per cent or more in weight of wool, whether or not in chief value thereof, and whether or not more specifically provided for, shall be dutiable under the appropriate provision of this schedule as if wholly or in chief value of wool.

Mr. WALSH of Massachusetts. Mr. President, may I have the attention of the Senator from Utah [Mr. SMOOT] and the Senator from Georgia [Mr. GEORGE]. Let me see if I understand how this amendment works out in practice. The general principle to which everybody agrees is that when goods are shipped into this country that have more than one kind of material in them, the customs officials determine which of the two or three kinds of material used in the finished goods is of the highest value and levy the duty on that material. If it is a mixture of cotton and woolen yarn, they find that the cotton is of the highest value and therefore apply the duties levied upon cotton finished goods.

Mr. SMOOT. Yes; but that does not apply to weight.

Mr. WALSH of Massachusetts. If they find that wool is of the chief value, the customs officials apply the duties in the wool schedule.

Mr. SMOOT. Yes.

Mr. WALSH of Massachusetts. Now it so happens, as I understand it, because virgin wool and wool rags are dutiable in this country, that knit cloth or cloth made of both cotton and wool, woven fabric, can come into the country where measured upon terms of foreign valuation. There may be 40 per cent of wool and 60 per cent of cotton and because of the foreign valuation the customs officials would have to say that cotton is the chief value and apply the cotton rate. Am I correct as to that?

Mr. SMOOT. That is substantially correct.

Mr. WALSH of Massachusetts. It often happens because of a high protective duty upon virgin wool that upon the basis of American valuation the wool might be 75 per cent of the cloth and the cotton only 25 per cent.

Mr. SMOOT. In value, of course; but the wool in that case must be on the foreign value and not on the American value.

Mr. WALSH of Massachusetts. I am using an illustration. If the law provided that the chief value should be based upon American valuation, it might reverse entirely the situation under the present law.

Mr. SMOOT. That is true.

Mr. WALSH of Massachusetts. The woolen manufacturers complain that because they have to pay 34 cents a pound for virgin wool and 18 cents a pound for woolen rags, they are at a disadvantage with the European manufacturers when cotton and wool yarns are blended into cloth.

Mr. SMOOT. There is no doubt about it. If it applied to the American value of wool, then nobody could support it, but it applies to the foreign value of wool.

Mr. WALSH of Massachusetts. But my objection is to the unscientific claim made that if we find 15 per cent of wool in the cloth, then the principle of chief value will be abandoned and we will put that cloth, mixed cotton and wool, in the wool schedule. My objection is to the arbitrary figure of 15 per cent. I would in conscience be obliged to vote for an amendment which placed the determination of chief value upon the basis of the American valuation, because I can see the disadvantage to which the American woolen manufacturer would be placed. But the Senator who proposed the amendment has seen fit to choose an arbitrary figure, 15 per cent, which in some instances may make the wool, when only 15 per cent, the chief value, and in other instances make it a very insignificant amount of the chief value of the garment.

I can not go to the extreme to which this amendment goes, although I recognize the grievance the woolen manufacturer has that because he has to pay these duties on the theory that in his goods the chief value of wool is 75 per cent, when it may be only 30 per cent of the content is wool, and upon the foreign basis the chief value would be cotton. I see that hardship, and I would like to remedy it. If an amendment was proposed saying the chief value shall be on the American valuation, I would have to vote for it in conscience; but I can not open the door to the incorporation of a principle here that chief value of cotton and wool will mean 15 per cent of wool, and chief value of silk and wool will mean 15 per cent or 20 per cent of wool, and the chief value of rayon and cotton, if it is 15 per cent of cotton, will mean cotton is of chief value. I do not like the arbitrary and unscientific way in which the amendment seeks to place 15 per cent as the determining point between chief value and nonchief value.

Mr. SMOOT. Everybody recognizes the fact that unless there is some provision for that class of goods the industry would be simply destroyed.

Mr. WALSH of Massachusetts. I agree.

Mr. SMOOT. They could not live.

Mr. WALSH of Massachusetts. It is true that everybody who voted for these increased wool duties and increased duties upon woolen rags must support this amendment. Fortunately, I did not so vote, or else I would feel in conscience bound to go along.

Mr. SMOOT. I agree with the Senator.

Mr. WALSH of Massachusetts. But they must go ahead with it, or else they are discriminating against their own American wool when it is in the mixed imported garment.

Mr. SMOOT. Unless the amendment is made they might just as well have no increased duty on wool. This is only to carry out the action of the Senate on the rate on wool, and I do not see any other way in the world to meet the situation.

Mr. WALSH of Massachusetts. Could not the Senator say "the chief value being determined upon the basis of the American valuation"?

Mr. SMOOT. I do not see how we could do it. That would throw another question in here that would be harder to settle than the question of foreign valuation.

Mr. WALSH of Massachusetts. I appreciate that that is probably true.

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

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Nebraska?

Mr. WALSH of Massachusetts. Certainly.

Mr. NORRIS. I do not understand yet the logic of the Senator's position. The amendment provides that where 15 per cent of the fabric is wool the duty shall be assessed as though it were all wool.

Mr. WALSH of Massachusetts. I am objecting to that.

Mr. NORRIS. That is the only thing involved here, is it not?

Mr. WALSH of Massachusetts. Yes.

Mr. NORRIS. Why is it said that we must depart from the ordinary procedure of providing where the chief value is of a certain kind it shall be assessed as though all were of that kind of fabric?

Mr. WALSH of Massachusetts. The amendment seeks to make 15 per cent of wool the chief value where the article contains wool and cotton. The difficulty is that because of our high duties upon wool and our manufacturers having to pay so much more for wool that a smaller percentage of wool when mixed with cotton makes wool the chief value.

Mr. NORRIS. I understand that; but it seems to me the Senator is not trying to remedy the situation when he seeks to make that valuation. That is simply saying that where we have 15 per cent of wool the tariff shall be assessed the same as though it was all wool.

Mr. WALSH of Massachusetts. I am objecting to that because of the fact that it violates the fundamental principle of chief value.

Mr. NORRIS. The object is to raise the tariff. I do not suppose there is any other object. It is simply to raise the tariff.

Mr. WALSH of Massachusetts. I can not go as far as that.

Mr. NORRIS. What does it mean, then?

Mr. WALSH of Massachusetts. I think it is an honest, conscientious attempt upon the part of the woolen manufacturers to get the benefit of American valuation of their wool in determining what is the chief value.

Mr. NORRIS. We have not provided for the American valuation.

Mr. WALSH of Massachusetts. I know it.

Mr. NORRIS. What is the difference, if we are going to make 15 per cent represent 100 per cent, whether it is American valuation or foreign valuation?

Mr. SMOOT. It makes a lot of difference.

Mr. NORRIS. The principle is the same. We are making 15 per cent of a commodity affect the tax on the entire 100 per cent of the commodity. That is not right.

Mr. WALSH of Massachusetts. Does the Senator agree that there is a difference in determining the chief value of wool and cotton when mixed into a fabric under the foreign valuation and under the American valuation?

Mr. NORRIS. Oh, yes; of course there would be a difference, but in either case 15 per cent, a small minority, is made the basis of chief value.

Mr. WALSH of Massachusetts. I am objecting to that. I say it is too arbitrary. I make the same objection the Senator does, and that is why I can not vote for it. But I do recognize that there is a grievance here and that grievance I would like to find a remedy for if I can.

Mr. NORRIS. Perhaps I do not understand it, and if I do not I want to understand it. Is not the object of this amendment simply to increase the tariff on all the fabric to which it applies? Will not that be the effect of it?

Mr. WALSH of Massachusetts. That will be the effect; but the purpose is, and I concede it to be such although I voted against it, to put the American woolen manufacturer on a more equitable basis with the foreign woolen manufacturer. That is the purpose of it and I have to concede that. If they could show me an exact percentage, 20 or 25 or 30 per cent, that would indicate the difference between what is chief value and what is not chief value, I would vote for it; but I can not if somebody takes the arbitrary figure of 15 per cent and says that is the chief value and that is going to be substituted for the principle of chief value and that is what is going to determine what the difference will be between the woolen rates and the cotton rates. There is my difficulty.

There is my difficulty; but I would say—and I want to be on record as saying—that if an amendment were proposed providing that the chief value shall be determined upon the basis of the American valuation, I would, in conscience, have to vote for it.

Mr. BLAINE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Wisconsin?

Mr. WALSH of Massachusetts. I yield the floor.

Mr. BLAINE. I want to ask the Senator from Massachusetts a question. If this amendment shall be adopted is not this what will happen: Under paragraph 1109 woven fabrics of a certain weight are made dutiable at 50 cents per pound; that is a compensatory rate. Thus, in the case of a fabric 85 per cent cotton and 15 per cent wool, we are granting a compensatory rate of 50 cents a pound on cotton; and the manufacturers are paying no tariff on cotton.

Mr. SMOOT. But the wool duty is not on the basis of the American price but on the basis of the foreign price.

Mr. BLAINE. I understand that.

Mr. SMOOT. If we took the American price, then, at 34 cents a pound and 40 per cent ad valorem, the aggregate rate would be between 80 and 90 per cent; and I do not propose to stand for that.

Mr. NORRIS. There is nobody advocating such a proposition as the Senator from Utah advances.

Mr. BLAINE. I should like to have the Senator from Massachusetts answer if I have stated the proposition correctly.

Mr. WALSH of Massachusetts. I think the Senator has.

Mr. BLAINE. That is, by this amendment we are imposing 50 cents a pound on cotton as a compensatory duty on wool that is not in the fabric at all?

Mr. WALSH of Massachusetts. As I understand, the Senator has stated the objection correctly.

Mr. BLAINE. Only 15 per cent is wool, but it is proposed to grant 50 cents a pound compensatory duty on the remaining 85 per cent of the fabric.

Mr. NORRIS. Mr. President, may I ask the Senator from Wisconsin a question?

Mr. BLAINE. Certainly.

Mr. NORRIS. Then the effect is, is it not, simply to increase the tariff on the particular fabric mentioned?

Mr. BLAINE. Exactly.

Mr. NORRIS. In other words, it amounts to taxing something that is only 15 per cent wool at the same rate it would be taxed as if it were 100 per cent wool?

Mr. BLAINE. Yes; and it gives the wool industry the opportunity to tax at the rate of 50 cents a pound, the compensatory rate on wool, the cotton that is in the fabric.

Mr. NORRIS. To tax the cotton.

Mr. BLAINE. To tax the cotton.

Mr. NORRIS. Exactly.

Mr. BLAINE. Which is 85 per cent of the fabric.

Mr. NORRIS. How can anybody defend that?

Mr. SMOOT. Mr. President, let me call the attention of the Senator to another matter. If the fabric is only 15 per cent of wool, and the tariff rate applies on the 15 per cent based on American valuation, as it would if the wool were imported, the American manufacturer has to pay out the 34 cents duty immediately in a duty on the wool; but in this case if the wool comes in here and is only carrying the rate that is carried on the piece goods, it is not assessed on the American or any other valuation. Therefore the only way we can meet the situation, the only way we can protect that class of goods is, I think, under the amendment that is suggested. I can not see any other way.

Mr. GEORGE. Mr. President, I should like to suggest that we could restore the provision, which also has been stricken out of this bill at the demand of the woolen interests, making the wool content and not the article dutiable. There would be no objection to that.

Mr. BLAINE. No; I would have no objection to that.

Mr. NORRIS. That would be fair.

Mr. WALSH of Massachusetts. Will the Senator amplify that?

Mr. GEORGE. Heretofore the provision was incorporated in paragraph 1108. The provision as now framed is just an effort to raise duties. I gave as an illustration previously the case of an ordinary cotton blanket containing 30 per cent wool and 70 per cent cotton. The ad valorem duty on such a blanket would be about 93 per cent, and in some instances it would actually run above 100 per cent.

Mr. BLAINE. I am informed in some cases it will run 135 per cent.

Mr. GEORGE. I have no doubt it will run 135 per cent ad valorem in some cases. It is a simple proposition. If 10 pounds of cloth contains only 1.5 pounds of wool, or 15 per cent, by weight, then the compensatory duty as fixed in the wool schedule is applied not only to the 1.5 pounds of wool in the goods but to the remaining 8.5 pounds of cotton, let us say, though cotton is on the free list.

Mr. BLAINE. Mr. President, I notice from the letter which Mr. Adams wrote with reference to tariff legislation in 1909 that he classified tariff grabbers in two classes, first, thieves, and, second, hogs. That is the language Mr. Adams used; he made that classification. It seems to me the woolen manufacturers fall in the first classification in their attempt to tax cotton as wool. They are scarcely willing to let anybody else get their snout in the swill. That is the language that Mr. Adams used; and, remember, Mr. Adams comes from the State of Massachusetts, where the Lowells and the Cabots reside. I am using Mr. Adams's language; it is not mine.

But the worsted interests want to give the wool producers 7½ cents a pound on the 15 per cent wool content. The compensatory rate is 50 cents a pound on wool and the wool content is only 15 per cent. The wool producer is going to receive a fraction of 7½ cents a pound and the wool manufacturer is going to run away with the loot of 42½ cents a pound. According to Mr. Adams, that is just ordinary, common thievery. It is not a matter of hogs who want to get their snout in the swill, as Mr. Adams suggests; they want to have practically all the swill, and become ordinary thieves, according to the classification made by Mr. Adams.

Mr. WALSH of Massachusetts. Does the Senator refer to Mr. Hobbs or to Mr. Adams?

Mr. BLAINE. Mr. Adams wrote this letter. The junior Senator from Texas [Mr. CONNALLY] submitted it, and by unanimous consent it will be printed in to-day's RECORD. I am going to read the classification.

Mr. NORRIS. Mr. President, what Adams is that?

Mr. BLAINE. It is Charles Francis Adams, who is now in the President's Cabinet, I am informed.

Mr. WALSH of Montana. I think it is his father.

Mr. BLAINE. Probably so; but that is wholly immaterial. I do not know the identity of Mr. Adams.

Mr. NORRIS. Mr. President, if the Senator will permit me, let us get the identity correct. Mr. Thurston, the correspondent who wrote the article, says that Mr. Adams is the gentleman who is now Secretary of the Navy.

Mr. BLAINE. I will read what Mr. Thurston says. I am not acquainted with Mr. Adams, so I can not be a witness for the purpose of identification; but here is what Mr. Thurston writes in the New York World of Thursday, March 13, 1930:

> It seems incredible that Charles Francis Adams, now Secretary of the Navy, really wrote this amazing letter classifying people who profit by high tariffs as "hogs" or "thieves."

Mr. Thurston has identified him as the present Secretary of the Navy. Now, I want to read the language that Mr. Adams used:

> Speaking after the fashion of men—

I am quoting now from Mr. Adams—

> they are either thieves or hogs—

Speaking of the tariff; and then he goes on to characterize himself. He says:

> I myself belong to the former class. I am a tariff thief, and I have a license to steal. It bears the broad seal of the United States. I stole under it yesterday. I am stealing under it to-day. I propose to steal under it to-morrow.

He is perfectly frank.

> The Government has forced me into this position, and I both do, and shall, take full advantage of it. I am therefore a tariff thief, with a license to steal.

Then he asks the question:

> And what are you going to do about it?

This is exactly the same kind of a proposal. Here is a license for the woolen manufacturer to steal 42½ cents a pound as a tariff on cotton, when the wool content is only 15 per cent. I observe that the distinguished junior Senator from Pennsylvania [Mr. GRUNDY] seems very much amused about this, and I am wondering if he is doubting the truth as set forth by Mr. Adams. The Senator from Pennsylvania remains silent, so I assume that he accepts Mr. Adams's classification of tariff grabbers.

Mr. WALSH of Massachusetts and Mr. GRUNDY addressed the Chair.

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Wisconsin yield; and if so, to whom?

Mr. BLAINE. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. Assuming to be correct what the Senator said—and I am inclined to agree with him—about the woolen manufacturers, in case this amendment becomes operative, getting the benefit of a compensatory duty to which he is not entitled, what troubles me is this aspect of the case: A manufacturer used in the finished product, say, 60 per cent of cotton and 40 per cent of wool.

Mr. SMOOT. It is the other way around.

Mr. WALSH of Massachusetts. No; I am using an illustration under which the chief value is cotton. Therefore it falls under the cotton rate. That woolen manufacturer gets nothing in the way of a compensatory duty or a protective duty for his 40 per cent of wool. Am I correct, I ask the Senator from Pennsylvania, who I know is an authority on this subject?

Mr. SMOOT. If the chief value is of cotton——

Mr. WALSH of Massachusetts. The Senator from Pennsylvania nods his head.

Mr. GRUNDY. I did not catch the point, I am sorry to say.

Mr. WALSH of Massachusetts. Leaving out the question of chief value entirely, if the fabric is composed of 60 per cent cotton and 40 per cent wool, it falls under the cotton schedule.

Mr. GRUNDY. It falls under the cotton schedule; that is right.

Mr. WALSH of Massachusetts. Because the customs officials contend that cotton is the article of chief value. The woolen manufacturer producing that kind of cloth in competition gets no compensatory duty for any of his wool and he gets no protective duty for any of his wool; he has a protective duty only under the cotton schedule.

So the other side of this question is troubling me. There is an injustice. I agree in part with what the Senator says in his criticism of this amendment; but considering the other side of the question, the amendment may result in serious injury and

disadvantage to the woolen manufacturer. I should like to see that condition remedied. I do not believe, I will say to the Senator, that this is the way to remedy it. It is a bad practice to build a tariff bill by designating a given per cent as indicative of the value when really the commodity so designated is not the commodity of chief value.

Mr. NORRIS. Mr. President——

Mr. BLAINE. I will yield in just a moment to the Senator from Nebraska.

I suggest to the Senator from Massachusetts that we take the reverse of his proposition so that the chief content of the fabric is wool, and only 60 per cent of it is wool. The other 40 per cent is cotton.

Mr. WALSH of Massachusetts. I share, in part, the criticism of the Senator.

Mr. BLAINE. In that case, the woolen manufacturer gets a protective duty in the nature of a compensatory duty that the manufacturer does not pay the wool producer, because he is using only 60 per cent of wool. Reduce it down to 51 per cent of wool, chief value of wool, and out of the 50 per cent a pound on wool as a compensatory duty he is getting a clean grab—Mr. Adams calls it a steal—of over 24 cents a pound as a protective duty out of a compensatory duty of 50 cents a pound, because he does not pay any duty on the cotton that is in the fabric containing 49 per cent of cotton and 51 per cent of wool.

I now yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, I am impressed with what the Senator from Massachusetts [Mr. WALSH] has just said. I do not think anybody wants to do an injustice to a manufacturer. I know I do not. It seems to me we could reach the matter easily if we levied a tariff upon the wool that is in the fabric.

If it is 40 per cent, it is easily determined what the tariff should be; but in order to save Mr. A, who is getting an injustice now, why should we jump on B and rob him in order that A may not be robbed? We are only jumping out of the frying pan into the fire, it seems to me; and we are putting the burden where, if it must be borne by somebody, it can not be borne, because we say 15 per cent of the fabric shall fix the duty on 100 per cent of the fabric.

Mr. WALSH of Massachusetts. That is my difficulty—the arbitrary fixing of the percentage.

Mr. NORRIS. If it were 51 per cent, or the chief value, it would not be nearly so bad; but I do not see any excuse for this.

Mr. BLAINE. Mr. President, I desire now to analyze this proposition upon the basis of Mr. Adams's letter.

Mr. WALSH of Massachusetts. I hope the Senator does not think I am defending it.

Mr. BLAINE. The Senator is not defending it. Let me continue with what Mr. Adams said:

> The other class—

He described the thieves. He says:

> The other class comes under the hog category—that is, they rush squealing and struggling to the great Washington protection trough and, with all four feet in it, they proceed to gobble the swill.

All that the junior Senator from Pennsylvania [Mr. GRUNDY] is willing to give the farmers is a portion of 7½ cents a pound on the wool, and he desires to take 42½ cents a pound on the cotton that is contained in the fabric containing 15 per cent of wool. That is not a fair division of the swill. That is unfair and unjust, and, I think—characterizing it very frankly—rather reprehensible. In fact, the farmer does not get the 7½ cents; he gets less than one-third of 7½ cents.

> Well acquainted with those of this class—

That is, the class who get 42½ cents.

I am reading from Mr. Adams—

> You know their attitude and their utterances. It is useless for me to dilate upon either.

And then, clearing himself from this category, he says:

> To this class I do not belong. I am simply a tariff thief, but, as I have said, with a license to steal.

There was perfect justification for Mr. Adams to have written that letter; and he made a prediction. I am going to read some more from this letter and then try to draw, just briefly, a parallel between those times and the tariff bill of that day and these times and the tariff bill of this day.

Proceeding further, he declares:

> Meanwhile, what inducement have I to go to Washington on a public mission of this sort? A mere citizen, I represent no one. If I went I would receive from the committee scarcely a respectful hearing—if any hearing at all. My position in these respects is exactly the position of myriads of others. And they say we do not exist.

Continuing to quote from Mr. Adams's letter:

> Meanwhile, I do know this: On every occasion when, of late, I have had occasion to address an audience, any reference to "protection run mad" or to the tariff as the "mother of trusts," it has invariably elicited a more spontaneous response than any other utterance I could make. This feeling is abroad, becoming stronger, and will certainly, soon or late, be in evidence at the polls.

And in 1912 the people of this country cast their ballots and rendered the verdict that Mr. Adams prophesied.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. BLAINE. I do.

Mr. BORAH. It ought to be said, in the interest of reality, however, that if there should be a revolution in 1932 Adams would be on the other side now. If the Senator should compare the speech which he made last spring, when this fight started, with this speech, he would not believe that the two speeches were made by the same man.

Mr. BLAINE. I am thoroughly convinced about that; but Mr. Adams has had some 22 years in which to change his mind. Here in the Senate, however, it seems that minds are changed overnight on some of these propositions.

Mr. SMOOT. Mr. President, will the Senator yield for a moment?

Mr. BLAINE. I yield.

Mr. SMOOT. The Senator knows very well that in 1912 there were three tickets in the field The Democrats did not get as many votes as they did in 1908. Mr. Roosevelt, Mr. Taft, and Mr. Wilson were all in the field.

Mr. BLAINE. Yes.

Mr. SMOOT. Mr. Taft carried only two States; but the Republican vote, divided between two Republicans, let in Mr. Wilson as President.

Mr. BLAINE. Mr. President, that has not anything to do with these two categories that Mr. Adams described. Mr. Adams was right then. I have not any doubt but that his change of mind has brought him to an entirely different position, but a position which he condemned in those days.

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

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

Mr. BLAINE. I do.

Mr. BARKLEY. In the interest of fairness, I should like to inquire whether it is certain that this is the same Mr. Adams who is now Secretary of the Navy. My reason for inquiring is that privately it is stated that that statement was made by the elder Charles Francis Adams and not by the present Secretary of the Navy. I do not know myself, but I am wondering whether there is any mistake about that.

Mr. BLAINE. Mr. President, as I indicated early in my remarks, Mr. Thurston, the writer of the article printed in the World, says this:

> It seems incredible that Charles Francis Adams, now Secretary of the Navy, really wrote this amazing letter classifying people who profit by high tariffs as "hogs" or "thieves."

I do not know whether it is the same person or not; but it is not important whether he is or is not the same person. I am concerned only with the statements in the letter.

Mr. BARKLEY. I agree to that.

Mr. BLAINE. I am not reading this letter in condemnation of Mr. Adams's alleged present position. I am reading the letter simply to draw a parallel between the tariff bill of those days and the tariff bill of this day. When I opened my remarks I used language to the effect that Mr. Adams had classified tariff grabbers into two classes—thieves and hogs—and I explained that that was not my language, but it was the language of Mr. Adams, and proceeded to offer the letter of Mr. Adams in evidence of that fact.

Mr. BARKLEY. If what the Senator has read was a proper description of these classes as applied to the very mild tariff bills of 20 years ago, what sort of language would Mr. Adams be able to use or find now in English lexicography that would describe the same type of man as applied to the bill that came to us from the House of Representatives, and which seems in a fair way to go back there even worse?

Mr. BLAINE. I should hesitate to get into that field of speculation. I do think that Mr. Adams described the tariff grabbers of those days exactly as the truth was. I think the same application can be made to-day on the amendment now under discussion.

Mr. SMOOT. And perhaps it would apply to both sides of the Chamber.

Mr. BLAINE. I am not criticizing either side of the Chamber. I am not criticizing any Member of this body. I am criticizing this amendment, and asserting that those engaged in the woolen industry are attempting, by this effort in this tariff grab, to become ordinary thieves, as classified by Mr. Adams, and to take 42½ cents a pound as a protective duty arising from a compensatory duty of 50 cents a pound on wool, when, as a matter of fact, they are entitled to only 7½ cents a pound where the wool content is 15 per cent, as provided by the amendment now before the Senate.

So, Mr. President, I am discussing this amendment from the viewpoint asserted by Mr. Adams then, which viewpoint I believe is correct. His discussion is absolutely within the realm of facts. His prophecy has come true. So, Mr. President, I trust that in 1930 we will not make the same mistake that was made in 1909, and permit the thieves—as Mr. Adams characterized them—to get away with this loot, as proposed by this amendment.

Mr. President, I want to say also that it is offering a small morsel of consolation to the woolgrowers to tell them that they may have a fraction of 7½ cents out of the 50-cents-a-pound compensatory duty when the woolen industry proposes to get not only its snout into the trough but all of its feet into the trough, and grab off the swill, as so well described by Mr. Adams.

I hope the amendment will be rejected; and I ask for the yeas and nays, if they have not already been ordered.

Mr. SMOOT. I understand, of course, that the Senator has no objection to the pending amendment.

Mr. BLAINE. I assumed that that had been adopted.

Mr. SMOOT. I do not think so.

Mr. NORRIS. We have agreed to it.

Mr. SMOOT. I do not think it has been agreed to.

Mr. BLAINE. I understood the Chair to hold, there being no objection, that the amendment had been agreed to.

Mr. SMOOT. I ask the Chair if the amendment has been adopted.

Mr. NORRIS. We had a different occupant of the chair then. We are changing now.

The PRESIDENT pro tempore. The present occupant of the chair was in the chair at the time the action of the Senate was taken. The action taken by the Senate was an agreement to the amendment proposed by the Senator from Utah. The pending question is on concurring in the amendment made in Committee of the Whole, as amended. On that question the yeas and nays have been demanded.

Mr. GRUNDY. Mr. President, after this characterization of the woolen manufacturers of the country I think it is only fair that something should be said.

The proposition which has been discussed at such great length by the Senator from Wisconsin [Mr. BLAINE] is not a problem that has been created at all by the wool manufacturers. It is a problem that is created because and on account of a duty on raw wool.

If wool were on the free list, like cotton and silk and rayon and these other textile fibers, there would be no occasion for any consideration of this kind.

The moment a duty is put on wool, then that must be taken care of completely down the line, from yarn to cloth, and into the finished garment. That is the reason why this proposition is necessary in this bill. All of the protective tariff bills since the Civil War, so far as we have had provisions affecting wool in them, have specified goods made "wholly or in part of wool."

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

Mr. GRUNDY. I yield.

Mr. WALSH of Montana. If I understand this amendment aright, I do not quite follow the Senator from Pennsylvania when he seeks to pass off to the producer of the wool whatever odium may attach to this and exonerate the manufacturer.

There is, indeed, a duty on wool, and a compensatory duty occasioned by that, but this also provides that a protective duty shall be computed upon exactly the same basis. The manufacturer of this particular article, only 15 per cent of which is wool, gets a wool compensatory return, and he gets a wool protective return. How can the Senator assign to the duty on wool the responsibility for this situation any more than to the manufacturer?

Mr. GRUNDY. May I lead up to that, if the Senator will permit? From the Civil War period on down to the present law, the language in the wool schedule was "wholly or in part of wool," and if that language had been in the present law, this situation never would have arisen. But instead of that, the provision was changed so as to base the duty on the content of "the chief value" in the article, whether it be wool or cotton.

What has developed is this: Certain goods have been made, not by the worsted process abroad but by the carded-wool process abroad, and they have been made, according to the declarations in the customhouse, out of 51 per cent of long-staple cotton and 49 per cent of wool—reworked wool—which is claimed to be of less value than cotton. Those goods have progressively been coming in under the cotton schedule—not under the wool schedule but under the cotton schedule—with a declared content of 49 per cent wool and 51 per cent long-staple cotton, and the chief value has been declared to be of cotton and under the cotton schedule. And they have been taxed under the cotton schedule.

The result is that they have been paying simply a duty of 40 per cent ad valorem, and yet the 49 per cent of wool, if brought in as wool, would have paid at the wool rate of 31 cents a pound, or the compensatory of 44 cents a pound, or 40 per cent on the cotton and 45 on the wool.

Owing to that decision of the Customs Court and of the appraisers permitting those goods to come in as cotton goods and not as woolen goods, because the claim was made that they were of chief value of cotton, the result has been that for the last three years, beginning, I think, with 1926, perhaps for four years, they have been bringing in from next to nothing up to nearly 350,000 yards a month of this cotton-mixed goods under the declaration of cotton. They have displaced, according to the declared invoice from abroad, somewhere around 200,000 pounds of clean wool a month, which has been coming in without any duty on it at all in these goods, or probably equal to about 5,000,000 pounds of wool a year. That has been coming in free of duty, with simply a 15 per cent ad valorem duty and no compensatory duty on the cotton.

Those importations are increasing by leaps and bounds in quantity. As I said, they grew from practically nothing to somewhere around 350,000 yards a month during 1929.

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

Mr. GRUNDY. I yield.

Mr. NORRIS. In order to get the facts right, so that there may be no mistake, I want to ask a question. The Senator has said two or three times that the goods he describes come in free of duty. He does not mean that?

Mr. GRUNDY. Free of duty under the woolen schedule, and with no compensatory duty.

Mr. NORRIS. They pay a duty under the cotton schedule?

Mr. GRUNDY. Yes.

Mr. NORRIS. Which, as I understand, is 40 per cent.

Mr. GRUNDY. Yes.

Mr. NORRIS. So that they are not coming in duty free; they are paying a lower duty than if they came under the wool schedule.

Mr. GRUNDY. They come in without any compensatory duty. As I have said, if we had had the language which had been in the law from the time of the Civil War down as affecting wool—if the language had been "wholly or in part of wool"—we would never have had this trouble; but when the language was changed to "in chief value," and the authorities, either the appraisers or the Customs Court, have declared the chief value of cotton, as declared by the importer, the goods have come in under the cotton schedule, with the result that these goods displace somewhere around 5,000,000 pounds of such wool as would be grown in the intermountain country, while paying no wool duty at all. So this is a compensating proposition, just as it is when you provide for wool goods 44 cents a pound as against the 31 cents that is on the raw wool in the present act. This matter has been one that has been given a great deal of thought by the wool manufacturers.

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

Mr. GRUNDY. Certainly.

Mr. BLAINE. To take care of the situation which the Senator describes, is not all that is necessary, the amendment of this new section by providing that the wool content shall bear its tariff rate, the cotton content its tariff rate, the rayon content its tariff rate, and the silk content its tariff rate? The manufacturer then would be fully protected on the smaller amount of wool, it would give the woolgrower any possible benefit that could come to him, and would not permit the woolen industry to "hog it all," to use the language of Mr. Adams. Why does the Senator want to take 42½ cents a pound and give the producer only 7½ cents a pound, when the fabric contains 15 per cent of wool?

Mr. GRUNDY. Mr. President, if the Senator from Wisconsin would be good enough to look over the statement of the American Woolen Co., which has just been published, I think he would be very well satisfied that there is no woolen manufacturer who is "hogging" anything just now.

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

Mr. GRUNDY. Certainly.

Mr. BLAINE. That does not answer the question I have propounded. My question was, Why should this section not provide that the wool content should bear the wool rate and the other content bear the rate provided in the other textile schedule? That would be perfectly fair to the woolen industry, it would give the producer all that he can possibly expect, and it would not then result in the woolen industry getting the 42½ cents a pound, which they do not pay as a compensatory duty on cotton or any other textile other than wool.

Mr. SMOOT. But under the cotton schedule it would be impossible for them to get any protection whatever if we say "of chief value," because the chief value of those goods, the 15 per cent, would fall in the cotton schedule.

Mr. BLAINE. Mr. President, permit me to suggest to the Senator that it is just a mechanical operation to remedy that whole situation on each one of the schedules. It is merely a clerical matter. Any of the experts here could do that in a few moments and hand the perfected amendment over to the Senator that would accomplish exactly what is desired.

Mr. SMOOT. The Senator's suggestion would be impossible to put into operation and would not give any kind of protection at all on the wool content.

Mr. BLAINE. Oh, no; you could make the same provision under every one of these textile schedules, just exactly as you are attempting to do here with wool.

Mr. SMOOT. On cotton, outside of the long-staple cotton, there is no duty at all. It is free of duty. So we could not apply that to any other schedule.

Mr. NORRIS. We are talking about the manufactured article.

Mr. SMOOT. So am I talking about the manufactured article.

Mr. NORRIS. The raw material has nothing to do with this proposition.

Mr. SMOOT. But the manufactured article must be considered whenever there is wool in it.

Mr. NORRIS. Then levy a tariff on wool according to the wool schedule; if it is 50 per cent, it would be 50 per cent, and levy a tariff on the cotton according to the cotton schedule.

Mr. SMOOT. In the past the situation has always been just as the Senator from Pennsylvania has described it. Now the whole thing is changed as to the value. Therefore, without this amendment, all of those goods, every bit of them, coming into this country would come under the cotton schedule. That is what is happening now.

Mr. WALSH of Massachusetts. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. GRUNDY. I yield.

Mr. WALSH of Massachusetts. Could not the matter be worked out in this manner: First of all, assess the cloth as if it were all wool. Let us say the duty is $100. Then assess the cloth as if it were all cotton. Let us assume that to be $50. Then weigh the amount of wool, and if it is found to be 75 per cent, let the duty levied be 75 per cent of $100, and the 25 per cent of cotton to be 25 per cent of the $50, and let that be the duty. Why is not that a fair way?

Mr. GRUNDY. I think from an administrative standpoint, from what I know of the administration of the customs, it would be impossible, in the first place, to tell the percentage of wool in the mixed goods.

Mr. WALSH of Massachusetts. They have to do it now in order to determine the chief value.

Mr. GRUNDY. Where it is over 15 per cent.

Mr. WALSH of Massachusetts. No; disregarding the 15 per cent, leaving aside this proposed amendment, to-day they have to determine the chief value of the weight of wool and of cotton.

Mr. NORRIS. They would have to determine the percentage under this very amendment, which provides for 15 per cent.

Mr. GRUNDY. Only one determination.

Mr. NORRIS. If it is cotton and wool, and you have 15 per cent of one, and you subtract that from 100, you have 85 per cent.

Mr. GRUNDY. Of course, as a practical proposition these goods come in and are passed practically on the invoice declaration.

Mr. WALSH of Massachusetts. There would be difficulty in doing it accurately, but they have to do it to-day.

Mr. GRUNDY. It would be a great invitation for fellows to shift around from one percentage to another. The goods pass into consumption; long after, when domestic manufacturers realize that they are meeting this competition, the goods are used up and gone, and nobody can tell anything about them. From the practical standpoint, therefore, there is only about one thing to do; if you want to keep those goods out you have to provide that when they contain over 15 per cent of wool they should go into the wool schedule as if they were woolen goods.

The statement of the Senator from Wisconsin and the concern of the Senator from Nebraska are all theoretically sound; but as a practical proposition for the thousands of mills which are making tens of thousands or hundreds of thousands of different designs of these goods—which are all competitively sold—it is impossible for anyone to take advantage of any such situation as has been described here.

There has never been, anywhere in the woolen trade, any combination in restraint of the most acute competition in the woolen-goods business.

Every year there are two seasons in the wool business, and the mills making goods for the market get out thousands of patterns that are put on the market, and from those patterns selections are made and final orders are assembled, and they are sold in close and acute competition, which prevents, no matter what the tariff might be, anybody getting away with practically anything more than what would be, under the best circumstances, a fair business profit.

Therefore, in handling a business of this sort you have to make your protection on the maximum, and let domestic competition take care of the rest. That is one of the great disadvantages of the woolen business. The woolen business has been obliged always to carry a duty on its raw material. The raw material is not like silk or ramie; it is of a wide variety of qualities, and there is a very wide variety of prices abroad, as in this country, and as the duty is levied on the foreign value of the goods it results in a wide range of duties. If we can not put this on the maximum cost of the minimum amount of wool in it, we are going to fail to give the protection to which they are entitled.

Again I say that this is not a worsted proposition. These goods are made in the carded-wool business, so the worsted man is not in the picture at all. In the second place, it is primarily a wool proposition, because were it not for the duty on wool there would be no difficulty at all about this class of goods. If wool were on the free list like cotton, we would simply have a protective duty to protect the manufacturer and there would be no problem involved incident to the duty on the raw material.

Mr. NORRIS. What the Senator has said is exceedingly interesting, but it seems to me he has not approached an answer to the question that has been submitted. The point upon which I would like to get information is this: The Senator from Utah [Mr. SMOOT] said if we had a provision here that would levy a tariff under the wool schedule on the wool content of the article and under the cotton schedule on the cotton content of the same article, it would be impracticable because they could not figure out just how much cotton and how much wool there was. That might be difficult. Perhaps it often is difficult, perhaps always difficult. But I want to call the attention of the Senator from Pennsylvania and the attention of the Senator from Utah to the fact that the very amendment which they are advocating makes it necessary to do that same thing. They provide in the amendment for 15 per cent of the content. It must be determined whether there is 15 per cent of wool in the fabric. If that can be determined under this amendment when in force, it could be done under the other suggested amendment.

Mr. SMOOT. Where there is cotton and wool, it can be determined; but suppose in the same piece of cloth they have cotton, rayon, and wool?

Mr. NORRIS. All right, let me take that situation and suppose it is true. Suppose this amendment prevails. We still must determine whether it is 15 per cent of wool and we have the same question before us whether we have this amendment or a fair amendment, it seems to me. I can not see any difference. It may be a difficult thing to determine. I am not discussing that, but the Senator is not trying to escape that difficulty through this amendment. He has gotten into it just as deeply as though he had agreed to the suggested amendment that everybody concedes would be fair, and the Senator himself says that in theory it is all right, but it is impracticable.

If we have half a dozen different materials in the same fabric and the amendment now pending becomes the law, it is necessary to determine whether it has 15 per cent more or less of wool in the fabric. The Senator is not escaping the difficulty. The same thing happens under this amendment that would happen under the suggested amendment.

Mr. GRUNDY. How would it be possible, may I ask the Senator?

Mr. NORRIS. We might have a different piece of cloth, like the Senator from Utah suggested, composed in part of cotton, in part of wool, in part of rayon, and in part of silk or linen. We would have to know under this amendment whether 15 per cent of it was wool. That could not be escaped. That would be just as difficult if we were finding it for that purpose as if we were finding it for any other purpose.

Mr. GRUNDY. I think from an administrative standpoint it would be vastly more difficult to grade from 15 to 20 to 25 to 30 to 40 to 45 and to 50 per cent, as the case might be.

Mr. SMOOT. Ninety-five per cent of the goods that come in carry more than 15 per cent of wool.

Mr. METCALF. Somewhere between 35 and 50.

Mr. NORRIS. I anticipate if the amendment is agreed to that we will have a different condition after it becomes the law than we have now. Then the foreigners will commence to bring in more of goods with less and less wool in them because they can bring them in for a less tariff duty.

Mr. SMOOT. The 15 per cent, I think, would bar that class of goods.

Mr. NORRIS. The Senator ought not to try, it seems to me, with due respect, to bar any class of goods. I do not believe we ought to ask an embargo here. That is not the rule for any protective tariff with which I have ever had anything to do.

Mr. SMOOT. What I meant by barring was that the manufacturer would bar himself as to the class of goods he would make.

Mr. NORRIS. Yes; he might change his use of goods.

Mr. SMOOT. I did not mean to bar them from coming into the United States.

Mr. NORRIS. I understand the Senator now. No one has yet offered any suggestion that when a by-product comes in here composed of a different material we ought to determine what per cent of each one of the materials is in the fabric, and then levy the tariff duty according to that determination. There is no objection offered to that except the difficulty of finding what the percentage is. The Senator is not escaping that difficulty by the present amendment, but, on the other hand, he is doing an injustice.

The manufacturers of wool are going on the theory that they are getting a compensatory duty, because a duty has been levied on raw wool, and yet the fabric upon which the Senator is going to compute that tariff may have only 15 per cent of wool in it and he is giving a compensatory duty the same as though it were 100 per cent wool. That is unfair. No one can justify that in the name of protection. That can not be done and the Senate ought not to try to do here by indirection what, perhaps, could not be done by direction. In other words, that will have the effect of increasing the tariff. If the tariff ought to be increased, let us do it openly and provide specifically what the tariff shall be.

Mr. SMOOT. We do not want to raise the rate except on this class of goods, and the importations of this class of goods demonstrate the fact that there ought to be something done.

Mr. NORRIS. I concede that.

Mr. SMOOT. As to the examination of these goods, I think I myself—and I have not been in the business of manufacturing woolen cloth for some time—could take goods that land here at the port of entry and I could take one bolt of the cloth and tell within 5 or 10 per cent of the amount of cotton that is in it.

Mr. NORRIS. That makes the problem easy. If we can get officials of the Senator's ability, it would easily solve the problem. If we do not have them, then we will have to give the Senator from Utah leave of absence and let him determine the percentage of the various materials in the fabric without any difficulty. I thought it was more difficult than that.

Mr. SMOOT. The examiners can do it even better than I can.

Mr. NORRIS. That is better yet.

Mr. SMOOT. I do not think there is any question about it at all, from what I have heard stated time and time again from the department. We have had the matter discussed in the committee, and I know from personal experience that it can be done. I do not say that I can tell whether it is 7 or 8 per cent or 14 or 15 or 16 per cent, but I can tell whether it is 25 per cent, and there is no question about that.

Mr. HEBERT. Mr. President——

The PRESIDENT pro tempore. The Senator from Pennsylvania has the floor. Does he yield to the Senator from Rhode Island?

Mr. GRUNDY. I yield.

Mr. HEBERT. If we adopt the suggestion of the Senator from Wisconsin and impose this wool rate upon the 15 per cent content of wool and the cotton rate upon the 15 per cent of cotton in the piece, would that duty equalize the cost of production here and abroad?

Mr. GRUNDY. Of course, as I understand it, this is a compensating duty and not a protective duty.

Mr. HEBERT. Would it compensate for the difference?

Mr. GRUNDY. Of course, if it could be accurately determined. But the great difficulties of administration will enter in there. The vast variety of goods coming into the customhouses are classified as cotton goods or as woolen goods, and the situation slides along under the examiners, who probably have a great deal to do. They simply take the invoice description of the goods, and there is no one in the domestic field who knows anything about it until after those goods are in consumption, and then some one who ought to have had a domestic order for that type of material finds that he has lost it and that it has gone to a foreigner. That is six months or a year after the goods pass through the customhouse. When we have a provision of this kind we have to have it on some maximum or minimum that will be safe and that will be protective. There is no other way that either the men in the cuostomhouses or the men in the business could work to correct this evil which has grown up under the present law and under the change from "wholly or in part wool," which was the language used for 70 years, to "chief value" of the material used as the basis for the classification for duty purposes.

There is no desire on the part of anybody to commit any skullduggery or highway robbery, or anything of the sort at all. It is a serious business proposition. There are thousands and hundreds of thousands and millions of yards of these goods coming in which are displacing a large quantity of wool, and also are clothing a certain part of the American people.

If they are clothed with these goods from Czechoslovakia and Italy, which are the two sources whence they come in great quantities now, it is just that much labor lost in our domestic mills at a time when unemployment is getting greater and greater all the time and when every effort is being made to secure work for our people.

The thing is growing, as I said. In the last four years at least, it has grown from nothing up to something like 350,000 yards of double-width goods per month that is coming in. If there was any way that it could be practically worked out, this suggestion would not be here. There is no such desire on the part of anybody. Above everything else with the mills not running more than 50 per cent—in fact, the whole woolen industry not running more than 50 per cent—the competition is so keen that I think every woolen mill in the country is losing money on the average. In a condition like that there is no danger of anybody taking advantage of something that is provided here for the purpose of safeguarding the situation, and there does not seem to be any other practical way of protecting them. Having gone into the matter, or being identified with trade organizations which have carefully gone into the matter and have consulted with the authorities in the Customs Service, I can say that this is the best suggestion which could be worked out. There are a great many provisions in the law, and if we want to have a protective law we have to put this matter on the basis of the minimum amount.

Mr. WALSH of Massachusetts. I understood the Senator to say that this matter did not particularly affect the worsted branch of the business. Is that true?

Mr. GRUNDY. Not at all.

Mr. WALSH of Massachusetts. Therefore it is a condition that has arisen largely because of our increased duty upon wool rags?

Mr. GRUNDY. No; that increased duty has not yet gone into effect. It is under the present law that the increase has occurred.

Mr. WALSH of Massachusetts. The woolen mills use rags?

Mr. GRUNDY. Oh, yes; the woolen mills use rags.

Mr. WALSH of Massachusetts. It is that branch of the industry that suffers by reason of the importation of these mixed goods?

Mr. GRUNDY. Yes; very largely.

Mr. WALSH of Massachusetts. I can not understand why the worsted part of the industry is not affected also.

Mr. GRUNDY. It is affected to the extent that it displaces that many yards of goods that might otherwise have been worsted goods if the cheap Czechoslovakian and Italian goods had not come into the country.

Mr. WALSH of Massachusetts. In other words, the mixed cloth containing a mixture of cotton and wool, compete largely with the woolen goods manufactured by the woolen branch of the industry, which is a cheaper grade of goods than the carded goods?

Mr. GRUNDY. If the Senator from Massachusetts should ask me out to dinner and I should accept his invitation, and subsequently the Senator from Utah should ask me out to dinner, I should have very little interest in the invitation of the Senator from Utah, because I would have had one dinner; and the same is true as to suits of clothing.

Mr. WALSH of Massachusetts. I should be glad to take the Senator from Pennsylvania to dinner, but I hope the lobby committee would not investigate us.

The PRESIDENT pro tempore. The question is on agreeing to the amendment made as in Committee of the Whole as amended.

Mr. GEORGE. Mr. President, I wish again to call attention to the act of 1922. In paragraph 1108, in paragraph 1109, and in other paragraphs of that act there will be found this provision—I shall read the language, however, but once—

Forty-five cents per pound—

Referring to the compensatory duty—

Forty-five cents per pound upon the wool content thereof and 50 per cent ad valorem.

That, of course, was the duty fixed upon the woven fabrics weighing more than 4 ounces per square yard under paragraph 1109.

Mr. President, in the pending bill the language "upon the wool content thereof" has been omitted so that a compensatory duty is given, although 49 per cent of the fabric may be of some material other than wool. That is the language of the pending measure.

In the first place, in the pending bill all the lower brackets in the yarns and in the fabric paragraphs have been omitted. The effect of that is to throw all the products into a higher bracket and make them dutiable at a higher rate.

In the second place, its framers went through this bill and combed out the provisions which gave a compensatory duty only upon the wool content, which was fair, which was just, which was right. Of course, it is easy enough to find experts who will say that such legislation is very difficult of administration. It is. What we ought to have in the Tariff Commission at the head of every division in that commission is a great economist who can weigh things in their proper light and not a mere fact-finding expert who can procure a lot of statistics so as to confuse the very elect.

But, anyway, on behalf of the woolen and worsted manufacturers and the woolgrowers, those responsible for this bill went through the tariff act of 1922 and where a compensatory rate was given upon a woven fabric but was confined only to the wool content of the fabric, they omitted it throughout the entire bill. Yet to-day we are led to believe from the remarks of the able Senator from Pennsylvania [Mr. GRUNDY] that the whole trouble here is that we have adopted a new method of imposing tariffs on woolen fabrics; that heretofore if the product were composed wholly or in part of wool it was dutiable at the woolen rates.

Let me read from the tariff act of 1922. I read from paragraph 1119, as an illustration:

All manufactures not specially provided for—

It is a catch-all provision—

wholly or in chief value of wool.

Not in part but "in chief value." There has been a deliberate intent, by changing brackets, by omitting the provision confining the compensatory duty to the wool content only of the fabric, to increase the rates.

What sort of sophistry have we heard? The sophistry that if a manufactured product which contains 16 per cent, let us say, of wool is permitted to come in under the cotton schedule the woolgrower will not receive any compensatory duty at all. Why not look at it in a broad way? If 50 per cent of the product is wool, under this bill and under the provisions of all the tariff acts, there is a compensatory duty upon the remaining 49 per cent, although it is not wool at all, for the benefit of the woolgrower in the United States.

Assuming the rates of duty to be fully effective, taking the imports year after year, and figuring out what the woolgrower and the woolen manufacturer and the worsted manufacturer receive, in every year it will be found that, although there is only 55 per cent or 60 per cent of wool in the article, yet a compensatory duty is given upon 100 per cent wool, and the gains will more than make up for the loss that will be suffered by the woolgrower or by the wool manufacturer or by the worsted manufacturer when the wool is not of chief value, and therefore no compensatory duty should be imposed. That is a fair way of looking at it.

In this amendment cotton flannels with about 20-odd per cent of wool would actually have to pay nearly 100 per cent ad valorem duty to get into the country.

What is the use of it? What is the sense of it?

Look back at former tariff acts. Heretofore when fabrics have come in, and a compensatory duty was fixed to take care of the woolgrower, it was provided that the compensatory duty would be levied upon the wool content of the fabric, but now that language is omitted and that does not satisfy.

Back in 1922 in the catch-all provision and in other provisions of the act there was not imposed the high duties upon woolen fabrics unless composed wholly or in chief value of wool. All those provisions have been omitted from the yarn paragraph through the schedule. That has the effect of increasing the protective duty. There has been omitted the limitation as to "wool content." We need not be worried about compensating the manufacturer, anyway; whether he be a woolen manufacturer or a worsted manufacturer he is compensated. On every pound of goods that he makes and on every pound of wool that he uses he is given a full compensatory duty under this bill. What does he care where he buys his wool if he is compensated anyway for the difference in the price in the American market and the foreign market?

The compensatory duty is the antidote of the manufacturers for the farmers' protection. It was devised for nothing else. It had its origin in that philosophy. What difference does it make to the manufacturer if he is fully compensated? If he buys abroad, he pays the duty to get his wool in; if he buys at home, under this bill he is given a compensatory duty against all competitive imports equal to the duty that he would have paid and more if he had bought abroad and brought his wool over and paid the duty on it himself.

There need not be any concern about the compensatory duty. So far as the manufacturer is concerned, he is taken care of here, and there is no occasion to be worried or alarmed about the woolgrower, because against every article imported into this country a full compensatory duty in addition to the protective duty must be paid.

Mr. President, this tariff bill is duplicated in our history. Within the present week this Nation has, in sorrow, buried a former President of the United States, Mr. Taft. That genial man held the love and affection of the American people almost without exception. Back in his administration, and in the first year thereof, the Congress was occupied in the consideration and passage of a tariff bill. Later President Taft, writing of that act, wrote the history of this hour, under the generalship of my genial friend across the aisle, the junior Senator from Pennsylvania [Mr. GRUNDY], about whom I have had a good deal to say and for whom personally I have a great deal of admiration. Let me read the language of President Taft, subsequently Chief Justice, who died within the last few days, and who this week was laid away in the national cemetery across the river.

The interest of the woolgrowers in the far West and the interest of the wool manufacturers in the Eastern States, and in other States, reflected through their Representatives in Congress, were sufficiently strong to defeat any attempt to change the wool tariff, and had it been attempted it would have beaten the bill reported from either committee.

Senators, history is rewriting itself. The language of former President Taft is as applicable to the pending bill as it was to the bill of which he was speaking.

The interest of the woolgrowers in the far West and the interest of the wool manufacturers in the Eastern States, and in other States, reflected through their Representatives in Congress, were sufficiently strong to defeat any attempt to change the wool tariff.

So it is to-day. Sophistry comes to the easy command of any man who wants to justify this outrageous imposition upon the American people, and experts can be found who will present figures to sustain any view when it is desirable to sustain that view.

Mr. President, I am laboring under no misapprehension. The same combination is yet strong enough to defeat any amendment to the bill. I am sure of that. Convinced as I am that that is true, I am willing to take the vote upon the amendment proposed by the Senator from Wisconsin, if he has perfected that amendment, as he stated to me he desired to do.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as amended.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Allen	Fletcher	Kean	Robinson, Ind.
Baird	Frazier	Keyes	Schall
Barkley	George	La Follette	Sheppard
Black	Goff	McCulloch	Shortridge
Blaine	Goldsborough	McKellar	Smoot
Blease	Grundy	McMaster	Steiwer
Borah	Hale	McNary	Swanson
Bratton	Harris	Metcalf	Thomas, Okla.
Brookhart	Harrison	Moses	Townsend
Broussard	Hastings	Norbeck	Trammell
Capper	Hatfield	Norris	Tydings
Connally	Hawes	Nye	Vandenberg
Copeland	Hebert	Oddie	Walsh, Mass.
Couzens	Heflin	Phipps	Walsh, Mont.
Cutting	Howell	Pine	Waterman
Dale	Johnson	Pittman	Watson
Fess	Jones	Ransdell	Wheeler

The PRESIDENT pro tempore. Sixty-eight Senators having answered to their names, a quorum is present.

Mr. WALSH of Massachusetts. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Massachusetts will state it.

Mr. WALSH of Massachusetts. Could a substitute be offered for the pending question?

The PRESIDENT pro tempore. Not at present.

Mr. WALSH of Massachusetts. Could an amendment be made?

The PRESIDENT pro tempore. Not at present.

Mr. WALSH of Massachusetts. May I be enlightened by the Chair as to the reasons?

The PRESIDENT pro tempore. The amendment offered by the Senator from Utah was, in form, a substitute for the amendment made as in Committee of the Whole. That being the case, there is nothing to do except to accept or reject the amendment as now modified, and await the stage of individual amendments before any change can be made.

Of course, it is possible to reconsider the entire action taken up to the present minute. That, however, would require unanimous consent.

Mr. WALSH of Massachusetts. In the event of the amendment offered by the Senator from Utah being rejected, I shall offer the amendment which I send to the desk and ask to have read, in the event that a more satisfactory amendment is not offered in the meantime.

The PRESIDENT pro tempore. The Chair will say to the Senator from Massachusetts that the question will not arise in that form.

Mr. WALSH of Massachusetts. May the clerk in my time, while I am addressing the Senate upon the pending amendment, read the document which I send to the desk?

The PRESIDENT pro tempore. Without objection, the clerk will read as requested.

The LEGISLATIVE CLERK. On page 180, strike out paragraph 1122, inserted by the amendment made as in Committee of the Whole, and in lieu thereof insert the following:

PAR. 1122. Fabrics, except printing-machine cylinder lapping, in chief value of flax, in the piece or otherwise, containing 15 per cent or more in weight of wool, but not in chief value thereof, and whether or not more specifically provided for, shall be dutiable as follows:

That proportion of the duty on the article computed under this schedule which the amount of wool bears to the entire weight, plus that proportion of the duty on the article computed as if this paragraph had not been enacted, which the weight of the component materials other than wool bears to the entire weight.

The PRESIDENT pro tempore. The only manner in which that amendment can be considered now is by reconsidering the vote of the Senate whereby the substitute proposed by the Senator from Utah was agreed to.

Mr. WALSH of Massachusetts. I understand that; and I am content to wait until after the action of the Senate on the amendment offered by the Senator from Utah, whether or not it concurs in the action taken in Committee of the Whole upon this amendment.

The PRESIDENT pro tempore. As modified.

Mr. WALSH of Massachusetts. I desire to say, very briefly, that this amendment, drawn by some of the experts here, seeks to remove the objections made to the pending amendment by the Senator from Wisconsin and the Senator from Nebraska, and also recognizes the grievance which the woolen manufacturers have by reason of the fact that cloth is being imported into this country which contains a large amount of wool, but where the wool is not the material of chief value, and therefore is given only the duties levied in the cotton schedule, and is operating to the disadvantage of the woolen manufacturer.

Briefly, this amendment seeks to provide that upon this cloth, composed of both cotton and wool, shall be levied, first, a duty as if it were all wool; secondly, a duty as if it were all cotton. Then the content of wool will be determined. If it is 75 per cent, 75 per cent of the wool duty will be levied. If the remaining 25 per cent is cotton, 25 per cent of the cotton duty will be levied. The purpose is to eliminate the objections made by the Senator from Wisconsin, claiming that the compensatory duty would operate too much to the advantage of the woolen manufacturer in case the amendment adopted in Committee of the Whole were concurred in.

Everybody agrees that there is a grievance here; that there is 200,000 pounds of wool coming into this country, mixed with cotton, carrying only the duty levied in the cotton schedule. We all recognize that disadvantage to the domestic woolen manufacturer and the woolgrower, and that cloth mixed with wool is coming in here without being subjected to the duty of 31 cents a pound upon virgin wool, or subjected to the duty of 18 cents a pound upon wool rags. This amendment would seek to find out the amount of that wool content and apply the wool duty so far as wool content is found to exist in the cloth, and then find out what the cotton content is and apply the rates in the cotton schedule.

It is the best amendment that we could hurriedly prepare to remove the objection made by the Senator from Nebraska and the Senator from Wisconsin. I understand that the answer made by the Senator from Pennsylvania and other Senators is this: They concede that there is an excessive protection in certain instances in the operation of the amendment adopted in Committee of the Whole, but they say the competition is so sharp and so general among the woolen manufacturers that the public will not be the sufferer; but no one has denied the fact that there is a possibility of the woolen manufacturer getting the full compensatory duty as if his cloth were 100 per cent wool when, as a matter of fact, it may be only 40 or 50 per cent, or indeed, 15 per cent, as in this case.

I agree that this is a very difficult problem to solve. It is very difficult to work out any amendment that will cover the situation. The Senator from Utah [Mr. SMOOT] has expressed that difficulty several times, and admits that his amendment is perhaps subject to some objection; but it is the best he could get after consulting all the experts. I think the amendment that I shall offer in the event of the Senate not confirming the action taken in Committee of the Whole would remove some of the difficulty. I offer it in the hope it will help to do justice by the woolen industry in competition with imports of mixed cotton and wool.

The PRESIDENT pro tempore. The question is on concurring in the amendment made as in Committee of the Whole, as amended by the amendment proposed by the Senator from Utah. On this question the yeas and nays have been demanded.

Mr. WALSH of Montana. I ask that the amendment which the Senator from Massachusetts said he would tender be again read.

The PRESIDENT pro tempore. The clerk will report the amendment.

The LEGISLATIVE CLERK. On page 180 strike out paragraph 1122, inserted by the amendment made as in Committee of the Whole, and in lieu thereof insert:

PAR. 1122. Fabrics (except printing-machine cylinder lapping, in chief value of flax), in the piece or otherwise, containing 15 per cent or more in weight of wool, but not in chief value thereof, and whether or not more specifically provided for, shall be dutiable, as follows:

That proportion of the duty on the article, computed under this schedule, which the amount of wool bears to the entire weight, plus that proportion of the duty on the article, computed as if this paragraph had not been enacted, which the weight of the component materials other than wool bears to the entire weight.

Mr. WALSH of Montana. I wonder if some one will explain to us the significance of that amendment.

Mr. SMOOT. The significance of the amendment is that a piece of goods comes into this country containing 20 per cent cotton——

Mr. WALSH of Montana. In weight?

Mr. SMOOT. In weight; and 80 per cent wool, or just the reverse, 80 per cent cotton and 20 per cent wool. Then the duty collected upon the goods will be based upon the percentage of wool in the article, and then, of course, cotton having no duty whatever, it is not taken into consideration; there is no duty.

Mr. WALSH of Massachusetts. In my amendment there are provided two duties—one under the wool schedule and one under the cotton schedule.

Mr. SMOOT. I am speaking of the raw material. The duty upon the cotton is the duty on the goods, as if it were cotton. The Senator from Montana was asking me to explain the whole thing from beginning to end.

Mr. WALSH of Massachusetts. Which amendment?

Mr. SMOOT. The amendment of the Senator from Massachusetts.

Mr. WALSH of Massachusetts. The Senator from Montana has an amendment which perhaps he wants to explain.

Mr. WALSH of Montana. I want to see whether any other proposal would be desirable. I do not understand the amendment as the Senator from Utah has indicated he understands it. If I understand the matter aright, the duty upon virgin wool is a matter of no consequence at all, and the fact that there is no duty on cotton is a matter of no consequence at all.

Here is a fabric in part of wool and in part of cotton. Wool fabrics have a duty and cotton fabrics have a duty. The intention, I imagine, was to have a duty on that part of the fabric which is assignable to wool on the basis of the duty on wool fabric, and a duty upon that part of the fabric which is represented by the cotton on the basis of the duty on cotton fabrics.

Mr. SMOOT. That is true, and that is what I was coming to.

Mr. WALSH of Montana. Let me remark, having some idea in mind, that I have tried my maiden hand at an amendment, and have worked out this:

On fabrics (except printing-machine cylinder lapping, in chief value of flax) composed in part of wool, the duty shall be the sum of the duty on so much of the fabric as in value is represented by the wool content computed as though such part of the fabric were all wool and on the remainder as though such part were all of the other material entering into the fabric.

The difference between the two is that I thought it was intended to compute the duty not upon the basis of weight but on the basis of how much in value was of wool and how much in value was of cotton.

It is a matter of no consequence to me whether it is put upon the basis of weight or upon the basis of value. It seems to me, however, that the idea could be expressed very much more clearly than in the amendment suggested by the Senator from Massachusetts.

Mr. SMOOT. I think basing the duty on the weight would make very much simpler the administration than if value were taken as the basis.

Mr. WALSH of Montana. I dare say that is true. I only spoke of value because we have so many provisions in which duty is imposed upon an article if "in chief value" it is of so-and-so—not based upon weight, but on value.

Mr. SMOOT. This is a different proposition. Here we take virtually two parts of the bill and apply them to these goods—that is, the cotton schedule and the wool schedule. Of course, to arrive at the duty we want, we must get at the amount of the wool and the amount of the cotton in the piece of goods. I think taking weight as the basis is very much simpler than taking value.

Mr. GEORGE. Mr. President, may I inquire of the Senator from Utah whether he has accepted the amendment offered by the Senator from Massachusetts?

Mr. SMOOT. I think we had better vote upon the amendment pending.

The PRESIDENT pro tempore. It would not be possible, under the parliamentary situation, to deal with the suggestion made by the Senator from Massachusetts unless the vote on the amendment proposed by the Senator from Utah were reconsidered.

Mr. WALSH of Montana. It would be very simple to deal with it if the Senator from Utah would accept the amendment, would it not?

The PRESIDENT pro tempore. Not after the Senate has acted. The Senate has already acted upon the substitute proposed by the Senator from Utah. Therefore the only question now before the Senate is upon concurring in the amendment made as in Committee of the Whole, as modified by the amendment of the Senator from Utah.

Mr. GEORGE. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. GEORGE. I gave attention to the reading of the amendment by the clerk, and I heard language and provisions in it which I had not heard in it before, and I did not know how they got into it. I assumed the Senator had accepted some modification.

The PRESIDENT pro tempore. The Chair thinks the Senator from Georgia is in error about that. Inasmuch as the reading of the amendment suggested by the Senator from Massachusetts was requested by the Senator from Montana, what was read was the suggested amendment of the Senator from Massachusetts, which will not be in order under any circumstances until the period for individual amendments is reached.

Mr. GEORGE. I thought the amendment reported was the amendment of the Senator from Utah.

The PRESIDENT pro tempore. No. The question now is on concurring in the amendment made as in Committee of the Whole as amended by the amendment proposed by the Senator from Utah. On this question the yeas and nays have been demanded.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

The PRESIDENT pro tempore (when the name of Mr. MOSES was called). I have a general pair with the senior Senator from Iowa [Mr. STECK]. In his absence I withhold my vote. If permitted to vote, I would vote "yea."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence, not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. WATSON (when his name was called). I transfer my pair with the senior Senator from South Carolina [Mr. SMITH] to the junior Senator from Kentucky [Mr. ROBSION] and vote "yea."

Mr. WHEELER (when his name was called). On this matter I have a pair with the junior Senator from Idaho [Mr. THOMAS] If I were permitted to vote, I would vote "nay," and I understand the junior Senator from Idaho would vote "yea."

Mr. BLEASE (after having voted in the negative). I have a pair with the junior Senator from Connecticut [Mr. WALCOTT]. I transfer that pair to the senior Senator from Arizona [Mr. ASHURST], and allow my vote to stand.

Mr. HAWES. I have a pair with my colleague the junior Senator from Missouri [Mr. PATTERSON]. If he were present, he would vote "yea," and if permitted to vote I would vote "nay."

Mr. WHEELER. I transfer my pair to the junior Senator from Washington [Mr. DILL], and vote "nay."

Mr. VANDENBERG. The senior Senator from Michigan [Mr. COUZENS] is unavoidably absent. If present, he would vote "nay."

Mr. FESS. I desire to announce the following general pairs:

The Senator from Massachusetts [Mr. GILLETT] with the Senator from North Carolina [Mr. SIMMONS];

The Senator from Maine [Mr. GOULD] with the Senator from Utah [Mr. KING];

The Senator from Illinois [Mr. DENEEN] with the Senator from North Carolina [Mr. OVERMAN];

The Senator from Illinois [Mr. GLENN] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Wyoming [Mr. SULLIVAN] with the Senator from Tennessee [Mr. BROCK];

The Senator from Vermont [Mr. GREENE] with the Senator from Arizona [Mr. HAYDEN];

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from Pennsylvania [Mr. REED] with the Senator from Arkansas [Mr. ROBINSON].

The result was announced—yeas 29, nays 32, as follows:

YEAS—29

Allen	Hale	McNary	Smoot
Baird	Hastings	Metcalf	Steiwer
Broussard	Hatfield	Oddie	Townsend
Dale	Hebert	Phipps	Waterman
Fess	Jones	Pine	Watson
Goff	Kean	Ransdell	
Goldsborough	Keyes	Schall	
Grundy	McCulloch	Shortridge	

NAYS—32

Barkley	Cutting	Johnson	Swanson
Black	Fletcher	La Follette	Thomas, Okla.
Blaine	Frazier	McKellar	Trammell
Blease	George	McMaster	Tydings
Borah	Harris	Norbeck	Vandenberg
Bratton	Harrison	Norris	Walsh, Mass.
Brookhart	Heflin	Nye	Walsh, Mont.
Connally	Howell	Sheppard	Wheeler

NOT VOTING—35

Ashurst	Gillett	Moses	Simmons
Bingham	Glass	Overman	Smith
Brock	Glenn	Patterson	Steck
Capper	Gould	Pittman	Stephens
Caraway	Greene	Reed	Sullivan
Copeland	Hawes	Robinson, Ark.	Thomas, Idaho
Couzens	Hayden	Robinson, Ind.	Wagner
Deneen	Kendrick	Robsion, Ky.	Walcott
Dill	King	Shipstead	

So the amendment made as in Committee of the Whole as amended was nonconcurred in.

Mr. WALSH of Massachusetts. Mr. President, I offer the amendment which I send to the desk. It is the amendment I explained a few moments ago. I ask unanimous consent for the submission of the amendment at this time.

Mr. GEORGE. Mr. President, I do not want to delay a vote upon it, but I want to read the amendment.

Mr. WALSH of Massachusetts. I ask the clerk to report it.

The VICE PRESIDENT. Let the amendment be reported.

The LEGISLATIVE CLERK. On page 180, strike out paragraph 1122 inserted by the amendment in the Committee of the Whole, and in lieu thereof insert:

PAR. 1122. Fabrics (except printing-machine cylinder lapping, in chief value of flax), in the piece or otherwise, containing 15 per cent or more in weight of wool, but not in chief value thereof, and whether or not more specifically provided for, shall be dutiable as follows: That proportion of the duty on the article computed under this schedule, which the amount of wool bears to the entire weight, plus that proportion of the duty on the article, computed as if this paragraph had not been enacted, which the weight of the component materials other than wool bears to the entire weight.

Mr. WALSH of Massachusetts. I hope the Senator from Georgia will not object to the immediate consideration of the amendment, because several Senators voted "nay" on the last amendment with the expectation that this amendment would be offered immediately and they would have an opportunity to vote upon it now.

Mr. GEORGE. I do not want to object to unanimous consent for its present consideration, but I want to have some time to see just what the amendment is.

Mr. LA FOLLETTE. Mr. President, I suggest to the Senator from Massachusetts that the amendment will be in order at a later stage of the proceedings and, as stated by him, it has been very hastily prepared. May I suggest to him that he withdraw the amendment and take sufficient time to work with the experts upon it until it is in the best possible form before it is presented.

Mr. WALSH of Massachusetts. I would be inclined to follow the suggestion of the Senator if it were not for the fact that I know that certain Senators voted "nay" on the last roll call with the expectation that they would have a chance to vote upon the amendment at this time. If this amendment had not been read at the desk and if it had not been stated that it would be presented immediately following the amendment then under consideration, the decision would have been different.

Mr. LA FOLLETTE. That may be true; but may I say to the Senator from Massachusetts that the Senators who desire to vote on his amendment will not be foreclosed if the Senator takes sufficient time to get it in proper form. It does seem to me that the interests of those who desire to have the amendment adopted would be better served by having it offered in the best possible form in which it can be prepared.

Mr. WALSH of Massachusetts. I think, perhaps, it may help to take further time and improve its form, although I will say the experts have been for more than an hour laboring upon the drafting of the amendment and they agreed upon this form.

Mr. NORRIS. Mr. President, I want to suggest to the Senator from Massachusetts that he let the amendment go over for the present. There has been very little opportunity to examine it, even though it has been prepared by the experts. Perhaps a suggestion from the experts to-morrow would simplify it. It seems to me it is rather cumbersome, but perhaps upon a more closer analysis of it I would have to reach a different conclusion. I do not want to take any advantage of anyone, of course; but it can be offered to-morrow.

Mr. WALSH of Massachusetts. The only hesitancy I have is that I do not want to seem to be taking advantage of Senators.

Mr. NORRIS. I do not want to put the Senator in the attitude of doing any such thing.

Mr. WALSH of Massachusetts. It is true that certain Senators would have voted the other way on the last amendment if they had not understood this amendment was to be offered immediately.

Mr. MOSES. Mr. President, may I make the further suggestion that the amendment be offered and printed and lie on the table to await the proper time for presentation, and then we will have an opportunity to consider it fairly.

The VICE PRESIDENT. Without objection, the amendment will be printed and lie on the table.

Mr. WALSH of Massachusetts. In view of the fact that I am sure the Senator from Nebraska and the Senator from Wisconsin are acting in the utmost good faith, I am glad to comply with their request.

Mr. GEORGE. Mr. President, if the effect of the amendment is going to make dutiable the wool content only of wool—and I believe that is the purpose of the amendment—I shall certainly have no objection to it, and I do not think there will be any objection to it.

Mr. WALSH of Massachusetts. I am glad to hear the Senator say that. That is the sole purpose.

Mr. WALSH of Montana. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WALSH of Montana. Will the amendment be in order at any time; and if so, when?

The VICE PRESIDENT. It will be in order as an individual amendment after the amendments which were reserved in Committee of the Whole are disposed of. It can be offered now by unanimous consent.

Mr. WALSH of Massachusetts. I hope I shall be able to call it up to-morrow while the subject is still fresh in our minds.

Mr. NORRIS. So far as I am concerned, there will be no objection to doing that. I do not know of anyone who will object to taking it up to-morrow.

Mr. WALSH of Massachusetts. I want to carry out the good faith which resulted from the discussion we had here previous to the last vote.

Mr. LA FOLLETTE. I would like to say that so far as I am concerned I shall have no objection to it being taken up to-morrow.

The VICE PRESIDENT. The clerk will report the next amendment reserved.

The LEGISLATIVE CLERK. Paragraph 1301, rayon, page 183: The Senate, as in Committee of the Whole, struck out lines 8 to 14, inclusive, and down to and including the word "pound" in line 15, and inserted in lieu thereof the following:

PAR. 1301. Filaments of rayon or other synthetic textile, single or grouped, and yarns of rayon or other synthetic textile, singles, all the foregoing not specially provided for, weighing 150 deniers or more per length of 450 meters, 45 per cent ad valorem; weighing less than 150 deniers per length of 450 meters, 50 per cent ad valorem; and, in addition, yarns of rayon or other synthetic textile, plied, shall be subject to an additional duty of 5 per cent ad valorem: *Provided*, That none of the foregoing shall be subject to a less duty than 45 cents per pound. Any of the foregoing yarns if having more than 20 turns twist per inch shall be subject to an additional cumulative duty of 50 cents per pound.

The VICE PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

Mr. GEORGE. Mr. President, as I understand it, the only reservation made is that portion of the amendment just read by the clerk which refers to the rate of 45 cents per pound. I understand there is no purpose to raise any question concerning the ad valorem duty upon the rayon filaments and yarns of 45 per cent and 50 per cent; but the reservation was made in order to preserve the question of the proper specific duty. I move to strike 45 cents as it occurs in line 25, page 183, and insert in lieu thereof "38 cents," so that the minimum specific provided will be not less than 38 cents per pound.

Mr. President, I do not see that there would be any purpose in discussing the amendment at length, I want to call attention to the fact, however, that I share the view of the Senator from Montana [Mr. WHEELER] that this specific ought to be even less than 38 cents per pound, that upon the present value of rayon yarn of 150 denier or coarser 38 cents rather than the ad valorem duty would certainly be the effective duty. That is to say, the equivalent of 38 cents minimum specific would be higher than 45 per cent and 50 per cent ad valorem, respectively.

Let me explain this to the Senate in this way. There is no opposition here and the amendment does not suggest opposition to a proper ad valorem rate on rayon filament or yarn. The rate fixed in the bill is acceptable, to wit, 45 per cent ad valorem and 50 per cent ad valorem. That is not to be disturbed, but the minimum specific of 45 cents per pound under the present price level becomes an equivalent ad valorem rate of some 85 to 90 per cent. That is entirely out of line with the protection given all other textiles. The Senate will remember that cotton yarns are dutiable, if they are not finer than 90, at 5 per cent ad valorem and in addition thereto three-tenths of 1 per cent for each number; exceeding No. 90, which is the very fine cotton yarn, 32 per cent ad valorem. All-wool yarns, about which we have heard a great deal and about which I have said a great deal, are dutiable at 40 cents per pound plus 35 per cent ad valorem, if not of a greater value than $1 per pound, and if of a value of more than $1 per pound wool yarns are dutiable at 40 cents plus 45 per cent ad valorem, but the 40 cents per pound in each instance is a compensatory rate, so the protective rate is 40 and 45 per cent on wool yarns. Rayon yarns are dutiable at 45 per cent ad valorem and 50 per cent, according to weight, and there is no quarrel with that provision. The minimum specific of 45 cents per pound actually carries the rate up to 85 to 90 per cent ad valorem all coarse yarns on the basis of the present price levels.

If the Senate will bear with me, there can be no question that rayon yarn is on a declining price level. In other words, it is being made cheaper and will continue to be made cheaper. If Senators will consider the actual cost, the industrial cost, per pound of rayon manufactured by the American Viscose Co., it will be found that the actual cost is only 47.83 cents per pound. If the minimum specific duty is kept at 45 cents, we have a balance or difference of 2.83 cents to cover the entire difference in cost of manufacture abroad, including the raw material, labor, and so forth. If we take the highest industrial cost of producing rayon in this country—and I believe that the highest cost is registered by the Acme Rayon Co. which manufactures not quite 1 per cent of the rayon manufactured in the United States—we find it is 70.80 cents per pound. De-

ducting 45 cents, the minimum specific if it shall be retained, we have a balance of 25.8 cents to cover the entire difference in the cost of manufacture abroad, including material, labor, and so forth.

That is the highest cost of producing rayon in the United States, I believe. It is not the wholesale selling price but the cost; and 25.8 cents specific duty would certainly compensate even in that extreme case. There can be no possible reason for a 45 cents per pound specific minimum or any other specific minimum except upon the theory that rayon manufacturing abroad is controlled by a cartel; and it is claimed by the American manufacturers that that cartel might allocate the American selling territory to the lowest-cost producing country in Europe, and, therefore, the industry needs a minimum specific. As it stands to-day, the ad valorem rate of 50 per cent is not effective except upon the very fine yarns. When we get to 150 deniers or coarser, the ad valorem rate is not effective and the minimum specific becomes the actual rate.

If the rate is retained at 45 per cent, we shall have an unusually high rate for rayon filaments or yarns as compared to wool or to silk or to cotton or to any other yarns made of any other material.

Now, let me call attention to the fact that the raw material of rayon is on the free list; wood pulp, cotton linters, and whatever other material is used for the manufacture of rayon are on the free list. There is no necessity for a high duty on rayon—that is, for a duty entirely out of line with the duties upon all other yarns.

I again direct the attention of the Senate to the fact that the very finest wool yarns spun under the tariff rates in Schedule 11 of the pending bill are dutiable at 45 cents—that is, the rate is not higher than the lowest ad valorem rate which rayon enjoys under this schedule.

Mr. President, the Tariff Commission itself was called upon to say what specific duty would be adequate and proper in the case of rayon, and when we take the Tariff Commission's figures and analyze them it will be found that for 150–A grade a specific duty of 35 cents per pound is adequate; that for 150–B grade a specific of 38 cents is adequate; that for 300–A grade a specific of 38 cents is adequate; and for 300–B grade a specific of 41 cents is adequate.

However, the figures upon which this classification is based do not take into consideration all of the elements that should be considered in arriving at a proper minimum specific rate. If all of the elements are taken into consideration, it will be found that the specific rate on 150's, both A and B, and 300's A and B, would run roughly from 22 cents a pound to 30 or at most not over 32 or 33 cents per pound. It would be possible to arrive at a little higher specific minimum by eliminating certain factors from this calculation, but taking any view of the matter, a specific minimum of 38 cents a pound will give the rayon manufacturers all the protection they could reasonably ask.

Mr. President, the true friends of this industry will not seek to give it excessive protection, for excessive protection will lead to overproduction capacity in rayon, as it has in cotton, as it has in wool and worsted. The real trouble with cotton, wool, worsted, and silk manufacturers in this country is overproduction capacity.

Mr. President, rayon is a big man's game. The little producers must go down and out. The 18 or 19 great corporations, with a minimum of 38 cents specific, or without any specific whatsoever, and with the high ad valorem given them in the pending bill, would be able to control their market, just as they are now controlling it against all foreign competition; but if there can be anything in the suggestion that the foreign cartel can allocate the American territory to the lowest-cost producing country, then certainly 38 cents minimum specific would be an adequate protection against any disadvantage that the American rayon manufacturer may reasonably anticipate.

I want to call attention to the fact that rayon filament or yarn is not, as a rule, converted into cloth or finished fabric by the manufacturer of the filament or yarn, but rayon yarn or filament is the raw material of the woolen manufacturer, of the cotton manufacturer, and even of the silk manufacturer. Therefore, if the 45 cents minimum specific is retained in the bill there will be a specific compensatory duty of 45 cents, plus the high-protective rate upon all rayon products, just as we have in the case of wool, when everything that goes to make rayon is on the free list. In other words, Mr. President, the minimum specific in this paragraph of the schedule becomes the compensatory rate—and the proper compensatory rate, I grant you—for all finished rayon products.

Therefore, the materiality and the necessity of placing this specific, if it is to be retained, at not exceeding 38 cents per pound.

Personally I believe that the minimum specific might well be eliminated. I have no difficulty in arriving at the conclusion that 30 cents a pound would be adequate; but, in deference to others upon this side, and other members of the committee, I am offering the amendment to strike out 45 cents and to insert 38 cents in line 27, page 183, paragraph 1301.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Georgia [Mr. GEORGE] to the amendment made as in Committee of the Whole.

Mr. FESS. Mr. President, I shall detain the Senate for only a few moments, only long enough to make a mere statement, because I agree with those who are anxious to expedite the consideration of the pending bill.

I know of no industry that has had such remarkable growth as has that of rayon. While it has been operating for a good many years from the period of its infancy it has been operating for only a short time under the encouragement of protection. I note that in 1922, when the protection was first given, there were produced only 25,000,000 pounds of rayon. In seven years afterwards there were produced 120,000,000 pounds, or an increase of 400 per cent.

The imports in 1922 were only 2,100,000 pounds, while the imports in 1927 were 18,000,000 pounds, an increase of 900 per cent. Those figures indicate that, while the industry was growing rapidly in our own country, it was also growing rapidly in foreign countries, and that the importations were increasing by leaps and bounds. In the domestic industry, which is comparatively new, there is now invested $260,000,000 of capital, and it now employs, it is stated, 45,000 people who are actually at work in the industry. The wages paid amount to $51,000,000. The value of raw material used, that purchased in the home market, is at least $20,000,000, and it includes not only cotton linters but corn sugar.

The profits of the industry, under severe competition, have been growing less. The domestic competition has constantly reduced the price. Ten years ago the price was $2.75 a pound, but it has been reduced until now it is just a little over $1 a pound, or $1.15 a pound, while, of course, the cost of labor in our country is something like four times, indeed, it is really over four times, what it is in competing countries. While under the ægis of protection there has been a very large increase in production, it will be noted that the price to consumers has largely decreased, but, in face of that decrease in price, there is a severe competition because of the difference in the cost of labor.

I wanted merely to make the statement that an industry in which $260,000,000 are invested, employing 45,000 people, paying $51,000,000 in wages, operating in 14 different States, and which is really only about 10 years old, ought to make such an appeal to the Congress that nothing will be done detrimental to its growth. For that reason, I sincerely hope that, whatever may be the reduction in the rate of duty, it will not be to the point where it will be embarrassing to the industry.

Mr. WALSH of Massachusetts. Mr. President, I submit an amendment which I propose to submit to one of the paragraphs of the bill, and ask that it may be printed. As it is a very important amendment, I also ask that it may be printed in the RECORD.

The amendment was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. WALSH of Massachusetts to 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, viz: On page 224, after line 20, insert the following:

"PAR. 1530. (a) Leather (except leather provided for in subparagraph (c) of this paragraph), made from hides or skins of cattle of the bovine species:

"(1) Sole or belting leather (including offal), rough, partly finished, finished, curried, or cut or wholly or partly manufactured into outer or inner soles, blocks, strips, counters, taps, box toes, or any forms or shapes suitable for conversion into boots, shoes, footwear, or belting, 5 per centum ad valorem;

"(2) leather welting, 5 per centum ad valorem;

"(3) side upper leather (including grains and splits), patent leather, and leather made from calf or kip skins, rough, partly finished, or finished, or cut or wholly or partly manufactured into uppers, vamps, or any forms or shapes suitable for conversion into boots, shoes, or footwear, all the foregoing whether or not grained, boarded or embossed, 8 per centum ad valorem;

"(4) upholstery, collar, bag, case, glove, garment, or strap leather, in the rough, in the white crust, or russet, partly finished, or finished, 9 per centum ad valorem;

"(5) all other, rough, partly finished, finished, or curried, not specially provided for, 8 per centum ad valorem.

"(b) Goat, kid and other leather (except leather provided for in subparagraph (c) of this paragraph), made from hides or skins of animals (including fish, reptiles, and birds, but not including cattle of the bovine species), in the rough, in the white, crust, or russet, partly finished, or finished, 8 per centum ad valorem; rough-tanned or semitanned leather made from genuine reptile skins, 5 per centum ad valorem; vegetable-tanned rough leather made from goat and sheep skins (including those commercially known as India-tanned goat and sheep skins), vegetable rough-tanned pig and hog skins, and rough-tanned skivers, 4 per centum ad valorem. If cut or wholly or partly manufactured into uppers, vamps, or any forms or shapes suitable for conversion into boots, shoes, or footwear, such articles shall be subject to the same rate of duty as the leather from which they are manufactured.

"(c) Leather of all kinds, grained printed, embossed, ornamented, or decorated, in any manner or to any extent (including leather finished in gold, silver, aluminum, or like effects), or by any other process (in addition to tanning) made into fancy leather, or cut or wholly or partly manufactured into uppers, vamps, or any forms or shapes suitable for conversion into boots, shoes, or footwear, all the foregoing by whatever name known, and to whatever use applied, 12½ per centum ad valorem. Leather shall not be considered within the provisions of this subparagraph by reason of there being placed thereon the trade-mark, the trade name, the name and address of the manufacturer, and the name of the country of origin.

"(d) Boots, shoes, or other footwear (including athletic or sporting boots and shoes), made wholly or in chief value of leather, not specially provided for, if women's or misses', 12½ per centum ad valorem; if men's, boy's, or children's, 8 per centum ad valorem; boots, shoes, or other footwear (including athletic or sporting boots and shoes), the uppers of which are composed wholly or in chief value of wool, cotton, ramie, animal hair, fiber, rayon other synthetic textile, silk, or substitutes for any of the foregoing, whether or not the soles are composed of leather, wood, or other materials, 35 per centum ad valorem.

"(e) Harness valued at more than $70 per set, single harness valued at more than $40, saddles valued at more than $40 each, saddlery, and parts (except metal parts) for any of the foregoing, 35 per centum ad valorem; saddles made wholly or in part of pigskin or imitation pigskin, 35 per centum ad valorem."

Mr. WHEELER. Mr. President, when this item was before the Senate as in Committee of the Whole I offered an amendment proposing that the specific duty of 45 cents be eliminated entirely. I think I proved conclusively, at least to my own satisfaction, that it was not necessary to have a 45-cent specific duty upon rayon yarn.

The Tariff Commission have made a cursory study of this subject; and their figures show very clearly, taking the sales prices, that in estimating the specific duty required of 150 A denier yarn, a 26.7 cents specific duty is all that is necessary. As to 150 B, they show that 30.8 cents specific duty is all that is necessary; and 150 denier constitutes the vast percentage of the imports of rayon yarn.

Of 300 A there is only 1.8 per cent of the total imported into the United States. The Tariff Commission's figures show that on 300 A a specific duty is required of 30.7 cents, and on 300 B that 34.7 cents specific duty is necessary.

So much for the figures of the Tariff Commission.

I ask to have the table to which I have just referred inserted in the RECORD at this point in my remarks.

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

Estimated specific duty required to cover differences between invoice value plus landing charges and net wholesale selling prices of typical sizes and grades of imported rayon yarns after deduction of importers' selling expenses

Type of yarn	Average invoice (dutiable) value per pound	Transportation, insurance, etc. (5 per cent)	Landed cost, exclusive of duty	Estimated specific duty required
150 A	$0.740	$0.037	$0.777	$0.267
150 B	.657	.033	.690	.308
300 A	.571	.029	.600	.307
300 B	.490	.025	.515	.347

Type of yarn	Landed cost plus estimated required specific duty	Importers' charges and profits (8 per cent)	Wholesale selling price of domestic and imported yarns		Equivalent ad valorem of estimated required specific duty
			Net	List	
					Per cent
150 A	$1.044	$0.083	$1.127	$1.15	36.08
150 B	.998	.080	1.078	1.10	46.88
300 A	.907	.073	.980	1.00	53.77
300 B	.862	.069	.931	.95	70.82

Mr. WHEELER. I had offered, and there is lying on the table, an amendment proposing to reduce the specific duty to 30 cents; but because of the fact that I felt that we would not be able to pass that amendment, I consented not to offer it and that the amendment providing for the reduction only to 38 per cent should be voted upon at this time.

Mr. President, the figures that have been given to me by one of the manufacturers of cotton goods in the State of New York who uses a large amount of rayon—and I might say that these figures have been submitted to experts in the Treasury Department and they have been submitted to other experts—show that taking the figures submitted by the Tariff Commission and carrying them out so that we would take into consideration the 5 per cent quantity discount, in 150A denier yarns it was only necessary to have a specific duty of 21.37 cents; that on 150B denier it would only be necessary to have a specific duty of 25.8 cents; that on 300 A it would only be necessary to have a specific duty of 26.2 cents, and on 300 B it would only be necessary to save a specific duty of 30.5 cents. The 21.37 cents would be equivalent to 28.87 per cent ad valorem, and the 25.8 cents would be equivalent to 39.13 per cent ad valorem. Under 300 A the 26.2 cents would be equivalent to 45.88 per cent ad valorem, and the 30.5 cents on 300 B would be equivalent to 62.24 per cent ad valorem.

Mr. President, I do not see how it is possible, in the face of the figures furnished by the Tariff Commission, for any Senator to vote against a 38-cent specific duty. As a matter of fact, a 38-cent specific duty would mean, for the Viscose Co., in the neighborhood of probably 75 per cent ad valorem. I have not figured it out exactly.

I do not want to take up the time of the Senate this evening in showing the enormous profits that have been made by the American Viscose Co., which is part and parcel of the Courtauld's Co.; nor do I want to take up the time of the Senate to rehearse again the figures showing their labor cost. I do not want, either, to take up the time of the Senate to-night to show that the profits from the money invested in rayon in this country go largely into foreign hands; but I do want to call attention to the fact that, as a matter of fact, here is one of the highest-protected industries in the United States, if not the highest, and it is paying the poorest wages in the United States.

I have heard Senator after Senator on the other side of the Chamber rise in his place and plead and plead for labor; yet down here in Tennessee at the present time the men and the women working in the rayon plants are on strike because of the fact that they are hardly getting enough money to keep their bodies and souls together; and yet the industry is enjoying the highest protection of any industry in the United States of America.

The Senator from Ohio [Mr. FESS] pointed out just a moment ago how this industry had grown. It has grown, and, of course, everybody is glad to see that the industry has grown in the United States; but all it is necessary to do is to look at the profits, examine the income-tax returns of these concerns, as I did on a similar occasion heretofore, and see the tremendous profits that they earn, how they have declared in some instances stock dividends of 100 per cent in addition to other regular cash dividends, and then see the miserable wages that they are paying to their employees down in some of the factories where their labor is employed.

Not only are they grinding down the labor on the one hand, but, on the other hand, if we give them this high tariff, it permits them to charge the poorer classes of people exorbitant prices for the underclothing and the socks and the stockings that the poorer classes of men and women in this country have to wear.

Mr. WALSH of Massachusetts. Mr. President——

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

Mr. WHEELER. I do.

Mr. WALSH of Massachusetts. The Senator undoubtedly has given this subject a great deal of study. Can he inform us how many plants or companies are engaged in producing the filaments of rayon that fall under this paragraph?

Mr. WHEELER. Yes; I have the figures.

Mr. BARKLEY. Mr. President, if the Senator will yield, 19.

Mr. GEORGE. Nineteen.

Mr. WALSH of Massachusetts. I understand that these filaments of rayon are the raw material which is used by those who spin the rayon yarn and manufacture or make rayon cloth from the rayon yarn. Of course, that number of factories is exceedingly large.

Mr. WHEELER. Yes. I was going to say to the Senator from Massachusetts that if the Senators who come from the cotton-textile States really want to render a service to the

cotton manufacturers of their States, I do not know of any way in which they can render a better service than to try to reduce the tariff upon this rayon yarn.

Mr. WALSH of Massachusetts. The Senator will recall that I very vigorously opposed an increased duty on the filaments of waste rayon included in the following paragraph.

Mr. WHEELER. Yes.

Mr. WALSH of Massachusetts. I was unable to convince the Senate that it was a mistake to raise the rates; and against my protest the rates were raised upon what would correspond t- wool waste, namely, the filaments of rayon that are of short lengths, that are waste rayon, known as staple fiber. The Senator states that these 19 concerns making the filaments of rayon are in competition with each other?

Mr. WHEELER. Practically all of these manufacturers who are manufacturing filaments of rayon belong to one or two combinations, and they in turn in practically every instance are owned by British and other foreign companies. The Courtauld's, of England, for instance, own the American Viscose Co.; and, as the Department of Commerce has pointed out, they are practically all controlled either by the Courtauld's or some other foreign companies, and it is these foreign-owned concerns that are really holding up the cotton manufacturers in this country.

I might say to the Senator from Massachusetts that I talked with a representative of the cotton manufacturers I think from his own State, or from some part of New England; and I asked him why it was that they did not protest and that their Senators on this floor coming from those States did not protest against it. A man who was standing by said, "He can not tell you, but I can. The reason why they do not protest is because they are afraid to protest against it."

Mr. WALSH of Massachusetts. Mr. President, I am pleased to know that the Senator from Montana has retained pleasant relations with the manufacturers of New England, notwithstanding some of his tariff views.

Mr. WHEELER. I am glad to try to do justice to the manufacturers of New England.

Mr. WALSH of Massachusetts. I think this is one of the few times when the Senator has been on the side of the manufacturers. I congratulate him.

Mr. WHEELER. It is one of the few times; but in being on the side of the manufacturers of cotton goods in this instance I feel that it is not only doing justice to the manufacturers of cotton goods, but I likewise feel that it is rendering a service to the women who use rayon manufactured goods, and I feel that it is rendering a service to the consumers of rayon generally throughout the United States.

Mr. WALSH of Massachusetts. I am very happy to hear that, because the Senator can all the more sympathize with the consistent and persistent fight I have been making here for low duties upon the raw products, so that the consumers would benefit in lower prices for the finished goods.

Mr. WHEELER. I appreciate that fact, of course. I have not any fault to find, let me say, with the Senator. If I were a manufacturer of woolen manufactured goods I, of course, would want to have my wool on the free list. That is a perfectly natural thing; and I can readily understand why, if he had free wool, he would sell it cheaper to the people of the country. As I have said before, however, the great trouble with the situation is that many of these "tariff leagues," and so forth, propaganda organizations for high tariff, have sent out the word to the farmers and to everybody else, "You must have a high tariff upon wool, and you must have a high tariff upon mushrooms, and you must have a high tariff upon wheat, and you must have a high tariff upon corn, and you must have a high tariff upon everything else," until, in my judgment, the manufacturers who are asking for these exorbitant high tariffs are really, in the long run, going to injure themselves.

Mr. President, I am not going to take up much more time of the Senate with reference to this matter. I discussed it on a former occasion for several hours, went into all phases of it, and I really do not feel that anything would be accomplished by rehashing many of the statements I made before.

No claim can be made for this high tariff in the name of labor. No claim can be made for this high tariff in the name of the consumer. No claim can be made by this high tariff in the name of labor, because of the fact that those who use the rayon yarn and make it into cloth, the employees engaged in that industry, far outnumber those engaged in the manufacture of the yarn itself.

So, Mr. President, when we consider all of the facts and circumstances concerning this item it does seem to me that it is one of the most indefensible items in the whole tariff bill, and I sincerely trust that the rate will be reduced, although I must confess that I am disappointed that the Senate did not reduce it much more and that the amendment that is offered, instead of making the rate 38 cents, did not lower it to as low as 30 cents or do away with the specific duty altogether.

It was only because of the fact that I listened to some of my friends upon this side, who urged me not to offer an amendment providing a lower duty, that I consented to withdraw the suggestion of a specific duty of 30 cents, and I am willing at this time under the circumstances to vote for a duty of 38 cents.

Mr. COPELAND. Mr. President, do I understand that the Senator from Montana has consented to a specific rate of 38 cents a pound?

Mr. WHEELER. I am consenting to it in this sense, that I am withdrawing the amendment which I have offered reducing the rate to 30 cents, and I am doing so because of the fact that I felt that the Senator from New York and other Senators would not agree to vote for as low a rate as that, and I thought possibly they might vote for a rate of 38 cents.

Mr. COPELAND. Then the Senator from Montana, the champion of cheap dresses for the women——

Mr. WHEELER. This is cheap underwear.

Mr. COPELAND. Very well, cheap underwear—has decided to accept a rate of 38 cents as against 45 cents, and all the rayon it would take to make a dress would weigh only a pound. In other words, the Senator is willing to take 38 cents, but he condemns us for proposing 45 cents, and our proposal would cost 7 cents on a dress.

Mr. WHEELER. I am not condemning the Senator. Let me say that I am not agreeing to this. I am just tired and sick of hearing the Senator stand on this floor day after day pleading for these high duties, and pleading for them in the name of labor. I want to point out in this instance that he can not plead in the name of labor for this high duty.

Mr. COPELAND. Mr. President, I do make a plea for this rate in the name of labor. The Senator from Ohio a moment ago, if I heard him correctly, said there were 45,000 men engaged in this industry in this country. There are 10,000 in my State.

It was largely upon what the Senator from Utah said the other day that we voted for the 45-cent duty. The Senator from Montana has now gotten up to 38 cents. There is just 7 cents a dress between the Senator from Montana and me.

Mr. President, I have great respect for the Senator from Utah, and if I have no other opportunity, I want to thank him now for the patience he has shown here for six or eight months. He has showed a degree of Christian fortitude which entitles him to a seat on the edge of the throne when he goes to heaven; but I hope he will stay here for many years to grace the Senate.

Mr. President, I want to ask the Senator from Utah to justify a specific rate of 45 cents on this item, the rate which was reported by the committee, and I beg him now to make the statement.

Mr. SMOOT. Mr. President, the House justified it in the hearings held before the Ways and Means Committee.

Mr. COPELAND. At how much?

Mr. SMOOT. Forty-five cents. The House acted upon the 45-cent rate. When the bill came before the Finance Committee, hearings were held, and I think they were virtually the same as the hearings in the House. The same people appeared and made the same kind of arguments. The Finance Committee, after hearing the testimony that was presented to it, decided that the House was correct in providing the specific duty of 45 cents.

I do not think I can say any more than I did say when we had this item up in Committee of the Whole. It was thoroughly discussed. The Senator from Montana took one side, and I presented the case as best I could for the 45-cent duty.

I want to say to the Senator now that if the information I have received within the last week is correct, stocks of rayon are being piled up. I think there are now over 10,000,000 pounds over and above the stocks held a year ago. The demand is nothing like it was a year ago; and that applies not only to rayon, but it applies to many other commodities, and it is due to the fact that the people have not the money to buy with on account of the condition brought about by the debacle on the stock exchange.

Mr. COPELAND. And the wickedness of the Republican Party.

Mr. SMOOT. Of course, some may approach half way to the wickedness of the Democratic Party, but I will not even admit that.

Mr. WHEELER. Mr. President, will the Senator from New York yield to me to ask the Senator from Utah a question?

Mr. COPELAND. I yield.

Mr. WHEELER. The Senator from Utah will concede that the Tariff Commission's figures do show that, as a matter of fact, as to the 150 denier yarns which represents the bulk of the importations, a specific duty of 30.8 cents would be sufficient. I want to call attention to page 4½ of their report, a copy of which they have furnished to the Senator.

Mr. SMOOT. I have that.

Mr. WHEELER. The Tariff Commission, in that report, states the estimated specific duty on rayon for 150 denier A grade as 26.7 cents.

Mr. SMOOT. Yes.

Mr. WHEELER. One hundred and fifty denier B grade, 30.8 cents.

Mr. SMOOT. If the Senator will look at the lower part of the page, he will find that the transportation, insurance, and so forth, amount to 8.3 cents. I refer to 150-A grade. It is 8.3 cents, and on B grade it is 8 cents. When we add the 8 cents to the 30.8 cents for the 150 denier——

Mr. WHEELER. You can not add that.

Mr. SMOOT. Yes; that is transportation, insurance, and so forth.

Mr. WHEELER. You have $1.127 as the wholesale selling price for A grade and $1.078 for B grade.

Mr. SMOOT. That is true. It seems to me 40 cents is justified.

Mr. WHEELER. But the Senator does not follow the figures given by the Tariff Commission. What is the use of having a Tariff Commission, what is the use of having them make findings, if we are not going to follow them?

Mr. SMOOT. The Senator has not followed them in the consideration of this bill.

Mr. WHEELER. I am following them certainly with reference to this item.

Mr. SMOOT. Certainly, because the Senator desires to follow them.

Mr. WHEELER. Where have I not followed them?

Mr. SMOOT. If the Senator wants me to go through the bill and show him where he has not, I will be glad to do so.

Mr. WHEELER. Will the Senator show me some item on which I have not followed them?

Mr. SMOOT. I am quite sure I could do so.

Mr. WHEELER. I wish the Senator would.

Mr. SMOOT. I will comply with the request with the greatest of pleasure.

What I say is this: I think that, taking everything into consideration and the conditions existing to-day—and I have no doubt but that the Senator from Montana, if he inquires, will find out that the situation to-day is quite different from what it was when this report was made——

Mr. WHEELER. The goods are selling at a much lower price to-day.

Mr. SMOOT. I am perfectly willing to say that it applies to many other industries the same, but whenever there is a slacking up it is always first with the higher-priced commodities. That, I suppose, everybody will agree to. In other words, when people can not buy the higher-priced products they go to the lower-priced. That is natural. That has been the case in every part of the world and with all classes of people.

I do not want to make this rate higher than is necessary. If 40 cents is ample to protect, I do not want more than 40 cents. Is not that fair?

Mr. COPELAND. Perfectly. But the Senator's view is that that is not enough.

Mr. SMOOT. I think when this tariff report was made it was enough, but conditions have changed since the report was made, and I think any member of the Tariff Commission will make that statement.

Mr. COPELAND. Does the Senator get the same reports I do of increasing unemployment, short hours, and lower prices abroad, and of the material being brought in from over there?

Mr. SMOOT. I have letters making those statements, and I suppose the same class of letters the Senator is receiving.

Mr. BARKLEY. Mr. President, will the Senator from New York yield to me?

Mr. COPELAND. I yield.

Mr. BARKLEY. I wanted to inquire of the Senator from Utah, or of the Senator from New York, if a part of the changed conditions referred to, aside from the decrease in the price of rayon, have not been due to the improvement in the methods of manufacture by the installation of newer machinery?

Mr. COPELAND. In the United States?

Mr. BARKLEY. In the United States; which has increased the production of the article and reduced the price per unit, which has enabled the American manufacturers and the European manufacturers, too, who own most of the American factories, to reduce the price without materially reducing their percentage of profit.

Mr. SMOOT. The Senator understands that the selling price of the rayon goods has greatly decreased in the last two years, and that is brought about by the cheaper cost of manufacturing the product.

Mr. BARKLEY. That is what I said.

Mr. SMOOT. That also has happened in all parts of the world. It has happened in Germany; it has happened wherever rayon is made.

Mr. BARKLEY. The price of $2.50 to $3 a pound was an abnormal price.

Mr. SMOOT. Certainly.

Mr. BARKLEY. And that abnormal price has gone down to the region of normality or normalcy, whichever it happens to be, or, as the old colored man said, "Nor-mál-ty," by reason of the improvement in the methods of manufacture, but that has not interfered with the profits of the manufacturers. So the cheapness of the goods is hardly a criterion for the fixing of the tariff.

Mr. SMOOT. I did not refer to the cheapness of the goods. I referred particularly to the piling up of goods and the overproduction of goods. The Senator knows very well that it not only happened in this country but it is happening in other countries. Of course, whenever that happens the Senator knows that the manufacturer in the foreign country is not going to force his prices down at home when he can put an extra amount of goods into some other country that does not interfere with his own local business. That is just as natural as life.

Mr. BARKLEY. But that can not be charged to the tariff because the proportion of importations has gone down from about 20 per cent in 1921 to 10 per cent in 1928, so that neither the decline in price nor the piling up of stocks in warehouses is due to any increase of importations, because there has been a decrease.

Mr. SMOOT. There is no decrease going on now.

Mr. BARKLEY. There has been a gradual decrease from 1921 to 1929. I think the percentage of imports between those two years was 16 per cent, but in 1928 it had declined to 10 per cent.

Mr. SMOOT. That is taking the percentage of the amount made in the United States.

Mr. BARKLEY. Of course; but the total quantity has been increasing all the time because we have become users of rayon. We have increased our demand for it. It has become a universally used product, and while the consumption has grown by leaps and bounds, the proportion of imports has gone down by one-half. The total imports probably might be larger for 1928 than for some other year, but the proportion of imports as compared with the total consumption has gradually decreased during the last 10 years.

Mr. SMOOT. Of course, if we should go back to the time when rayon was first manufactured and went into commerce, when the foreigners made all of it and we did not produce any at all, and then come on up to the time when we started to produce only very small quantities, we would find that naturally the percentage would go down. But to-day the situation is this, and we might as well meet it. Whether we want to take into consideration any tariff bill that will cover a number of years is for the Senate of the United States to decide. Under the present situation, with the purchasing power of the people of this class of product and the prices being cut as they are, not only in this country but in the world, it does seem to me that we ought at least to protect the industry as it exists to-day.

As I said to the Senator, I think under the conditions existing to-day if we take the tariff report into consideration that was made months ago, 40 cents was shown by that report to be the correct figure.

Mr. BARKLEY. Of course, I do not think we ought to take advantage of a temporary situation to fasten upon the people of the United States tariff rates from under which they may not be able to crawl during the whole period of 10 years. That situation was illustrated by the fact that in 1922 the tariff rate on woolen clothing was fixed on the basis of a depreciated currency in Great Britain, which was at that time depreciated to the point of about $3.25 per pound. After that the British Government stabilized its currency so that the rate of exchange was put back to the normal rate of about $4.86, and by that process alone automatically the tariff on those goods was increased about 52 per cent.

That was a temporary situation, which no doubt the Senate and the House thought justified putting a higher rate than otherwise would have been assessed against the goods. But it is not fair, in my judgment, to use a temporary situation brought about not by imports, not by lack of protection, but brought about by economic conditions which are wholly inde-

pendent of any tariff action we might take, to fasten on the people of the United States rates which they must bear until there is another revision of the tariff, when it may be that within six months or a year the temporary economic situation from which everybody in the country is now suffering will have passed and still the people will be suffering under the high rates levied upon them under the stimulus of unemployment now existing, brought about by conditions outside of tariff legislation altogether.

Mr. SMOOT. I disagree with the Senator when he says that in 1922 the rates in the wool schedule were fixed.

Mr. BARKLEY. I did not say in the wool schedule. I said the tariff on ready-made woolen clothing, and that is all I referred to. It was true, because practically all of it came from England and the complaint was made, as I recall, that woolen clothing was being made over there cheaply because of the cheapness of British money; and the tariff rate was raised because of that situation, which existed for only a year or two.

Mr. SMOOT. I think the Senator is mistaken.

The VICE PRESIDENT. The Senator from New York has the floor.

Mr. COPELAND. Mr. President, I am very much obliged to all of the Senators who have participated in the debate. Certainly the Senator from Utah has access to all of the figures which any agency of the Government can produce. Through his committee he is in touch with the economic conditions in all the industries. He justifies the 45-cent rate.

Here we have an industry which, in my opinion, is bound to become the great outstanding industry of the United States. We have accessible the pulpwood necessary to make the material. We have the cotton. As I understand, it takes three parts of pulpwood and two parts of cotton to make the material. It is an American product. Already we have 45,000 men and women employed in the industry in the United States. There is no reason why that number should not be increased to 145,000. The popularity of this product is beyond all comprehension.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Kentucky?

Mr. COPELAND. I yield.

Mr. BARKLEY. There seems to be a difference of opinion as to the number of people employed in the production of rayon. The figures which I have fix it at 26,000 for those engaged in the production of rayon yarn as a raw material. It may be that there are 45,000 engaged in the production of yarn and rayon cloth; but how does even 45,000 compare with the number of employees engaged in the textile industry in the United States, those who are engaged in the production of cloth and fabric out of the rayon yarn which is required as a raw material?

Mr. COPELAND. Frankly, I am not interested whether there is one person born every minute or 1¼ persons born every minute. I do not care, for the purpose of the argument, whether the number of rayon employees is 45,000 or 26,000. There are thousands of our people engaged in that industry, and there is no reason why that number should not be enormously increased, as it will be.

Mr. BARKLEY. The point I am trying to bring to the attention of the Senator is that while there are, we will say for the sake of argument, 45,000 people engaged in the production of rayon raw material, there are from 1,500,000 to 2,000,000 employees engaged in making textiles and using rayon as a part of the component ingredient that goes into the production of the finished product. If we were permitted to consider the 25,000 or 45,000 engaged strictly in making rayon yarn alone without any effect upon the 1,500,000 or 2,000,000 engaged in making fabrics and cloth out of rayon yarn, the argument of the Senator might be forceful; but when we consider that every time we add a dollar to the cost of the raw material that goes into the production of textiles, an industry that is probably more distressed now than any other industry in the United States, is it not fair to consider the effect this increase in the price of the raw material will have upon the 1,500,000 or 2,000,000 employees who are working in these mills that use rayon yarn in the production of the finished product?

Mr. COPELAND. What the Senator has in mind is that as the numbers employed in the rayon industry increase, there may be a decrease in the silk industry.

Mr. BARKLEY. No; not at all. Without any increase in the number of men and women employed in producing rayon, there may be a decrease in the number of employees in the textile industry because we are making the price of the raw product here and therefore contributing to a still further depression in the textile industry and thereby throwing out other thousands of men and women who are now employed in the textile industry.

Mr. COPELAND. I see the point the Senator makes.

Mr. BARKLEY. For instance, there are three or four mills in North Carolina engaged in making rayon. There are 241 mills in North Carolina engaged in making fabric out of rayon. How have we benefited North Carolina—if we might say we are doing it—by keeping all of the men and women employed in the three or four rayon mills, by keeping up the price of rayon, if by doing that we are still further depressing the 241 textile mills using rayon yarn and throwing other thousands of employees in the textile mills out of work?

Mr. COPELAND. This is the fact, that with the development of the rayon industry there has been an amazing decline in the silk industry. Of course, we do not produce the raw material for the silk. We need not be unduly concerned in America because the silk industry declines, if another industry outstrips it, particularly a truly American industry. We have the raw material grown in our own country to make the rayon. It is essentially an American industry, and even though it should result in the death of the silk-textile business, it will mean the upbuilding in America of a great industry which will take over all the employees who are in the silk business and at the same time make a demand for our own raw products.

Mr. BARKLEY. I am not concerned primarily about the fate of the silk industry as such. I realize that the introduction of rayon as a fabric out of which garments are made has largely taken the place of the silk industry, because women are able to purchase rayon garments which resemble silk at a smaller price than they would be able to purchase the silk itself. The introduction of the rayon industry has enabled the women of the country and of the world to enjoy an article midway between cotton and silk. By reason of this industry and this invention they are able to afford garments that are pleasing to the eye, that are comfortable to the body, and which at the same time afford the wearing and durable qualities probably that are combined in silk and cotton and wool.

What I have in mind is not the fate of the textile mills engaged in the production of pure silk articles but the fate of the employees in the mills that are engaged in using raw rayon, such as I have in my hand, which is known under the old-fashioned name of a hank of rayon yarn of 150 deniers. There are 139 such mills in the State of Tennessee using yarn similar to that which I have in my hand in the production of rayon articles out of which all manner of clothing is made. If our action shall increase the price of this yarn to the 139 textile mills in Tennessee, and to the 241 textile mills in North Carolina, and to the other hundreds in all the other States where the textile industry exists, will we not injure the textile industry, and will we not injure more men and women employed in that textile industry than we will help in the rayon industry alone, by increasing to the textile mills the price of this yarn, out of which they are compelled to make fabrics such as I have here in my hand and many others which are universally used in the United States?

Mr. COPELAND. Is that the Senator's fear?

Mr. BARKLEY. Yes; I entertain that fear.

Mr. COPELAND. Would the Senator, because of that fear, seek to impose a duty so low upon rayon as to cripple the industry?

Mr. BARKLEY. No; I would not.

Mr. COPELAND. Then, if the Senator would not do that——

Mr. BARKLEY. I am not seeking to reduce the rate; I would not vote to reduce the rate on rayon below the rate in the present law, which is 45 cents a pound, which is a fair measure of protection. At the price for which rayon is selling to-day the equivalent ad valorem duty, based on a minimum of 45 cents a pound, will range from 75 per cent to 110 per cent. What I contend is that it is not fair to the textile industry, which uses raw rayon as the material out of which it makes garments, it is not fair to the million and a half employees engaged in those textile mills, it is not fair to the 95 per cent of the women of America to raise the price of their rayon garments by providing a minimum of 45 cents a pound tariff on rayon, regardless of the price of rayon in the markets of the world. That is my contention.

Mr. COPELAND. But does not the Senator realize even that if, by any chance we should fix a rate so low upon rayon as to destroy the American mills, rayon is still going to be used? Our women have learned its value; they appreciate its cheapness. They are going to use it, and if we do not make it in America it will be imported. Then the thing which the Senator has in mind will come about, namely, the southern textile mills will suffer as he has suggested and at the same time the rayon factories already established in our country will be put out of business.

Mr. BARKLEY. I can not understand the basis of such a contention, I will say to the Senator, because the rayon industry

is essentially an American industry. We are now producing 90 per cent of all the rayon we use and practically 90 per cent of that rayon is produced by factories owned in Europe.

One company in the United States, owned by a British concern, produces 54 per cent of all the rayon produced in the United States. Producing 90 per cent of it, as we are now doing, the imports having fallen off in proportion in the last 10 years, and the European manufacturers of rayon being compelled to buy an American raw product, cotton linters, out of which in part they make their own rayon, and being compelled to import into their country from Sweden, Norway, and other northern nations the wood pulp which goes partly into the manufacture of rayon, how can those foreign manufacturers, under those circumstances, come in here under a tariff of 45 cents and 50 per cent ad valorem and undersell the American-produced rayon so as to injure the American factories which are owned by the very European interests against which the Senator expresses his fear?

Mr. COPELAND. It is very clear to me why they can do so. One has but to travel over mid-Europe to see great forests which under their system of perpetual reforestation will never be less. They have the wood.

Mr. BARKLEY. But they can not use that wood without cotton, and they have to get the cotton from us.

Mr. COPELAND. I will come to that. They have the wood; they have to buy our cotton. But when it comes to wages it can be put down as a pretty safe rule that the wage paid in America by the hour is the wage paid in Europe by the day.

Mr. BARKLEY. On that point the Tariff Commission estimated that the difference in cost of producing abroad and in the United States was 40 per cent. That represented the difference in the labor cost. The average labor cost going into the manufacture of rayon is 50 per cent; so if we take 40 per cent of 50 per cent we get the difference in the labor cost between Europe and the United States. That amounts to 20 per cent. So according to the Tariff Commission's own figures, based upon a 50 per cent labor cost in the production of rayon, which I think is a very liberal allowance, the result is that a 20 per cent ad valorem duty would cover the difference in the labor cost of production between Europe and the United States. I do not think anybody contends that it would absorb the entire 45 per cent, but, assuming that as the percentage of labor cost, a tariff sufficient to cover the difference in labor cost would be 30 per cent, and there would still be 15 per cent ad valorem tariff over and above that, which may be considered as a protective tariff to the American industry.

Mr. COPELAND. Does the Senator wish to preserve the rayon industry in America?

Mr. BARKLEY. Certainly.

Mr. COPELAND. He does not want to take any step that will interfere with or hamper it?

Mr. BARKLEY. Of course, not within reasonable limits. I do not say that I would not be willing to take any step that would hamper it if by that is meant that I would not in some way make it impossible for them to do injustice to the American people by reaping unfair and exorbitant profits. Within those limits I would say that I would not, of course, vote for any measure or any rate that I thought would seriously interfere with the economic condition of any business in the United States.

Mr. COPELAND. Now, let us assume that we are going to regulate somehow the profits which are made.

Mr. BARKLEY. I refer to exorbitant profits.

Mr. COPELAND. I share the views of the Senator; I do not want them to pile up inordinate surpluses or profits. But, assuming that those profits are not going to be inordinate, the Senator is anxious to have the industry developed as much as it can be and to have as many employees and do as much business as it can within reason. Am I right in that?

Mr. BARKLEY. Of course.

Mr. COPELAND. Then the only difference in the world between the Senator and myself is as to the amount of a tariff which represents the difference between the American cost and the European cost, is it not?

Mr. BARKLEY. If the Senator does not accept the figures which I just recited to that extent, he and I differ.

Mr. COPELAND. Mr. President, when I see an advertisement as I did in a newspaper yesterday of one of the great stores in New York saying:

> Did you ever dream you could have a hand woven, embroidered Russian smock for only $13.74? Of course, you did not. And you may never have the opportunity again, because the duty has been raised. It is very unlikely that they will be offered again at such a low price. If you know Russian smocks you will not need to be told that they are beautifully made and painstakingly embroidered in red or black or red or blue.

Mr. President, I want to have a tariff sufficiently high not to keep our beloved women from having hand-embroidered smocks but sufficiently high so that when those fair ones of ours purchase smocks they shall be American-made smocks and smocks made of American products.

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

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Kentucky?

Mr. COPELAND. Yes.

Mr. BARKLEY. Of course, I myself would regret very seriously to see a situation brought about where the American women would be compelled to buy Russian smocks and wear them instead of what they are wearing now; but I have not assumed that the Russian smock was about to invade the American market to the extent of displacing the beautiful garments made of rayon now worn by the American women. I have not heard of that.

Mr. COPELAND. The Senator misses the point.

Mr. BARKLEY. I may be responsible for that or the Senator from New York may be responsible.

Mr. COPELAND. I am not seeking to have our women all wear Russian smocks, but since some of them are going to wear Russian smocks, or some other kind of smock, I want them to wear our kind of smock.

Mr. BARKLEY. I do not know what proportion of American women are going to wear Russian smocks, unless it be artists or sculptresses. The ordinary garment worn by the women of the United States in the household and on the street is not a smock, whether a Russian smock or an American garment.

Mr. COPELAND. Let me present my friend with a picture of a smock. [Laughter.]

Mr. BARKLEY. I would rather have the smock.

However, Mr. President, I have here in my hand a clipping from the Daily News Record, of New York, dated Friday, March 7, a well-known and well-recognized and reputable trade journal in the United States; and I have here a clipping, with the date line of London, March 6, which refers to a statement made by Mr. Courtauld, who is at the head of the British Courtauld's rayon trust, which owns a considerable portion of the American rayon manufactures, in a report to his stockholders. I quote as follows:

> Despite persistent requests by shareholders, Samuel Courtauld, chairman of Courtauld's (Ltd.), declined to disclose the American Viscose profits and sales figures at this morning's meeting of the company beyond stating that much more than half of Courtaulds's profits in 1929 were dividends from America and also that the valuation of the ordinary shares of American Viscose remained the same as two years ago but that the preference shares had since been sold.
>
> Mr. Courtauld characterized as extremely inaccurate the figures on American Viscose recently cited by Senator WHEELER in the United States Senate.

Regardless of that, the point which I make is that the British president of this British-owned rayon company which owns the American Viscose Co., making 54 per cent of all the rayon made in the United States, reported to his shareholders that more than half of the profits of this British concern were made in the United States of America. In view of that, I think there is no basis for the claim that the American rayon makers are now losing money or that they will lose money under the tariff rates that have been in effect for the last 10 years, to wit, 45 per cent ad valorem.

Mr. COPELAND. Mr. President, the Senator did not read the rest of the article.

Mr. BARKLEY. The Senator took it away from me before I got through.

Mr. COPELAND. It is further stated that Mr. Courtauld declared:

> Overproduction imminent as a result of checked consumption last fall.

Mr. BARKLEY. Of course, overproduction is imminent, just as it is imminent in every other industry, because of a recession in the buying power of the people, which has compelled them to curtail their purchases, not only of rayon but of every other necessity of life. That is not due to the tariff.

Mr. COPELAND. My friend and I have occupied the attention of the Senate too long perhaps, but I want to summarize the question as I see it.

Criticism was brought upon me in certain sections of my State because of the charge that I had attempted to materially increase the cost of rayon, "the poor woman's silk." I want to make it clear that the only difference between the Senator from Montana [Mr. WHEELER], who is the champion of the poor woman's silk, and myself is 7 cents a pound. I voted for 45 cents, and I am going to vote again for 45 cents in view of what the Senator from Utah has said. The Senator from

Montana has stated that he is going to vote for 38 cents. So, Mr. President, let it be clear that the difference between us is 7 cents a pound and no more. The tariff expert over here tells me it takes a pound of rayon to make a woman's dress. Seven cents, then, is the difference between us, and on a "step-in" the difference would be less than 2 cents, and a 2-cent stamp would just about cover one of those articles, as I understand from my friend the Senator from Utah.

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

Mr. COPELAND. No; I am not going to yield any more. I am about to yield the floor, and then the Senator can go on in his own time. He will pardon me, I am sure, because I want to finish to attend a committee meeting, if he will permit me.

I am not going to let the difference between 2 cents or 3 cents and 7 cents keep me from voting for a rate which is more or less guaranteed by the Finance Committee as a rate necessary to give protection to this industry.

Furthermore, Mr. President, I do not found my statement and my position wholly upon what has been told me here in the Senate. Mr. Kernan, whose grandfather was an honored Member of this body, one of my predecessors from the State of New York, is in the rayon industry in Utica, N. Y. He has given me his word—and I accept it because I know the man—that they must have this much protection if the industry is to survive.

I am not going to take any chances, for my part, of putting the rayon industry on the rocks or destroying it. Furthermore, I am not going to leave the Democratic Party just because I am willing to have a tax 7 cents more than the Senator from Montana proposes on a woman's dress, and 1 or 2 cents on a piece of underwear.

Mr. WHEELER. Mr. President——

Mr. COPELAND. I know the women of my State well enough to know that they are unwilling to have men and women unemployed in the State of New York. They are unwilling to have the children of these employees of the rayon factories without the wherewithal to buy for themselves such rayon garments as we are discussing. Therefore, Mr. President, so far as I am concerned, I am going to vote to sustain the 45-cent rate.

Mr. McKELLAR. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McKELLAR. The Senator from Georgia [Mr. GEORGE] has offered an amendment providing a duty of 38 cents. Would the offering of an amendment providing a duty of 40 cents as a substitute for the amendment of the Senator from Georgia be in order?

The VICE PRESIDENT. The Chair understands this is a motion to strike out and insert. If so, the amendment would be in order.

Mr. McKELLAR. Mr. President, in order to end this controversy, I offer as a substitute the figures "40 cents per pound" instead of "38 cents per pound."

The VICE PRESIDENT. The question is on the amendment in the nature of a substitute offered by the Senator from Tennessee [Mr. McKELLAR].

Mr. BARKLEY. Mr. President, I hesitate to take any more of the time of the Senate than has already been taken by me in the time of the Senator from New York [Mr. COPELAND]. I do not know that anything I shall say or could say will influence a single vote; but I am unwilling to have this schedule voted on without at least a word of protest on behalf of those who wear rayon garments in the United States.

I am quite unable to understand the psychology of the Senators who argue that when rayon was selling at $2 or $2.50 a pound a rate of 45 per cent ad valorem was regarded as sufficient, but when rayon goes down to $1.10 a pound—not on account of importations, but because the efficiency of the industry has made it possible for the industry to produce rayon and sell it at $1.10 a pound and make practically the same amount of profit that they made out of it when they sold it at $2.50 a pound—we are asked to put a tariff of 75 to 110 per cent ad valorem upon an article of such universal use and consumption in the United States as rayon.

Rayon is used very largely by the women of our country. Ninety-five per cent of the rayon consumed in the United States is consumed by the American women.

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

Mr. BARKLEY. I yield.

Mr. HASTINGS. The Senator made some statement as to what the ad valorem duty would amount to. Does he know what rayon is selling for in Europe at this time? Does he know that it is selling for 50 cents and less?

Mr. BARKLEY. No; I did not know that, and I do not know it yet.

Mr. HASTINGS. I am telling the Senator that that is true, whether he knows it or not.

Mr. BARKLEY. The latest report I had was that the lowest price in Europe is 60 cents, and the lowest price in the United States is $1.10.

Mr. HASTINGS. Assuming it to be 60 cents, what will the ad valorem duty amount to?

Mr. BARKLEY. If it is selling at 60 cents, a tariff of not less than 45 cents a pound would be almost the equivalent of 100 per cent ad valorem.

The reduction in the price of rayon in this country from $2.50 to $1.10 has not been brought about by importations of foreign rayon, because in 1921 the proportion of rayon used in the United States that was imported was 20 to 21 per cent. In 1928 it was only 10 per cent; and the highest proportion in any year from 1921 to 1929 was 16 per cent. So over a period of 10 years we have seen our importations of rayon decline from 20 per cent to 10 per cent because the American manufacturer of rayon yarn has been able to produce it by these modern methods of efficiency of which we hear so much and sell it at $1.10 at a profit to such an extent that the president of the British company that owns the concern that makes 54 per cent of American rayon told his shareholders on the 6th day of March that more than half of their profits were made out of the American manufacture of rayon.

I do not desire to see a single employee in a single rayon mill in the United States thrown out of employment; but while I am concerned about the 26,000 or the 45,000 employees in those mills, whichever may be the correct number—probably somewhere half-way between the two is more accurate—I am not only concerned about them, but I am concerned about the million and a half men and women who are working in the textile mills of the United States who use rayon yarn like this which I hold in my hand in the production of rayon cloth like these samples which I also hold in my hand. My contention is that by every dollar or by every dime that we raise the price of raw rayon to these textile mills, we make it more impossible for them to make these textile cloths and employ a million and a half laboring men and women; and everybody here knows, because we have heard it time and time again, from the time the consideration of this tariff bill began until to-night, that there is more depression in the textile industry of the United States than in almost any other industry, unless it be the building trades, which have suffered a very severe slump in the last two or three years.

To raise the price of rayon is to levy tribute upon every working girl in the United States who prefers rayon hosiery and underwear to cotton. Many of them can not afford to buy the more expensive pure silk articles. They do not desire to wear cotton, because it is neither as comfortable to the body nor as attractive to the eye as rayon. Therefore they prefer the rayon garment, although they can not buy pure silk. Yet to raise this tariff to an equivalent of 75 per cent or 85 per cent or 110 per cent ad valorem is to levy tribute upon every woman who buys rayon hosiery, rayon dresses, rayon underwear, or rayon garments of any kind. It is a tribute upon every housewife who buys a rayon bedspread. It is a tribute upon every American housewife who buys draperies for her windows, and for the other beautification processes by which she undertakes to make her home livable and comfortable and beautiful.

I have here a few samples of rayon cloth. Here is a dark gray made of cotton warp and rayon filling. It is used as a lining fabric for men's clothes. Every time you increase the price of that you increase the price of a suit of clothes.

I have here a very beautiful sample of rayon goods out of which women make their dresses for spring and summer and even for winter, perhaps. This is a garment that is beautiful. It is soft and pliable. It is comfortable. It is made of cotton warp and rayon filling, and sells for 89 cents per yard. If it were pure silk, it would sell for $1.50 a yard. Senators can realize that the average woman in the spring or summer or autumn, going out to fill her wardrobe with the necessities of wearing apparel, must consider the difference in price between 89 cents a yard and $1.50 a yard in figuring how much her income may allow her to buy in the way of clothing.

This is the raw material of the mills of which I have been speaking. I have not the number of these mills in all the States; but, as I said a while ago, there are 139 of them in Tennessee using this raw rayon yarn as a raw material out of which to make these fabrics. There are 241 of them in the State of North Carolina. Every textile mill in Massachusetts, in New England, in Georgia, in New Jersey, or in New York uses this raw rayon yarn in the production of rayon cloth. By every dime or dollar that we raise the price of this yarn we raise the price of the finished article, the garment, the yard

cloth such as I have here as a sample; and we make it more impossible for the American woman to buy it, and by that means we make it more impossible for these mills to keep employed the million and a half men and women who are now working for them.

Mr. WALSH of Massachusetts. Mr. President——

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

Mr. BARKLEY. I yield to the Senator.

Mr. WALSH of Massachusetts. Will the Senator explain why we have received no protests from the users of rayon yarn who convert the yarn into rayon cloth and rayon fabrics?

Mr. BARKLEY. I will say to the Senator that I am not in a position from my own knowledge to give the reasons why they have not protested; but I have been reliably informed that they are really afraid to protest, because they are more or less at the mercy of the men who produce the raw material out of which they make the finished article.

Mr. WALSH of Massachusetts. The situation, then, is somewhat similar to that which we have encountered in the case of wool. The woolen manufacturers, privately regretting very much these increased duties on virgin wool and on wool rags, were unable publicly to make their protest for fear their duties would be pushed down.

Mr. BARKLEY. Yes; the same situation no doubt exists there.

Mr. WALSH of Massachusetts. I assume that the situation is somewhat the same. It is a singular thing that with that large number of textile industries using rayon yarn so few protests have come. In fact, I have received none.

Mr. WHEELER. Mr. President——

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Montana?

Mr. BARKLEY. I yield to the Senator.

Mr. WHEELER. Let me say to the Senator that I have received protests. On the last occasion when this subject was under consideration I read a communication from one large manufacturer and user of it, a man by the name of Bennett, who is protesting very vigorously. He has factories in New England and in other places; and as I said a while ago, I talked with the representatives of some of the New England factories, and I know that they are very much interested in seeing this rayon duty reduced. As a matter of fact, they felt that it ought to be reduced down to at least 30 cents specific.

Mr. BARKLEY. Mr. President, I have no doubt that those facts submitted by the Senator from Montana are correct, and account for the absence of protest on the part of the textile mills with reference to the increase in the price of rayon.

Simply, as another example of the widespread use of rayon, I hold in my hand a pink bedspread made of cotton warp and rayon filling. This retails for $4.50, and there are other types which retail for from $2.50 up to $12.

This article is made of rayon. If it were made of pure cotton, no woman would want it. If it were made of pure silk, no average woman could buy it. Yet we are asked to increase from 45 per cent ad valorem to 75 or 100 per cent ad valorem the rate on the raw material which goes into the making of this bedspread, which the American housewife now may be able to buy, which she could not buy if it were made of pure silk, and which she would not want if it were made of pure cotton.

We are asked to levy this tribute upon the womanhood of the Nation. We are asked to levy a tribute which will require them to pay more for every pair of hose, for every suit of underwear, for every sample of goods out of which they make their dresses, or line their coats, or drape their windows.

So far as I am personally concerned, I think the minimum of 30 cents per pound would be sufficient to protect the American rayon industry, because rayon already bears a 45 per cent ad valorem duty. I think a minimum of 30 cents a pound would be ample protection. It would compensate for the difference in cost of producing this article abroad and in the United States, and would not result in the levying of an indefensible tribute upon the women of this Nation who are compelled, either by their circumstances or by their tastes and limitations, to buy rayon rather than to attempt to buy pure silk.

Certainly I shall not vote for the 45-cent minimum. As between it and 38 cents, I shall vote for the 38 cents. I only regret that it is impossible for us to adopt a rate of not less than 30 cents a pound, but always, of course, being 45 per cent ad valorem, which is the rate carried in the present law.

I said a moment ago that there are textile mills all over the United States using this raw material. I desire to call attention to the States in which this raw material is produced for the use of these textile mills.

In the State of Pennsylvania there is 1 company with a mill at Marcus Hook, 1 at Meadville, and 1 at Lewiston. They are owned altogether by the British company headed by Mr. Courtauld, who made the report to his stockholders on the 6th day of March.

In the State of West Virginia, at Parkersburg, there is one concern—the American Viscose Co.—owned by the same British company. How many textile mills are there in West Virginia and in Pennsylvania using raw rayon as a raw material out of which they manufacture the finished rayon product?

In the State of Virginia, at Richmond, the Du Pont Rayon Co. owns one mill, and there is a mill also at Waynesboro owned by the same company, and that is affiliated with the Comptoir des Textiles Artificielles of France. At Hopewell, Va., there is a mill owned by the International Holding & Investment Co. (Ltd.), who also control both French and Belgian tubize companies. At Roanoke the American Viscose Co. owns a mill. At Covington there is the Industrial Rayon Co., which is an independent, but its bonds and patents are owned abroad.

In the State of Tennessee there is the Du Pont Rayon Co., at Old Hickory, affiliated with the French Comptoir. At Livingston there is the American Glanzstoff Co., owned by the German Glanzstoff Co. Also there is at Elizabethton the American Bemberg Co., owned by the German Bemberg Co.

In New York, at Buffalo, there is the Du Pont Rayon Co., affiliated with the French Comptoir.

At Utica there is the Skenandoah Rayon Co., affiliated with Sories de Strasbourg, which is not strictly an American concern.

In the State of Maryland there is a plant at Amcelle, the Celanese Corporation, owned by the British Celanese Corporation.

In North Carolina, at Asheville, there is the American Enka Co., owned by "Enka," of Holland. There are the A. M. Johnson Rayon Mills at Burlington, which are not now in commercial operation.

In Rome, Ga., there is a factory owned by the American Chatillon Co., owned by the Italian Chatillon Co.

In the State of Ohio, at Cleveland, there is the Industrial Rayon Co., controlled by the Durant interests, whose bonds and patents are owned abroad, and they operate under foreign patents. Also, in Cleveland there is the Acme Rayon Co., which also operates under foreign patents.

In Delaware, at New Castle, there is the Delaware Rayon Co., which is an independent, but pays royalties abroad on patents.

In Connecticut, at Rocky Hill, there is the Belamose Co., which operates under patents owned abroad.

In New Bedford, Mass., there is the New Bedford Co., owned by the Delaware Rayon Co.

In other words, I have given the list of the factories of the United States making this raw rayon material, and yet if I had the complete list I have no doubt that it would run into the thousands of American textile mills which use the products of these factories owned abroad and not in the United States. Yet we are asked, in behalf of them, to levy tribute upon the American textile industry, to levy a tariff of not less than 75 per cent and in some cases 100 per cent ad valorem on this article of universal consumption and necessity throughout the United States.

So far as I am concerned, I can not vote for the 45 per cent or for the 40 per cent, and if there is any lower rate offered than 38, I will vote for that. But if it comes to a choice between 38 and 45, I shall vote for the 38.

Mr. McKELLAR. Mr. President, awhile ago, when I offered a substitute for the amendment of the Senator from Georgia, providing for 40 cents, I did so under the apprehension that the matter might be immediately disposed of. It has not been, and I therefore withdraw the amendment.

The VICE PRESIDENT. The Senator from Tennessee withdraws the amendment.

Mr. HASTINGS. Mr. President, I have listened with much interest to the speech of the Senator from Kentucky [Mr. BARKLEY]. I must confess that it is not at all a new speech. It is the same kind of speech that has been made by the Senator from Kentucky upon every subject that has been considered in connection with the pending tariff bill. It makes little difference what is the article, whether it be clothespins or something else, he finds there is a tribute to be paid by the American public. If it be mustard seed, then he is afraid those who use mustard plasters will have to pay an additional amount for the mustard plaster they use in order to cure their headaches.

Mr. BARKLEY. Mr. President, I am afraid the Senator has not listened to me accurately and attentively, because I made no speech on mustard seed at all.

Mr. HASTINGS. I assume that if the Senator did not make one it was because he did not have the opportunity. I am sure I stated his position with respect to it.

Mr. BARKLEY. The Senator's assumptions in that regard are just as far afield as with reference to anything else he has stated.

Mr. HASTINGS. If the Senator from Kentucky has been for a tariff on anything, I can not recollect what it was.

Mr. BARKLEY. I have uniformly been for the rates in the 1922 act, about which the Republicans have been boasting for the last eight years; and only in one instance have I voted to reduce the rates below those of 1922.

Mr. HASTINGS. I will read the rayon schedule in the act of 1922 in a moment or two. My clear recollection is that an effort was made to frighten the Senate when we were considering the tariff on window glass because of the possibility of it costing more to build a hospital in Kentucky. It makes little difference, I presume, whether it be window glass, whether it be pottery, whether it be pig iron, or whether it be rayon, the Senator from Kentucky always finds a way in which to convince people that a tribute is being levied upon the American people.

It is all right to speculate upon a tariff that has not been tried and tested, it is all right to speculate, as all of us must necessarily do, when we put a new tariff on a new article. It is difficult for anyone to say distinctly and positively how much of an effect it will have upon the American public and how much more the customer will have to pay for the article. That is not true, I submit to the Senate, with respect to rayon, because for as much as eight years we have seen rayon with a tariff on it equal to that which is now requested, and we have seen the price being reduced from $2.75 to $1.15.

I ask the Senator from Kentucky to produce any bit of evidence, any suspicion of evidence, that will tend to prove that if this tariff is placed on rayon at this time there is any possibility of increasing the price of rayon.

I say that it is possible, in certain instances, to speculate upon what effect a tariff will have upon the consumer. I say it is impossible to speculate upon it when it comes to considering the question of rayon.

Mr. BARKLEY. Mr. President, the Senators says, by inference, I suppose, that an increase in the tariff on rayon will not result in an increase in the price. By analogy, I suppose, he would contend that a tariff would not increase the price of any article where the tariff is increased. Is that the Senator's contention?

Mr. HASTINGS. I contend that we have in this instance positive evidence that it does not, because the price of rayon has been reduced, under the existing tariff, from $2.55 to $1.15.

Mr. BARKLEY. It has been reduced because of the efficient processes by which the American manufacturer has been able to produce it, without a reduction of his profits, it has not been reduced by compulsion on account of imports.

Mr. HASTINGS. And the American producer of this article was able to put in that new system because he was protected by a Republican tariff, placed on the statute books by the Republican Party.

Mr. BARKLEY. Why is not the Senator from Delaware content to leave the protective tariff where it was placed by the Republican Party in 1922, under which the Senator has been boasting in every campaign speech he has made of the prosperity brought about by the tariff of 1922?

Mr. HASTINGS. I will read the provision as to rayon in the act of 1922 to the Senator from Kentucky, if he does not already know it; but I assumed that when the Senator made his speech he knew what the 1922 tariff provision was. If he does not know, I will read it to him.

Mr. WHEELER. Mr. President, I would like to call the Senator's attention to the fact——

Mr. HASTINGS. Just a moment until I read this, because I do not want to get away from the Senator from Kentucky until he finds out what the 1922 tariff on rayon was. The provision reads:

> Yarns, threads, and filaments of artificial or imitation silk, or of artificial or imitation horsehair, by whatever name known and by whatever process made, if singles, 45 cents per pound; if advanced beyond the condition of singles by grouping or twisting two or more yarns together, 50 cents per pound; products of cellulose, not compounded, whether known as visca, cellophane, or by any other name, such as are ordinarily used in braiding or weaving and in imitation of silk, straw, or similar substances, 55 cents per pound; but none of the foregoing yarns, threads, or filaments, or products of cellulose shall pay a less rate of duty than 45 per cent ad valorem.

Mr. WHEELER. Mr. President, will the Senator yield now?

Mr. HASTINGS. I yield.

Mr. WHEELER. A 45 per cent ad valorem duty was put on rayon in 1922, and a 45 cents specific duty was put on in 1922. The Senator does not now contend, does he, that the 45 cents specific duty does not equal a much higher ad valorem duty now than it did in 1922?

Mr. HASTINGS. At the time the 45-cent specific duty was put on, in 1922, rayon was being sold in Europe for $1.60 per pound. It is being sold in Europe now at 50 cents per pound. The 45-cent ad valorem duty, with a specific duty of 45 cents per pound, is not unreasonable, and will not in any sense increase the price to the consumer in this country. There is no evidence of that, notwithstanding the interesting speeches we have heard from the Senator from Kentucky [Mr. BARKLEY] and the Senator from Montana.

Mr. WHEELER. Will the Senator contend that if we take off the 45-cent specific duty it would not reduce the price to the American public? Will the Senator answer that question?

Mr. HASTINGS. Yes; I will answer it, but I do not propose to answer the Senator's question "yes" or "no" because if I do he will have me in a place where I do not want to be. [Laughter.] I want to answer the Senator's question in my own way. Certainly I will answer it, and I will answer it in this way. The Senator may speculate all he pleases on things that have not been tried, but here we have an illustration of the tariff reduced from $2.75 to $1.15, and I predict that on that particular thing the Senator can not frighten the American people by trying to make them believe the price is going to be increased.

Mr. WHEELER. Will the Senator now answer my question?

Mr. HASTINGS. I have forgotten what it was. [Laughter.]

Mr. WHEELER. I asked the Senator, if we took off the 45 cents specific duty, whether it would not lower the price to the American public?

Mr. HASTINGS. I do not think so.

Mr. WHEELER. The Senator does not think so?

Mr. HASTINGS. No; I do not.

Mr. WHEELER. In other words, the Senator thinks that if we took off the 45 cents specific duty the price would remain as it is to-day?

Mr. HASTINGS. I think there is sufficient competition in the rayon industry in America to take care of the American public. That is what I think. Does that answer the Senator's question?

Mr. WHEELER. Certainly not. The Senator has not answered my question nor has he attempted to answer it. I want to call the Senator's attention to this fact. He said that under this tariff the American manufacturer has made great advances in the production of the article. The Senator contends that the American manufacturer by reason of the tariff has been able to build up the industry.

Mr. HASTINGS. That is right.

Mr. WHEELER. I agree with him. He likewise contends that the American manufacturers' inventions have assisted in cheapening the article.

Mr. HASTINGS. No; that was the argument of the Senator from Kentucky [Mr. BARKLEY].

Mr. WHEELER. Then the Senator does not contend that at all?

Mr. HASTINGS. No; but I am not denying it. It may be true.

Mr. WHEELER. Let me call the attention of the Senator from Delaware to the fact that practically every one of the American manufacturing companies is either owned outright by German or English or French interests, or else controlled by them.

Mr. HASTINGS. I do not care who owns them or controls them just so we have the industry employing American labor and paying them reasonable wages and selling to the American customers at reasonable prices. I do not care whether they are owned in the United States or in Germany or in Belgium or in China or in Montana. It does not make any difference to me.

Mr. WHEELER. Then I assume the Senator does not care whether the money that is paid in the form of the exorbitant profits which are being made in this country from American women and from American laboring men are shipped abroad to Great Britain, to Germany, to Italy, and to France?

Mr. HASTINGS. No; I am glad to have them operating in this country employing American labor. I am glad to have it all the time.

Mr. WHEELER. Yes, but the Senator knows, if he knows anything at all about the industry, that this industry which

has been afforded the highest protection is paying the American laboring man the most miserable wages of almost any industry in the United States, and it is doing that under this 45-cent specific duty which the Senator is in favor of retaining.

Mr. HASTINGS. Of course, if I denied that, it would simply be a question between the Senator and myself. I have not the figures here, but I am satisfied they are paying a reasonable wage to the American workingman.

Mr. WHEELER. Of course, I appreciate the fact that the Senator perhaps is perfectly willing to have women working in the mills down in Tennessee for $8, $9, $10, or $11 a week, working nights and working 54 hours a week. I presume the Senator does not know anything about the conditions that have existed there.

Mr. HASTINGS. What has that to do with the tariff on rayon?

Mr. WHEELER. I think it has a great deal to do with it. When these great industries come here pleading in the name of labor for a higher tariff and we can show that they have amassed great profits and great wealth, and when we can show that while they have been doing that they have been grinding down American labor and shipping their profits to foreign countries, I think it has something to do with the tariff.

Mr. HASTINGS. Is that in the rayon industry in the South?

Mr. WHEELER. That is in the rayon industry itself.

Mr. HASTINGS. Is that owned by Germans?

Mr. WHEELER. It is owned by Germans down in Elizabethton, Tenn., where they are striking at this moment for a decent living and for a decent wage.

Mr. HASTINGS. I should like to join the Senator at any time to relieve that situation, but I do not think we can do it by this amendment.

Mr. WHEELER. I am not sure that we can not help it by raising this duty, but I am sure that when the Senator has had an opportunity to relieve the situation he has not been very anxious to do so; or, rather his colleagues on the Republican side of the Chamber who have had an opportunity to investigate conditions down there and have refused to go into the situation.

Mr. President, I desire to have inserted in the RECORD at this point a chart of comparative domestic and foreign selling prices based on Tariff Commission figures, and likewise I desire to have inserted in connection with it an explanation of the chart of domestic and imported rayon prices.

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

The matter referred to is as follows:

Chart of comparative domestic and foreign selling prices based on Tariff Commission figures

FIRST TABLE.[1]—SUBMITTED TO THE SENATE AT THE REQUEST OF SENATOR SMOOT BY THE TARIFF COMMISSION

Type of yarn	Average dutiable value	Transportation, insurance, etc., 5 per cent	Landed cost exclusive of duty and importers' charges	Importers' charges and profits, 8 per cent	Landed cost including importers' charges and expenses (8 per cent) but no duty	Landed cost plus estimated required specific duty (without importers' expenses)	Wholesale selling price of domestic and imported yarns			Estimated Specific duty required[2]	Equivalent per cent ad valorem of estimated specific duty
							List	Net (less 2 per cent)	Domestic net less 5 per cent quantity discount		
1	2	3	4	5	6	7	8	9	10	11	12
150 A	0.74	0.037	0.777	Not given	Not given	Not given	1.15	1.127	Not given	0.35	Not given.
150 B	.657	.033	.69	do	do	do	1.10	1.078	do	.388	Do.
300 A	.571	.029	.60	do	do	do	1.00	.98	do	.38	Do.
300 B	.49	.024	.514	do	do	do	.95	.931	do	.417	Do.

SECOND TABLE—SUBSEQUENTLY SUBMITTED BY THE TARIFF COMMISSION AS PAGE 4 1-2 TO THEIR ORIGINAL REPORT

150 A	0.74	0.037	0.777	0.083	Not given	1.044	1.15	1.127	Not given	0.267	36.08
150 B	.657	.033	.69	.080	do	.998	1.10	1.078	do	.308	46.88
300 A	.571	.029	.60	.073	do	.907	1.00	.98	do	.307	53.77
300 B	.49	.024	.514	.069	do	.862	.95	.931	do	.347	70.82

THIRD TABLE—PROPER TABLE IN ACCORDANCE WITH TARIFF COMMISSION'S FIGURES AND TAKING INTO CONSIDERATION THE 5 PER CENT QUANTITY DISCOUNTS

150 A	0.74	0.037	0.777	0.079	0.856	Not given	1.15	1.127	1.07	0.2137	[3] 28.87
150 B	.657	.033	.69	.076	.766	do	1.10	1.078	1.024	.258	[3] 39.13
300 A	.571	.029	.60	.069	.669	do	1.00	.98	.931	.262	[4] 45.88
300 B	.49	.024	.514	.066	.58	do	.95	.931	.885	.305	[4] 62.24

[1] Tariff Commission footnote to Table 1 stated: "The difference indicated in the last column of the above table [column 11 of this chart] would be still less if the 5 per cent quantity order discount were subtracted from the domestic net price and also if allowance were made for importers overhead and profit."

[2] Tariff Commission still neglect to subtract the 5 per cent quantity discount from domestic prices; therefore the figures in column No. 11 of this table are too high by that amount.

[3] These two comprised 62 per cent of rayon imports for 1929.

[4] These two comprised 1.8 per cent of rayon imports for 1929.

NOTE.—The figures in all of the above tables refer only to market or selling prices and show no comparison of costs of production. On the basis of selling prices, column 11 in Table 3 shows that from 25 to 30 cents per pound would be a full and adequate protection to the domestic producer.

NOTES AND EXPLANATION OF CHART OF DOMESTIC AND IMPORTED RAYON PRICES

The two tables on rayon yarns furnished by the Tariff Commission are difficult to compare as the columns are not arranged in corresponding order. For the purpose of quick reference and ease in understanding the order of the columns has been rearranged in the accompanying chart so that like columns will be under one another in the respective tables. The figures used in the first two tables are only the figures given by the Tariff Commission.

An explanation of the origin and meaning of the figures in each column is as follows:

Column No. 1: Size and quality of the principal items falling under the specific duty. One hundred and fifty denier A and B constitute the bulk of both imports and domestic consumption. Three hundred denier A and B represent only 1.8 per cent of the 1929 imports.

Column No. 2: "Average dutiable value" is taken from the foreign invoices, is the price paid by the importers, and is the price on which ad valorem duty would be computed.

Column No. 3: "Transportation insurance, etc. (8 per cent)" covers cost of bringing the yarn across the ocean, and is paid by the importer in addition to the foreign price of the yarn.

Column No. 4: "Landed cost, exclusive of duty and importers' charges" is the sum of columns 2 and 3.

Column No. 5: "Importers' charges and profits (8 per cent)." This covers importers' overhead, including selling expenses, trucking, warehousing, freight to consumer's mill, and profit.

Column No. 6: "Landed cost, including importers' charges and expenses (8 per cent), but no duty" is the sum of columns 4 and 5.

Column No. 7: "Landed cost, plus estimated required specific duty." This column of figures, used only in the Tariff Commission's second table, is really superfluous. It is the sum of columns 4 and 11, but without importers' charges and expenses.

Column No. 8: "Wholesale selling price of domestic and imported yarns" is the published list price, without consideration of discounts or cut prices.

Column No. 9: This is column 8 less 2 per cent cash discount. (It is trade custom to sell rayon yarn subject to a discount of 2 per cent for payment within 30 days from date of invoice.)

Column No. 10: This is column 9 less the usual 5 per cent quantity discount given by the domestic producer.

Column No. 11: "Estimated specific duty required." This is arrived at differently in the three tables. In table No. 1 it is the difference

between (a) the landed cost, exclusive of duty and exclusive of importers' charges (shown in column 4) and (b) the selling price of domestic yarns, less 2 per cent cash discount (shown in column 9). The Tariff Commission, in their paragraph following this table No. 1, clearly indicate that these figures justly should be reduced by deducting both the 5 per cent quantity discount on domestic prices and also deducting the amount of importers' charges and profits. Therefore, the estimated specific duties in table No. 1 are too high by these amounts.

In table No. 2 the "estimated specific duty required," as shown in column No. 11, is the difference between (a) the landed cost (exclusive of duty and exclusive of importers' charges) (shown in column No. 4) plus the importers' charges (shown in column No. 5) and (b) the domestic price less 2 per cent cash discount (shown in column No. 9). In this table the Tariff Commission have corrected their figures to include the importer's expenses, and therefore have reduced by that amount their estimate of the specific duty required; but still do not subtract the 5 per cent quantity discount allowed by domestic producers, and their estimated specific duty required still is too high to that extent.

In table No. 3 the "estimated specific duty required" (shown in column No. 11) is the difference between (a) the landed cost (exclusive of duty and including importers' charges) (as shown in column No. 6) and (b) the net domestic price (shown in column No. 10). If therefore we are to base our tariff rate on selling prices rather than on costs of production, at the risk of supporting exorbitant and monopolistic prices, these figures shown in table No. 3, column No. 11, are the highest specific rates that could be justified and show that 25-cent to 30-cent per pound specific duty is all that is needed to support such a price level.

Column No. 12: "Equivalent ad valorem of estimated specific duty." These percentages are obtained by dividing the figures in column No. 2 into the figures in column No. 11.

Column No. 12 shows how deceptive is a specific rate of duty and how high it actually is on an ad valorem basis.

Since 1922 the basic minimum rate has been 45 per cent ad valorem. A specific rate of 30 cents per pound still would equal far more than 45 per cent ad valorem.

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

Mr. SMOOT. Mr. President, will the Senator from Georgia withhold the suggestion for just a moment?

Mr. GEORGE. Certainly.

Mr. SMOOT. I ask unanimous consent that when the Senate concludes its business to-day it recess until 11 o'clock to-morrow morning.

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

Mr. BARKLEY. Mr. President, in view of the fact that the Senator from Delaware [Mr. HASTINGS] stated that rayon is selling in Europe for 60 or 70 cents a pound, I desire to call attention to a statement from the Tariff Commission showing the average valuation of the prices of Class A 150-denier rayon yarn imported into the United States without payment of duty at 74 cents for the year 1929. When we add the duty to that figure it amounts to about $1.20 per pound for the imported rayon, 150-denier Class A, which is even higher than the $1.10 or $1.15 for which the Senator said it is now selling in the United States.

Mr. WHEELER. Mr. President, I would like to call attention also to the fact that the labor cost of the American Viscose Co. was something like 47 cents, as shown by taking their output of labor and dividing it by the number of laboring men they employ.

Mr. HARRISON. Mr. President, will the Senator from Georgia withhold his suggestion of the absence of a quorum for a moment longer?

Mr. GEORGE. Very well.

Mr. HARRISON. May I ask the Senator from Utah if he does not think it a very proper time to submit a unanimous-consent request to limit debate from now on to the end of the controversy?

Mr. SMOOT. I intend to make such a request to-morrow.

Mr. HARRISON. Why does the Senator wait until to-morrow? Why not submit the request to-night?

Mr. SMOOT. The reason is that there is one Senator who has requested of me that I should never submit a unanimous-consent request without first calling a quorum. I do not want to take the time to do that to-night.

Mr. HARRISON. But the point of no quorum has already been made and the Senator from Georgia has kindly withheld the suggestion for the time being. Can not the Senator then submit his request so that we may get rid of the bill?

Mr. SMOOT. I will see how many Senators respond when the quorum is called.

Mr. WALSH of Massachusetts. Mr. President, I do not think there is any occasion for complaint about the manner in which the bill has been considered in the Senate to-day. I think we have made a great deal of progress in the last day or two. The pending amendment is one of the most important in the bill. I think that many consider it really the most important amendment in the whole bill, and we have only spent about an hour and a half debating it. There are other important amendments upon which we ought to be able to spend a reasonable time. I agree that heretofore there has been a great deal of time wasted, but I do not think there is any occasion now for putting a limit upon debate.

The PRESIDING OFFICER. The Senator from Georgia [Mr. GEORGE] has suggested the absence of a quorum.

Mr. HEFLIN. Mr. President, before the roll is called may I say that I agree with the suggestion of the Senator from Mississippi [Mr. HARRISON]. We have heard to-day some matters gone over three or four times just as they were discussed when the bill was in Committee of the Whole. I think I recall one speech that was an hour and a quarter long, and some other rather lengthy speeches, too. If we are going to discuss these questions over and over again like they were discussed in Committee of the Whole, we will be at work on the bill for two or three weeks yet. I think we ought to finish it in four or five days.

To-morrow when the Senator from Utah suggests a limitation upon debate, and a Senator rises to discuss an amendment, let the question be propounded to him as to whether or not the matter was fully discussed in Committee of the Whole, and if so inquire if he will agree to a limitation upon debate. If not, then we must reach the point where we will move to lay such matters upon the table.

Mr. NORRIS. Mr. President, I would like to make this suggestion to the Senator from Alabama and to other Senators who are seeking a limitation upon debate. When we get through with the amendments made in Committee of the Whole the bill will be open to amendment, and there are some amendments which will be offered that have never been debated. So far as I am concerned, I am willing to vote without any further debate on every amendment that has been made as in Committee of the Whole, but some amendments are very likely to be offered that will be practically new propositions and we ought not to cut off debate on them.

Mr. HEFLIN. I would make an exception in a case like that.

Mr. BARKLEY. Mr. President, I think it ought to be stated that the time we are spending now on these matters is time wasted in view of the fact that those who were defeated in Committee of the Whole were not satisfied with having the amendment threshed out there and acted upon, but they have come here for a further discussion of the very things that were discussed for weeks in Committee of the Whole. If anyone's amendment was defeated in Committee of the Whole, then he comes here when the bill is in the Senate and wants to discuss it all over again.

So far as I am concerned, where I am interested in an amendment which was debated in Committee of the Whole and the minority, being dissatisfied with the action there, seeks to reopen the question and discuss it, now that the bill is in the Senate, I propose to exercise my right to discuss it in the same way. I am as anxious to get through with the bill as anybody. I am as sick of it as anybody; and I think I am going to be still sicker by the time we get through with the bill in the Senate. But I am not going to sit silently by and allow those who were defeated in Committee of the Whole to discuss the amendments again, and then allow them to be voted on without some rebuttal statement by some of us who are opposed to their position.

Mr. SMOOT. I do not understand that the Senator would object to a limitation of debate when it applies to all alike?

Mr. BARKLEY. Oh, no; but the constant complaint is made that we have discussed all of these amendments previously, that they were fully considered in Committee of the Whole, and I simply want it understood that most of that complaint is at the instance and upon the demand of those who were defeated in Committee of the Whole and who are trying now to reverse the action of the Senate taken as in Committee of the Whole.

Mr. SMOOT. That would be the natural thing. Those who are defeated, of course, are the only ones who really want to have another chance.

Mr. BARKLEY. It could have gone to conference, and let the conferees adjust the differences between the House and the Senate, and we would have had this bill out of the Senate long ago.

Mr. FESS. Mr. President——

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

Mr. HEFLIN. I yield.

Mr. FESS. I think the suggestion which has been made ought to be seriously considered. I do not understand the Senator from Mississippi to ask that the debate be limited on every item from now on, but there are 32 amendments left on which a separate vote has been reserved. Some of them are quite important and others are not so important; probably some of them may not be controversial at all. It seems to me that the Senate should receive with approval the suggestion that as to each item on the list a limitation of debate be sought, and if that can not be had, then go ahead. I think, however, if the chairman of the committee would feel free to ask for a limitation of debate on each item as we go along, and the request were granted, that we would get along pretty well.

Mr. HEFLIN. That was my suggestion. I want to say to the Senator from Kentucky that I had no idea of yielding time to a Senator who favors an amendment and then turning off those who want to reply.

Mr. BARKLEY. I am not attributing such a suggestion to the Senator from Alabama; I did not have him in mind.

Mr. HEFLIN. I wanted to say that if, for instance, we should limit debate to five minutes on a given proposition any Senator could speak five minutes on one side, another on the other side of the question could reply to him, and so with other Senators. If we would do that we would soon get through with the bill; but if we do not put a limitation on debate—we have seen it every day and every night—some Senator will get up and talk about an amendment, and some other Senator will ask a question and will hold the floor for an hour or so, and when we have got through we have gone over the same thing we have already gone over time and time again.

Mr. BARKLEY and Mr. McKELLAR addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Alabama yield; and if so, to whom?

Mr. HEFLIN. I yield first to the Senator from Kentucky.

Mr. BARKLEY. I simply wish to say that we started in a few days ago with a program of limiting debate. We agreed unanimously to limit debate to 15 minutes on a number of amendments, until we came to cement; then there was no limitation on the debate, and there has been none since. I do not know just who may be responsible for that, but it so happened that when we reached cement nobody made any effort to limit debate, and none has been made since, I will say to the Senator from Alabama, and I think he will agree with me.

Mr. SMOOT. There was no time taken on cement; we acted on it yesterday without any discussion.

Mr. McKELLAR. Mr. President, certainly we have exhausted debate on the amendment now pending. Can we not have a vote on the amendment? Let us have a vote now.

Mr. HEFLIN. I have no objection.

Mr. BORAH. Mr. President——

Mr. HEFLIN. I yield to the Senator from Idaho.

Mr. BORAH I was going to suggest that we try to put a limitation upon the debate as to whether we will limit debate.

The PRESIDING OFFICER. The Senator from Georgia has suggested the absence of a quorum. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Allen	George	Keyes	Shortridge
Baird	Glass	La Follette	Smoot
Barkley	Goff	McCulloch	Steiwer
Black	Goldsborough	McKellar	Sullivan
Blaine	Grundy	McMaster	Swanson
Blease	Hale	McNary	Thomas, Idaho
Borah	Harris	Metcalf	Townsend
Bratton	Harrison	Norbeck	Trammell
Brock	Hastings	Norris	Tydings
Brookhart	Hatfield	Nye	Vandenberg
Broussard	Hawes	Oddie	Walsh, Mass.
Capper	Hayden	Phipps	Walsh, Mont.
Connally	Hebert	Pine	Waterman
Copeland	Heflin	Pittman	Watson
Cutting	Howell	Robinson, Ind.	Wheeler
Dill	Johnson	Robsion, Ky.	
Fess	Jones	Schall	
Fletcher	Kean	Sheppard	

The VICE PRESIDENT. Sixty-nine Senators have answered to their names. A quorum is present. The question is on the amendment proposed by the Senator from Georgia [Mr. GEORGE] to the amendment adopted as in Committee of the Whole.

Mr. GEORGE. I ask for the yeas and nays.

Mr. BRATTON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BRATTON. I ask that the substance of the amendment be stated at the desk.

The VICE PRESIDENT. The amendment will be reported.

The CHIEF CLERK. On page 183, paragraph 1301, rayon, in line 25, it is proposed to strike out "45" and insert "38," so that it will read:

That none of the foregoing shall be subject to a less duty than 38 cents per pound.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia to the amendment adopted as in Committee of the Whole.

Mr. GEORGE and Mr. HASTINGS asked for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. HAYDEN (when his name was called). On this question I have a pair with the Senator from Vermont [Mr. GREENE], which I transfer to the senior Senator from Arizona [Mr. ASHURST] and vote "yea."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. I find I can transfer that pair to the junior Senator from Connecticut [Mr. WALCOTT]. I make that transfer and will vote. I vote "nay."

Mr. WATSON (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Vermont [Mr. DALE] and vote "nay."

The roll call was concluded.

Mr. BLEASE (after having voted in the affirmative). I have a pair with the junior Senator from Connecticut [Mr. WALCOTT]. I transfer that pair to the Senator from Oklahoma [Mr. THOMAS] and let my vote stand.

Mr. GLASS. I have a pair with the senior Senator from Connecticut [Mr. BINGHAM], but being assured that he would vote as I shall vote, I vote "nay."

Mr. FESS. I desire to announce the following general pairs:

The Senator from Massachusetts [Mr. GILLETT] with the senior Senator from North Carolina [Mr. SIMMONS];

The Senator from Maine [Mr. GOULD] with the Senator from Utah [Mr. KING];

The senior Senator from Illinois [Mr. DENEEN] with the junior Senator from North Carolina [Mr. OVERMAN];

The junior Senator from Illinois [Mr. GLENN] with the junior Senator from Arkansas [Mr. CARAWAY];

The Senator from New Hampshire [Mr. MOSES] with the Senator from Iowa [Mr. STECK];

The Senator from Louisiana [Mr. RANSDELL] with the Senator from North Dakota [Mr. FRAZIER]; and

The Senator from Pennsylvania [Mr. REED] with the Senator from Arkansas [Mr. ROBINSON].

The result was announced—yeas 31, nays 38, as follows:

YEAS—31

Barkley	Connally	Hayden	Nye
Black	Cutting	Heflin	Pittman
Blaine	Dill	Howell	Sheppard
Blease	Fletcher	Johnson	Trammell
Borah	George	La Follette	Walsh, Mass.
Bratton	Harris	McMaster	Walsh, Mont.
Brookhart	Harrison	Norbeck	Wheeler
Capper	Hawes	Norris	

NAYS—38

Allen	Hale	Metcalf	Sullivan
Baird	Hastings	Oddie	Swanson
Brock	Hatfield	Phipps	Thomas, Idaho
Broussard	Hebert	Pine	Townsend
Copeland	Jones	Robinson, Ind.	Tydings
Fess	Kean	Robsion, Ky.	Vandenberg
Glass	Keyes	Schall	Waterman
Goff	McCulloch	Shortridge	Watson
Goldsborough	McKellar	Smoot	
Grundy	McNary	Steiwer	

NOT VOTING—27

Ashurst	Gillett	Overman	Smith
Bingham	Glenn	Patterson	Steck
Caraway	Gould	Ransdell	Stephens
Couzens	Greene	Reed	Thomas, Okla.
Dale	Kendrick	Robinson, Ark.	Wagner
Deneen	King	Shipstead	Walcott
Frazier	Moses	Simmons	

So the amendment of Mr. GEORGE to the amendment adopted as in Committee of the Whole was rejected.

Mr. HAWES subsequently said: Mr. President, I cast a vote in error on the last roll call, having forgotten my pair with my colleague, the junior Senator from Missouri [Mr. PATTERSON]. I ask that that record be changed.

Mr. GLASS. Mr. President, I move that the rate be made 40 cents.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Virginia [Mr. GLASS].

Mr. GLASS. On that I ask for the yeas and nays.

Mr. GEORGE. Mr. President, I desire to be heard for just a minute.

One of the biggest rayon mills in the country is in my State. I have considered this tariff fairly and honestly. There is no justification under the facts for a specific duty of more than 30 cents per pound. Even the Tariff Commission has said that 38 cents was liberal to the manufacturer; and yet, in the face of that, the Senate has refused to reduce this specific duty to 38 cents upon an article that is to-night the aluminum of the wardrobe of every woman in America, in a tariff that will be generally effective. Such tariffs as those on cement and brick and lumber are effective only locally. This tariff will be effective generally throughout the Nation upon every user of rayon.

I have not a great deal of interest in voting for a reduction to 40 cents specific duty when it is admitted here to-night on this floor by the spokesman of the rayon industry—that is, the Senator who advocated the high duty; I say that without meaning any offense—that rayon to-day is being made in Europe, I believe he said, at 50 cents a pound. Therefore, 40 cents a pound is a duty of 80 per cent, whereas upon the finest woolen yarn made on earth there is an ad valorem duty of 45 per cent. Cotton has as its maximum protection upon yarn 32 per cent, as it actually figures out, in no case exceeding 37 per cent; and even silk—and this is only artificial silk—even silk is protected by a duty of only 40 and 45 per cent upon singles and ply yarns or dyed yarns, respectively.

So 40 cents does not make any strong appeal to me, I say, because it amounts, as we vote it, to an 80 per cent ad valorem duty upon the aluminum of the wardrobe of the American woman, and the most prosperous industry, barring none, in the United States at this time. It could buy, sell, and throw overboard, unit for unit, all of the other textiles combined.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. GLASS] to the amendment made as in Committee of the Whole. On that amendment the yeas and nays have been demanded. Is the demand seconded?

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I have a nontransferable pair with the senior Senator from Connecticut [Mr. BINGHAM]. If I were at liberty to vote I should vote "yea."

Mr. HAWES (when his name was called). I have a pair with my colleague the junior Senator from Missouri [Mr. PATTERSON]. If at liberty to vote, I should vote "yea," and he would vote "nay."

Mr. HAYDEN (when his name was called). Making the same announcement as before, I vote "yea."

Mr. ROBINSON of Indiana (when his name was called). Reannouncing my general pair with the junior Senator from Mississippi [Mr. STEPHENS], I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. WATSON (when his name was called). Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. BLEASE. I have a pair with the Senator from Connecticut [Mr. WALCOTT]. I transfer that pair to the Senator from Oklahoma [Mr. THOMAS] and will vote. I vote "yea."

Mr. FESS. I desire to announce the following general pairs:

The Senator from Massachusetts [Mr. GILLETT] with the Senator from North Carolina [Mr. SIMMONS];

The Senator from Maine [Mr. GOULD] with the Senator from Utah [Mr. KING];

The Senator from Illinois [Mr. DENEEN] with the Senator from North Carolina [Mr. OVERMAN];

The Senator from Illinois [Mr. GLENN] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from New Hampshire [Mr. MOSES] with the Senator from Iowa [Mr. STECK];

The Senator from North Dakota [Mr. FRAZIER] with the Senator from Louisiana [Mr. RANSDELL];

The Senator from Pennsylvania [Mr. REED] with the Senator from Arkansas [Mr. ROBINSON]; and

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Wyoming [Mr. KENDRICK].

The result was announced—yeas 34, nays 32, as follows:

YEAS—34

Allen	Bratton	Fletcher	Howell
Barkley	Brookhart	George	Johnson
Black	Capper	Harris	La Follette
Blaine	Connally	Harrison	McMaster
Blease	Cutting	Hayden	Norbeck
Borah	Dill	Heflin	Norris
Nye	Sheppard	Tydings	Wheeler
Pittman	Swanson	Walsh, Mass.	
Schall	Trammell	Walsh, Mont.	

NAYS—32

Baird	Hale	McKellar	Smoot
Brock	Hastings	McNary	Steiwer
Broussard	Hatfield	Metcalf	Sullivan
Copeland	Hebert	Oddie	Thomas, Idaho
Fess	Jones	Phipps	Townsend
Goff	Kean	Pine	Vandenberg
Goldsborough	Keyes	Robsion, Ky.	Waterman
Grundy	McCulloch	Shortridge	Watson

NOT VOTING—30

Ashurst	Glass	Overman	Smith
Bingham	Glenn	Patterson	Steck
Caraway	Gould	Ransdell	Stephens
Couzens	Greene	Reed	Thomas, Okla.
Dale	Hawes	Robinson, Ark.	Wagner
Deneen	Kendrick	Robinson, Ind.	Walcott
Frazier	King	Shipstead	
Gillett	Moses	Simmons	

So Mr. GLASS's amendment to the amendment made as in Committee of the Whole was agreed to.

The VICE PRESIDENT. The question is upon concurring in the amendment made as in Committee of the Whole as amended.

The amendment, as amended, was concurred in.

Mr. GEORGE. Mr. President, I ask unanimous consent that the experts of the Tariff Commission be permitted to change the specific duty of 45 cents to 40 cents where it occurs throughout the rayon schedule.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The clerk will state the next amendment reserved for a separate vote.

The CHIEF CLERK. Paragraph 1306, page 185, woven fabrics of rayon.

Mr. COPELAND. Mr. President, I take it that my amendment is not proper at this time, because there was no change made in this paragraph.

The VICE PRESIDENT. It is not in order at this time.

Mr. COPELAND. I thank the Chair.

The VICE PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

The VICE PRESIDENT. The clerk will state the next amendment reserved for a separate vote.

The CHIEF CLERK. Paragraph 1402, page 188, paper board.

Mr. LA FOLLETTE. Mr. President, I have no objection to concurrence in the first amendment in that paragraph which was made as in Committee of the Whole.

The VICE PRESIDENT. The question is on concurring in the first amendment made as in Committee of the Whole.

The amendment was concurred in.

The VICE PRESIDENT. The clerk will state the next amendment.

The CHIEF CLERK. Amendment made as in Committee of the Whole, on page 189, line 1. After "ad valorem" insert:

Pulpboard in rolls for use in manufacture of wall board, 5 per cent ad valorem.

Also, in lines 7 to 16, both inclusive, strike out all after the word "valorem," in line 7.

Mr. LA FOLLETTE. Mr. President, the amendment to which I desire to direct the attention of the Senate is the amendment which was read from the desk which appears in line 1, page 189, following the words "ad valorem."

The CHIEF CLERK. On page 189, line 1, after the words "ad valorem," insert:

Pulpboard in rolls for use in manufacture of wall board, 5 per cent ad valorem.

Mr. LA FOLLETTE. Mr. President, the duty on wall board is 10 per cent ad valorem. The House struck out the provision which was inserted as in Committee of the Whole, and the Senate Finance Committee concurred in that action.

I am informed that pulpboard in rolls to be used for the manufacture of wall board is 85 per cent manufactured when it enters the country. Therefore, obviously, if the completed or finished product—namely, wall board—is to bear a rate of duty of 10 per cent ad valorem it is absolutely unfair to the American manufacturers to permit the pulpboard in rolls, which is 85 per cent manufactured, to come in at 5 per cent—half of the duty provided on the finished product.

There is only one manufacturer in the United States, according to my information, who will receive any benefit from this provision. That is a manufacturer who has a plant across the line in Canada, and brings in the pulpboard in rolls 85 per cent processed or manufactured, and finishes the other 15 per cent of the manufacture in the United States.

I am not discussing the question of whether or not the duty of 10 per cent ad valorem on the finished product is a proper duty, but it does seem to me perfectly obvious that if we are to have a 10 per cent duty on the finished product, it is absolutely unfair to the other manufacturers who complete the entire manufacturing process in the United States to permit one manufacturer to bring into the country at one-half the duty provided on the finished product, a product 85 per cent manufactured.

I therefore hope the amendment adopted as in Committee of the Whole will be nonconcurred in.

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

Mr. LA FOLLETTE. I yield.

Mr. COPELAND. Is there any change in the situation by reason of the removal of the countervailing duties?

Mr. LA FOLLETTE. I do not think so, and I am not directing my remarks to the countervailing duties, although I know a number of Senators have received letters from wall-board manufacturers concerning the removal of the countervailing duty. I am simply directing my attention to this one amendment, and for the reasons which I have already stated I concur in the action taken as the result of the meeting of the Committee on Finance for the elimination of all of the countervailing duties.

Before the Senator brings up that question, I hope he will permit us to have a vote upon this other amendment.

Mr. WALSH of Massachusetts. Mr. President, some of the facts in connection with this matter have passed out of my mind. If I recall the story correctly, pulpboard in rolls for use in the manufacture of wall board bore a rate of 10 per cent in the House bill.

Mr. LA FOLLETTE. The amendment which the Senator from Massachusetts secured in Committee of the Whole is a reenactment of the phraseology contained in the law of 1922, which was eliminated by the House and by the Senate Finance Committee. The Senator had that language reinserted. Since that has been done I have made some investigation of this question, and I am informed by the experts of the Tariff Commission that pulpboard in rolls for use in the manufacture of wall board is 85 per cent manufactured. In other words, there is only 15 per cent more work to be done on it before the product is completed. Therefore it does seem to me entirely unjust to permit one American manufacturer to bring in his product 85 per cent manufactured at one-half the duty that is given as protection on the finished product.

Mr. WALSH of Massachusetts. Mr. President, the result of the action in Committee of the Whole was to put the duty at 5 per cent.

Mr. LA FOLLETTE. The Senator is correct.

Mr. WALSH of Massachusetts. That was a restoration of the rate in the present law.

Mr. LA FOLLETTE. The Senator is correct.

Mr. WALSH of Massachusetts. I remember that at the time I found a great deal of fault with the fact that pulpboard in rolls, when it was passed through the process of being stained, had a duty that was entirely out of proportion with the duty on pulpboard in rolls. Does the Senator recall what duty was levied on pulpboard stained?

Mr. LA FOLLETTE. That was under paragraph 1413. That does not refer to this paragraph. Under paragraph 1413, as I understand it, it would take a duty of 30 per cent ad valorem.

Mr. WALSH of Massachusetts. The Senator does not propose to change that?

Mr. LA FOLLETTE. No. At the time I reserved a vote on these paragraphs, it was just before the vote was taken on concurring in the amendments, and I reserved as to both because I was not certain at the time which one of the paragraphs it was that I desired to have a separate vote upon. Since I have had a chance to look into the matter, I have found that the amendment to which I am particularly opposed is the one which appears on page 189 in line 1, in the print of the bill at the desk, and for the reasons which I have stated, I am anxious that the action taken as in Committee of the Whole should not be concurred in.

Mr. WALSH of Massachusetts. The Senator's amendment is to make the duty 8 cents?

Mr. LA FOLLETTE. No; I am asking to eliminate the provision and let the language stand as it was when the bill came from the House and from the Committee on Finance.

Mr. WALSH of Massachusetts. I wish the matter could go over. I must frankly say that this matter is entirely out of my mind. I remember giving a good deal of study and thought to the subject at the time it was before us in Committee of the Whole, and I talked at length upon it, but the details have entirely disappeared from my mind, and I can not recall the facts and circumstances in connection with the matter. I am not in any state of mind to make an argument on the matter to-night.

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

Mr. LA FOLLETTE. I yield.

Mr. FLETCHER. I was going to suggest that I think what the Senator is mainly interested in appears in paragraph 1413. Now the Senator is simply asking that we nonconcur in the amendment made as in Committee of the Whole.

Mr. SMOOT. No. If this amendment is agreed to on line 6, page 180, and we adopt the 10 per cent, we will turn then to page 200 and disagree to the amendment in paragraph 1413, because they are exactly the same, and if we do it in one case we must do it in the other.

I think if the Senator from Wisconsin will look at page 200, line 7, he will find that he himself offered the amendment on pulpboard, to make the rate 5 per cent when it was in rolls.

Mr. LA FOLLETTE. No; I did not offer that amendment. The Senator from Massachusetts offered that amendment.

Mr. SMOOT. Then the Senator from Massachusetts offered it.

Mr. WALSH of Massachusetts. I offered the amendment.

Mr. SMOOT. The Senate took the same action in one case as in the other, so if we adopt the suggestion of the Senator from Wisconsin and make the rate 10 per cent, on page 189, paragraph 1402, I shall ask unanimous consent that we turn to page 200, paragraph 1413, and make the same amendment there.

Mr. WALSH of Massachusetts. Mr. President, since I was on my feet a few moments ago I have sent for the debate which took place on January 29, 1930, on this item, and I find that I stated at that time:

> There are two kinds of pulpboard in rolls imported into this country: From Norway pulpboard in rolls is imported for use in the manufacture of containers which are so commonly used to-day in the shipping of foods and other products of merchandise; but we are only concerned now with pulpboard in rolls for wall board, which comes from Canada, and is used for making wall board.
>
> What is wall board? Wall board is sometimes called the "poor man's lumber." It has become a commodity increasing in use as a substitute for lumber in the building of garages, poultry houses, barns, stables, outbuildings, and for small and cheap homes. Up to the present time, for 18 years pulpboard used in the manufacture of wall board carried the duty of 5 per cent.
>
> The question which is before the Senate now is whether or not we intend to increase the duty upon this raw product used in making wall board from 5 to 10 per cent; and later, when we come to paragraph 1413, we shall be confronted with the question whether we want to increase the duty on stained pulpboard from 10 to 30 per cent.

The result of the discussion and debate was that the Senate, as in Committee of the Whole, decided to retain the present duty of 5 per cent. The Senator from Wisconsin, for the reasons stated, desires to go back to the rate named in the House bill of 10 per cent.

In view of the great popularity of wall board—it having become a substitute more and more for lumber, and, as I stated in my remarks previously, is referred to as the poor man's lumber—I still think that we should not increase the duty upon this raw product.

The VICE PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

The amendment was nonconcurred in.

Mr. SMOOT. Mr. President, I ask unanimous consent that we turn now to page 200, paragraph 1413, and nonconcur in the amendment made in Committee of the Whole.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 200, line 7, after the word "pulpboard," an amendment was inserted reading:

> Except pulpboard in rolls for use in the manufacture of wall board, but.

The VICE PRESIDENT. The question is on concurring in the amendment.

The amendment was nonconcurred in.

The VICE PRESIDENT. The Secretary will state the next amendment on which a separate vote was reserved.

Mr. HEBERT. Mr. President, an amendment is pending to paragraph 1413, offered by my colleague [Mr. METCALF], which was passed over temporarily.

Mr. McKELLAR. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McKELLAR. I notice that at the top of page 2 of this list of amendments passed over the clerk did not call the amendment on "Plain basic paper, sensitized paper," and then later on "Paper board, pulpboard."

The VICE PRESIDENT. The Chair is advised that there is no amendment pending to be concurred in in connection with those items. The committee amendments were rejected.

The clerk will state the amendment offered by the Senator from Rhode Island.

The CHIEF CLERK. The senior Senator from Rhode Island [Mr. METCALF] offers the following amendment on page 201, line 2, after "thousand," insert "tubes wholly or in chief value of paper, commonly used for holding yarn or thread, if parallel, 5 cents per pound and 25 per cent ad valorem; if tapered, 10 cents per pound and 35 per cent ad valorem."

Mr. SMOOT. Mr. President, I do not believe that is in order under the unanimous-consent agreement. It is an individual amendment, and when individual amendments can be offered, the Senator can offer the amendment.

The VICE PRESIDENT. The Chair is advised that this is an amendment to a committee amendment; and if so, it would be in order.

Mr. SMOOT. I did not so understand it from the reading of it. I may be mistaken.

The VICE PRESIDENT. The clerk will report the amendment again.

The amendment was again read.

Mr. WALSH of Montana. That would not be an amendment to the committee amendment.

Mr. SMOOT. Not at all.

Mr. WALSH of Montana. That would be an independent amendment.

Mr. SMOOT. Let the amendment again be read.

The amendment was again read.

The VICE PRESIDENT. The Chair will hold that the amendment is not in order at this time.

Mr. SWANSON. Mr. President, it seems we have made pretty fair progress, although slow progress, and I believe the Senate is in a position now to get a unanimous-consent agreement to limit debate on matters which have been debated as in Committee of the Whole. It does seem to me we ought to do that.

Mr. SMOOT. I hope to be able to work out something by to-morrow.

Mr. SWANSON. Every Senator with whom I have spoken has indicated a willingness to have debate limited to 10 minutes.

POLITICAL SITUATION IN ALABAMA

Mr. HEFLIN. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the New Age regarding myself and a statement from myself regarding the political situation in my State.

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

[From the New Age, a Masonic magazine, Washington, D. C., February 1930]

PRAISE FOR SENATOR HEFLIN—CREDIT GIVEN

The recent alleged disbandment of the Fascist League of North America caused considerable speculation as to the processes that were used to effect the dissolution of this seemingly strong group. As we are dealing with this matter in another column of comment, we will confine ourselves to a brief study of the situation.

The reader will recall that Secretary of State Stimson "investigated" the un-American league and gave it a clean bill of health. So far as he was concerned, American Fascism had never, by thought, word, or deed, committed any act contrary to pure American ethics. Apparently Mr. Stimson has overlooked a great deal in this respect, but we are not concerned at this writing with his opinion anent American Fascism.

The Fascist League of North America, it need not be thought for one moment, disbanded from motives purely patriotic. Their activities had reached a point that threatened a senatorial investigation. In the event that such an investiagtion were made it would, no doubt, have resulted in wholesale deportations. This, of course, would be exceedingly harmful to the cause of Fascism, so disbandment—or rather a gesture in that direction—resulted.

Perhaps no other man in the United States fought the un-American Fascist movement in this country, with its many avenues of propaganda, as conscientiously as did Senator J. THOMAS HEFLIN, of Alabama. But, strange to say, when the dissolution of the Fascist League was announced Mr. HEFLIN's name was not mentioned in the press. Mr. Stimson seemed to be receiving all the publicity. However, in the CONGRESSIONAL RECORD of January 13, 1930, appears a just tribute to the Alabama Senator's courageous fight offered by Representative ALBERT JOHNSON, of Washington. Mr. JOHNSON is chairman of the Committee on Immigration and Naturalization, and in a lengthy speech dealing with the restriction of immigration, during which his clear-cut statements drew repeated applause, he spoke of Mr. HEFLIN's notable work in opposing the Fascisti as follows:

"We owe something to a former colleague of ours, who sat in this Chamber years ago—HEFLIN, of Alabama—who has just accomplished something that your committee had tried to do.

"In extended hearings published in this volume we exposed the American Fascisti; the oath of allegiance to Mussolini; the fact the Sons of Italy in America in annual convention were only saved from giving a majority vote of allegiance to the dictator by the efforts of the order's president, Mr. Cotillo, now a New York State supreme judge. The 1,000 copies printed were snapped up by the members and the public. The testimony created little or no stir. Last November a magazine—Harpers, I believe—printed an exposure of the workings of the Fascisti in the United States of America.

"It attracted a little attention. The exposure would have been dead in a month but for this former colleague of ours, TOM HEFLIN. * * * I am proud that he had the power in the legislative body to read that entire article. He thundered it. He made the public wake and see beyond what was simply a part of our knowledge on the subject with no action taken. But HEFLIN made the dictator in Italy call back the Fascisti. Every Fascist organization in the United States has been closed. Their flags, their oaths to be first and to be forever Italians, even though naturalized here, are suppressed for the moment, thanks to that orator who, when he means business, shoots both barrels."

Mr. JOHNSON evidently believes in rendering credit where it is due and his tribute to the Senator from Alabama is no more than that solon deserves.

L. W.

Senator HEFLIN expresses the belief that the use of money and whisky on certain members of the State committee and outside influences are directly responsible for the action taken by the Alabama State committee, December 16, 1929.

He charges that one of those who participated as a member in the committee meeting and helped to arrange the primary plan for the State of Alabama was brought to Montgomery for that purpose from Norfolk, Va., and that he went there at the instance and at the expense of those who wanted done just what was done at the Montgomery meeting.

Here is his statement:

"One member of the State Democratic executive committee who voted to penalize Alabama Democrats who supported Hoover was R. W. Patrick, of Norfolk, Va. He had no right to participate in the meeting held at Montgomery, Ala., December 16, 1929.

"The Virginia record shows that this same R. W. Patrick paid his poll tax at Norfolk, Va., and became a qualified voter of that State in 1928. This same R. W. Patrick's name appears in the State poll tax list of qualified voters in the city of Norfolk, Va., issued December 10, 1929, just six days before Patrick went to Montgomery, Ala., and declared himself to be a qualified voter of the State of Alabama by participating in the proceedings of the Alabama State committee and casting his vote to penalize and punish Democrats who did not support Smith. This is but one of the many ugly spots in the trickery and corruption employed by the Roman-Tammany bunch to "get me" and humiliate and punish other Alabama Democrats who did not support Smith."

RECESS

Mr. SMOOT. 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 p. m.), under the order previously entered, took a recess until to-morrow, Friday, March 14, 1930, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

THURSDAY, *March 13, 1930*

The House met at 12 o'clock noon.

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

O God, our Father, give all of us some small, sweet way to inspire some life and send it on its way rejoicing. Make the ordinary things of each day subservient, and keep us heroic and eager by the romance of spirituality which may enter our commonest tasks. Oh, if life is of high value to us, it must come out of the living present and must throb with the blood of our daily lives. Father of mercy, forgive our sins and blot them out, not only in Thy book of remembrance but out of our minds and

hearts. Clothe us with a deep sense of our responsibility, and may we faithfully and wisely fulfill the mission Thou hast given us. In the name of Christ, our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Crockett, its Chief Clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 4767. An act to authorize sale of iron pier in Delaware Bay near Lewes, Del.;

H. R. 7971. An act to extend the times for commencing and completing the construction of a bridge across the French Broad River on Tennessee Highway No. 9 near the town of Bridgeport, in Cocke County, Tenn.;

H. R. 8287. An act granting the consent of Congress to the State Highway Commission of Virginia to maintain a bridge already constructed across the Shenandoah River in Clarke County, Va., United States route No. 50; and

H. R. 9180. An act to legalize a bridge across the Roanoke River at or near Weldon, N. C.

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

H. R. 9979. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 3502. An act granting the consent of Congress to the State of Illinois to construct a bridge across the Little Calumet River, on Ashland Avenue near One hundred and thirty-fourth Street, in Cook County, State of Illinois;

S. 3503. An act granting the consent of Congress to the State of Illinois to widen, maintain, and operate the existing bridge across the Little Calumet River on Halsted Street near One hundred and forty-fifth Street, in Cook County, State of Illinois;

S. 3504. An act granting the consent of Congress to the State of Illinois to construct a bridge across the Little Calumet River on Ashland Avenue near One hundred and fortieth Street, in Cook County, State of Illinois;

S. 3505. An act to legalize a bridge across the Pecatonica River at Freeport, Ill.;

S. 3506. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a bridge across the Rock River at or near Prophetstown, Ill.;

S. 3579. An act authorizing per capita payments to the Shoshone and Arapahoe Indians;

S. 3621. An act granting a right of way across the land of the United States for bridge purposes over the Louisiana and Texas Intracoastal Waterway;

S. 3745. An act to extend the times for commencing and completing the construction of a bridge across the Cumberland River at or near Smithland, Ky.;

S. 3747. An act to extend the times for commencing and completing the construction of a bridge across the Tennessee River at or near the mouth of Clarks River; and

S. J. Res. 151. Joint resolution to authorize the Secretary of the Interior to deliver water during the irrigation season of 1930 on the Uncompahgre project, Colorado.

The message also announced that the Vice President had appointed Mr. DALE and Mr. MCKELLAR members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the United States Civil Service Commission.

The message also announced that the Vice President had appointed Mr. NYE and Mr. PITTMAN members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments." for the disposition of useless papers in the Interior Department.

ADDRESS OF THE PRESIDENT OF THE UNITED STATES

Mrs. RUTH PRATT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein a speech delivered by the President of the United States over the radio on March 10 in behalf of the Boy Scouts of America.

The SPEAKER. The gentlewoman from New York asks unanimous consent to print in the RECORD an address delivered by the President of the United States to the Boy Scouts. Is there objection?

There was no objection.

Mrs. RUTH PRATT. Speaking at the dinner given by the Boy Scouts of America, the President said:

You have met in the special interest of boys. I am a willing ally in that interest. There is no feeling of exclusion of their sisters from our concern, but their similar problems are to be considered elsewhere.

Together with his sister the boy is the most precious possession of the American home. I sometimes think that one of the sad things of life is that they will grow up. Literature and lore have established our boys invaried relations to life: As a growing animal of superlative promise, to be fed and watered and kept warm; as a periodic nuisance; as a joy forever; as the incarnation of destruction; as the father of the man; as the child of iniquity; as the problem of our times and the hope of the Nation.

In any event he is a complex of cells teeming with affection, filled with curiosity as to every mortal thing; radiating sunlight to all the world; endowed with dynamic energy and the impelling desire to take exercise on all occasions. He is a perpetual problem to his parents, and the wisdom in his upbringing consists more often in the determination of what to do with him next rather than in what he shall do when he goes out into the cold world.

The problem that we are considering here is not primarily a system of health or education or morals. It is what to do with him in his leisure time that will, of course, contribute to his health and his education and his morals, but in the main what will direct his interests to constructive joy instead of destructive glee and will yield him constructive joy for the balance of his life.

The Declaration of Independence calls special attention to him and his sister in the reference to the inalienable right to liberty and pursuit of happiness. At least in the practical workings of the Republic we find it easier to realize these rights for boys than we do for the grown-up, tax-paying citizen.

As civilization becomes more complex, and as the number of human beings per acre increases, as we live more and more in towns and cities than in the countryside, and as the necessity of submitting to all forms of mechanical device carries us further and further from the simpler and more primitive forms of life, we are unconsciously decreasing liberty for boys and diminishing the opportunities for pursuit of happiness, because the boy is a primitive animal and takes to primitive life. His true life should be one of discovery, adventure, and great undertakings not to be found in either the squalor of the tenement house or the drawing room of palatial apartments.

The Boy Scout movement has opened for him the portals to adventure and constructive joy by reviving the lore of the frontier and the campfire; by establishing contacts with the birds and sometimes with the bees; by matching his patience to the deliberative character of fish; by efficient operation of the swimming hole; and by peeps into the thousand mysteries of the streams, the trees, and the stars. And it is more than this. By the promotion of sense of sportsmanship it builds character. Contest and competition with zeal, but without unfair advantage and without bitterness; restraint that remarks nothing of others which can not be at once forgiven; willingness to subordinate one's self into the teamwork for the common aim—that is sportsmanship.

There can not be boy scouts without organization and leaders.

And by leaders I include particularly those devoted men who as troop leaders become the inspiration and friends of boys and upon whom rests the responsibility of actually administering constructive joy.

Through its organization our boys learn of discipline; they learn the unity of effort, cooperation, and the democracy of play and work; they learn of the duties and satisfactions of service. All of these are the foundations of life, the basis of liberty and happiness, the safeguards against destructive joy in the grown-up life hereafter.

The priceless treasure of boyhood is his endless enthusiasm, his store of high idealism, and his fragrant hopes. His is the plastic period when indelible impressions must be made if we are to continue a successful democracy. We assure ourselves that the cure of illiteracy and the fundamentals of education to be the three R's—readin', rightin', and 'rithmetic. To this we must add one more R, and that is responsibility—responsibility to the community—if we are not to have illiteracy in government. The conviction that every person in the Republic owes a service to the Republic; that the Republic rests solely upon the willingness of everyone born in it to bear his part of the duties and obligations of citizenship is as important as the ability to read and write—that is the only patriotism of peace.

The idea that the Republic was created solely for the benefit of the individual is a mockery that must be eradicated at the first dawn of understanding. It is true that many of our schools have recognized

this obligation. It is true that our teachers are guiding our children in the first steps of democracy, but I know of no agency that can be more powerful in support of this purpose than the scout movement. If we look over the Republic to-day, we find many failures in citizenship—we find many betrayals of those who have been selected to leadership. I can not conceive that these failures would take place if every citizen who went to the polls was a good "scout" and every official who was elected had ever been a real boy scout.

I give you a powerful statistic. There are about 1,000,000 boy scouts in the United States. There is raw material for 10,000,000 more.

EXTENSION OF REMARKS

Mrs. RUTH PRATT. Mr. Speaker, I ask unanimous consent also to extend my remarks in the RECORD by printing therein a communication received by me from the Merchants' Association of New York.

The SPEAKER. The gentlewoman from New York asks unanimous consent to extend her remarks in the RECORD by printing a communication received by her from the Merchants' Association of New York. Is there objection?

Mr. UNDERHILL. Mr. Speaker, I object.

Mr. PEAVEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a letter received from a daily newspaper in my district and my reply thereto.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the RECORD by printing therein a letter received by him from a newspaper in his district and his reply thereto. Is there objection?

Mr. UNDERHILL. Mr. Speaker, I object.

IMMIGRATION—MINORITY VIEWS ON H. R. 10343

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that the minority members of the Committee on Immigration may have five days from the filing of the majority report, which I understand will be to-day, within which to file minority views on the bill H. R. 10343.

The SPEAKER. The gentleman from New York asks unanimous consent that the minority members of the Committee on Immigration may have five days within which to file minority views on the bill H. R. 10343. Is there objection?

There was no objection.

RETIREMENT LEGISLATION

Mr. LEHLBACH. Mr. Speaker, I ask unanimous consent to have ordered a reprint of the bill (S. 15) 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, with the accompanying amendment. I make this request at the suggestion of the superintendent of the document room. All copies of the bill have been exhausted and no authority exists for a reprint without an order of the House. There are great demands from Members and others who are entitled to receive copies of the bill for such copies.

The SPEAKER. The gentleman from New Jersey asks unanimous consent for a reprint of the bill S. 15, with the accompanying amendment. Is there objection?

Mr. GARNER. Mr. Speaker, reserving the right to object, that only goes to the limit provided under the rule?

Mr. LEHLBACH. Yes; that is under the rule.

The SPEAKER. Is there objection?

There was no objection.

FIRST DEFICIENCY APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9979) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes, with Senate amendments thereto, disagree to all of the Senate amendments, and ask for a conference, and the appointment of House conferees.

The SPEAKER. The gentleman from Indiana asks unanimous consent to take from the Speaker's table the bill H. R. 9979, with Senate amendments thereto, disagree to all of the Senate amendments, and ask for a conference. The Clerk will report the bill.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection?

Mr. GARNER. Mr. Speaker, reserving the right to object, has the gentleman from Indiana discussed the advisability of sending this bill to conference with the gentleman from Tennessee [Mr. BYRNS] or the gentleman from Texas [Mr. BUCHANAN]?

Mr. WOOD. I have not.

Mr. GARNER. Mr. Speaker, I wish the gentleman from Indiana would withhold his request for the moment until he can confer with these gentlemen with reference to sending this bill to conference. This bill contains an appropriation put on in the Senate as I understand it of $100,000,000 for the Farm Board. Examining the record this morning I find there was no hearing on that item, nothing in the record except the language of the Budget in sending the item up to the Congress. It occurs to me, and I think it will to other members of the House, when they recall the history of it, that we ought to have some information as to the necessities of that board. While I am on my feet let me say to the gentleman from Indiana that at the time the conference was held and we agreed to reduce taxation by $160,000,000, it was stated by the Undersecretary of the Treasury, or by the Secretary himself, I do not recall which at the moment, that the necessities of the Farm Board would require $200,000,000 additional appropriation in this Congress.

I want to know why the necessities of the board have been reduced since December from $200,000,000 to $100,000,000. Without any hearing in the Senate, without any opportunity for investigation, it seems to me that the gentleman from Indiana ought to consider the propriety of taking this bill to his committee and ascertaining some of the facts with reference to this item. I ask the gentleman to withhold his request until the gentleman from Tennessee [Mr. BYRNS] and the gentleman from Texas [Mr. BUCHANAN] can be consulted about the matter.

Mr. WOOD. Mr. Speaker, I have no objection to withholding my request, and I will withhold it and have the consultation spoken of. There is a very great necessity why this bill should be passed, if it is to be passed, very quickly, because there are many activities of the Government that are now in distress on account of this deficiency bill not having passed at an earlier date.

Mr. GARNER. While I realize that some of these items should become law at an early date, yet I take it that 24 hours would not be an unreasonable time in which to consider the matter.

Mr. WOOD. Mr. Speaker, I will withdraw the request for the present and will renew it later in the day.

Mr. GARNER. I hope the gentleman will consider the matter and look over the record and consider the question of getting some information for this House and for the country on the necessity of the Farm Board, and what is the reason for the $100,000,000 at this time.

Mr. WOOD. I agree with the gentleman on that proposition. It was the intention of the Committee on Appropriations of the House to have made some investigation upon this request for $100,000,000 and the statement that they would need $100,000,000. But we assumed that hearings were held over in the other body.

Mr. GARNER. But there were no hearings, and the chairman of the Senate committee said that he knew nothing about it except the recommendation of the Budget. If you take testimony you must take it before your committee. It is not often that you summon witnesses before a joint conference?

Mr. WOOD. No.

Mr. GARNER. Then it seems to me advisable to get these facts before you go to conference.

Mr. WOOD. Mr. Speaker, I withdraw the request for the time being.

STATISTICS CONCERNING DEBENTURES ON FARM PRODUCTS

Mr. RAMSEYER. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. RAMSEYER. Mr. Speaker, I asked for this time in order to get permission to insert certain tables in the RECORD showing the burdens on the Treasury, on the one hand, and the benefits to the different agricultural commodities, on the other hand, of the Senate debenture amendments in the pending tariff bill. I do not at this time wish to discuss the merits or demerits of the debenture. The tables can be used later for study and discussion, either for or against the debenture proposal.

The agricultural commodities in these tables are in three groups: First, agricultural commodities and manufactured food

products, containing 135 items; second, tobacco and tobacco manufactures, containing 6 items; and, third, cotton and cotton manufactures, containing 64 items.

I ask unanimous consent, Mr. Speaker, to extend my remarks by printing these tables in the RECORD and also a letter which I have here from the chairman of the Tariff Commission explaining the tables.

Heretofore there have been estimates on the costs and benefits of the debenture, which were largely guesses. It occurred to me we should have something more reliable and accurate. So about a month ago I called on the Tariff Commission for such reliable and accurate information. I received these tables a few days ago.

The SPEAKER. The gentleman from Iowa asks unanimous consent to extend his remarks in the RECORD by printing the tables referred to, including the letter from the Tariff Commission. Is there objection?

Mr. JONES of Texas. Reserving the right to object, Mr. Speaker, I wish to ask if these tables were prepared by the Tariff Commission?

Mr. RAMSEYER. They were.

Mr. JONES of Texas. What period do they cover?

Mr. RAMSEYER. I am glad the gentleman asked that question. They are based on the exports for the calendar year 1929. Instead of using the tariff rates of existing law I asked the commission to use the rates in the House tariff bill.

Mr. JONES of Texas. That debenture amendment was put on in the Senate bill rather than on the rates as established here?

Mr. RAMSEYER. Of course, the debenture has general application to any rate in the tariff law when the debenture operates. But at my request the commission took the rates in the House bill, because that will present a more accurate picture of costs and benefits if the pending tariff bill with the debenture becomes law.

Mr. JONES of Texas. I take it that these tables are carried on the assumption that the debenture on all these items would be effectively in operation all the time.

Mr. RAMSEYER. The Norris amendment makes the operation of the debenture optional with the Federal Farm Board. However, there is pending in the Senate the Brookhart amendment to make the debenture operation mandatory on the exports of all agricultural commodities. The tables give the effect of the operation of the debenture on each agricultural commodity separately. If you want the costs and benefits of the debenture, either on all or any one or more agricultural commodities, you can readily get the desired information by consulting these tables. If you want the figures on all, the tables give them. If you want the figures on wheat, cattle, cotton, or tobacco, or any other agricultural product, all you will have to do is to consult the tables.

Mr. JONES of Texas. On the assumption, of course, that the House rates were in effect?

Mr. RAMSEYER. Yes.

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

Mr. RAMSEYER. Yes.

Mr. COLE. In these computations has consideration been given to possible countervailing duties?

Mr. RAMSEYER. No.

Mr. COLE. That would affect the practical outcome very seriously?

Mr. RAMSEYER. It might. My purpose in presenting these tables is not to furnish ammunition for or against the debenture. I simply want to get the facts before the House, so that if this proposition comes before the House for consideration again, the House will have the accurate information at hand to intelligently discuss and consider the debenture proposed.

Mr. COLE. Those who seek to secure benefits under this debenture must take into consideration the laws of other countries and the effect of such laws on the operation of the debenture, should they not?

Mr. RAMSEYER. That matter can be discussed when the debenture proposal comes again before this House for final action.

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

Mr. RAMSEYER. Yes.

Mr. KETCHAM. May I ask the gentleman what was the source of the tables? Who prepared them?

Mr. RAMSEYER. The experts in the Tariff Commission. I called upon the chairman of the Tariff Commission to furnish the data contained in these tables. The tables I have here and which I intend to have printed in the RECORD are the work of the agricultural experts in the Tariff Commission.

Mr. KETCHAM. From the gentleman's examination was he inclined to think that they were prepared with absolute impartiality?

Mr. RAMSEYER. I do not think there is any question about that.

Mr. KETCHAM. The gentleman knows they can be so prepared.

Mr. RAMSEYER. There is nothing like that in these tables. There is nothing in them but facts and figures. They were not prepared as an argument either for or against the debenture proposal.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Following are the matters inserted by Mr. RAMSEYER:

UNITED STATES TARIFF COMMISSION,
Washington, March 6, 1930.

Hon. C. W. RAMSEYER,
House of Representatives, Washington, D. C.

MY DEAR MR. RAMSEYER: In response to your request of February 25 for an estimate of the cost to the Treasury of the Brookhart substitute for the Norris debenture amendment to the tariff bill, H. R. 2667, we are sending you the inclosed tabulation.

The Brookhart and Norris amendments alike provide that the debenture rate upon a manufactured food product of an agricultural commodity or upon a manufacture of cotton or tobacco shall be an amount sufficient, as nearly as may be, to equal the debenture that would be issuable upon the exportation of the quantity of the raw material consumed in the manufacture of such product.

In the inclosed tabulation we have attempted to roughly estimate for cotton and tobacco manufactures, as best we could on the basis of statistics available, the amounts of the debenture according to the Brookhart and Norris formula. But for manufactured food products, in accordance with your suggestions to Mr. Juve and Mr. Lewis, we have merely used in each case the rate of duty provided in the House bill on such food products as the basis of calculating the rate of the debenture.

In making up this table we have gone over the entire table of exports during the calendar year 1929 and have segregated all agricultural commodities, manufactured food products of agricultural commodities, cotton and cotton products, and tobacco and tobacco products. Throughout, we have taken the rates in H. R. 2667 as passed by the House as the basis for calculating the debenture rates, the only exception being that of cotton, for which the amendments provide a basic debenture rate of 2 cents per pound of raw cotton.

As indicated in the note on the table, deduction has been made for exports of wheat flour made in bonded mills from foreign wheat. No attempt has been made to account similarly for any other manufactures of foreign raw material.

In calculating the debentures no account has been taken of the Cuban preferentials.

As appears in the notes on the table the lack of sufficiently detailed statistics has necessitated the making of a number of assumptions and estimates.

The estimated debenture payable on agricultural commodities and manufactured food products amounts to $89,000,000; on cotton and cotton manufactures to $87,000,000; and on tobacco and tobacco manufactures to $104,000,000. The total debenture on all products included in the Brookhart substitute amounts to $280,000,000.

If we can be of further service to you in this connection, please let us know.

With kind personal regards, I am sincerely yours,

E. B. BROSSARD, *Chairman.*

Proposed export debenture rates applied to exports of agricultural products and manufactures thereof, calendar year, 1929 [1]

1. AGRICULTURAL COMMODITIES AND MANUFACTURED FOOD PRODUCTS

Commodity	Unit of quantity	Paragraph No. of House bill	Tariff classification of commodity, the rate on which is used	Tariff rates	Exports, 1929		Debenture cost	Notes
					Quantity	Value		
Hogs	Number	703	Hogs	2 cents per pound	27,017	$464,998	$67,542	On assumption of average weight of 250 pounds per head.
Sheep	do	702	Sheep	$3 per head	15,431	211,770	23,146	
Poultry, live	Pound	711	Poultry, live	6 cents per pound	448,611	301,301	13,458	
Beef and veal, fresh	do	701	Beef and veal, fresh	do	2,917,859	661,669	87,536	
Beef and veal, pickled or cured	do	706	Meats preserved	6 cents per pound but not less than 20 per cent.	10,824,870	1,321,002	324,746	
Pork:								
Fresh	do	703	Pork, fresh	2½ cents per pound	13,539,070	2,169,025	169,238	
Wiltshire sides; shoulders, sides, and hams.	do	703	Other pork, prepared or preserved	3¼ cents per pound	5,039,034	717,892	818,843	
Hams and shoulders, cured	do	703	Hams and shoulders	do	125,796,826	26,461,981	2,044,198	
Bacon	do	703	Bacon	do	138,423,370	20,850,928	2,249,380	
Cumberland sides	do	703	Other pork, prepared or preserved	do	5,858,054	1,123,875	95,193	
Pickled	do	703	do	do	44,787,116	6,403,050	727,791	
Mutton and lamb	do	702	Mutton, fresh Lamb, fresh	5 cents per pound 7 cents per pound	835,411	210,807	27,569	On assumption that exports are 80 per cent lamb, 20 per cent mutton.
Sausage, not canned	do	706	Meats, preserved	6 cents per pound, but not less than 20 per cent.	3,724,042	1,124,153	112,415	Calculated on the ad valorem rate.
Canned meats:								
Beef	do	706	do	do	2,606,162	945,462	94,546	Do.
Pork	do	703	Pork, prepared or preserved	3¼ cents per pound	10,239,914	3,694,820	166,399	
Sausage	do	703	do	do	2,139,100	706,424	34,760	
Other	do	706	Meats preserved	6 cents per pound, but not less than 20 per cent.	2,266,448	614,887	67,993	Calculated on the specific rate.
Poultry and game, fresh	do	712	Chicken, ducks, geese, and guineas Turkeys	8 cents per pound 10 cents per pound	2,472,574	842,303	98,903	Assuming exports are all chickens.
Other meats (including edible offal)	do	706	Meats preserved	6 cents per pound, but not less than 20 per cent.	41,422,103	4,610,789	1,242,663	Calculated on the specific rate.
Sausage casings:								
Hog casings	do	1756	Sausage casings	Free				
Beef casings	do	1756	do	do				
Other casings	do	1756	do	do				
Oleo oil	do	701	Oleo oil	1 cent per pound	68,208,850	7,501,270	341,044	
Oleo stock	do	701	Tallow	One-half cent per pound	8,095,202	859,633	20,238	
Tallow	do	701	do	do	3,840,020	326,851	9,600	
Lard	do	703	Lard	3 cents per pound	847,867,918	107,976,396	12,718,019	
Lard compounds containing animal fats	do	703	Lard compounds and lard substitutes	5 cents per pound	3,632,219	457,229	90,805	
Oleo and lard stearin	do	701	Oleo oil	1 cent per pound	3,930,682	440,075	19,653	
Oleomargarine of animal or vegetable fats.	do	709	Oleomargarine	14 cents per pound	901,625	152,401	63,114	
Milk and cream:								
Fresh and sterilized	Gallon	707	Whole milk	5 cents per gallon	180,217	103,571	4,505	
Condensed, sweetened	Pound	708	Milk, condensed or evaporated, sweetened.	2¼ cents per pound	41,242,812	6,459,419	463,982	
Evaporated	do	708	Milk, condensed or evaporated, unsweetened.	1.4 cents per pound	68,942,613	6,844,208	482,598	
Dried	do	708	Dried whole milk	4¾ cents per pound	5,342,301	1,366,794	126,880	
Butter	do	709	Butter	14 cents per pound	3,724,245	1,750,278	260,697	
Cheese	do	710	Cheese	7 cents per pound, but not less than 35 per cent.	2,646,009	735,333	128,683	Calculated on the ad valorem rate.
Infants' foods, malted milk, etc	do	708	Malted milk and compounds or substitutes for milk or cream.	30 per cent ad valorem	2,126,136	655,844	98,377	
Eggs in the shell	Dozen	713	Eggs of poultry, in the shell	10 cents per dozen	12,074,830	4,081,363	603,742	
Eggs and yolks, frozen, dried, and canned.	Pound	713	Whole eggs, egg yolk, and egg albumen, frozen.	8 cents per pound	325,706	61,644	13,028	
Meat extracts and bouillon cubes	do	705	Extract of meat, including fluid	15 cents per pound	185,116	400,077	13,884	
Gelatin	do	42	Edible gelatin, valued at 40 cents or more per pound.	20 per cent and 7 cents per pound	269,620	168,696	26,306	
Hides and skins, raw:								
Cattle hides	do	1530	Hides, cattle	10 per cent	22,544,535	3,516,494	175,825	
Calf skins	do	1530	do	do	6,977,438	1,539,559	76,978	
Sheep and goat skins	do	1766	Skins of all kinds, raw, and hides, n. s. p. f.	Free				
Other hides and skins	do	1766	do	do				
Horses other than breeding	Number	714	Valued at not more than $150 per head Valued at more than $150 per head	$30 per head 20 per cent ad valorem	7,358	722,202	110,370	Assuming all exports valued at not more than $150 per head.
Mules, asses, and burros	do	714	do	$30 per head 20 per cent ad valorem	15,295	1,812,965	229,425	Do.
Barley	Bushel	722	Barley	20 cents per bushel (48 pounds)	29,523,077	24,154,866	2,952,308	
Malt	do	722	Barley malt	40 cents per 100 pounds	3,380,783	3,334,438	229,893	Assuming 34 pounds per bushel.
Buckwheat	do	723	Buckwheat	25 cents per 100 pounds	191,141	212,981	11,468	Assuming 48 pounds per bushel.

Corn	Bushel	724	Corn	25 cents per bushel (56 pounds)	33,745,270	34,058,510	4,218,159	
Corn meal	Barrel	724	Corn meal	50 cents per 100 pounds	267,121	1,330,468	130,889	Assuming 196 pounds per barrel.
Hominy and corn grits	Pound	724	Corn grits	do	14,383,857	304,761	35,960	
Corn breakfast foods ready to eat	do	732	Cereal breakfast foods	20 per cent ad valorem	6,157,114	525,341	52,534	
Oats	Bushel	726	Oats	15 cents per bushel (32 pounds)	6,608,727	3,389,111	495,655	
Oatmeal, flaked and rolled oats	Pound	726	Oatmeal and rolled oats	80 cents per 100 pounds	81,245,501	4,220,140	324,982	
Rice	do	727	Rice	1¼ cents per pound	315,441,412	12,129,009	1,971,509	
Rice flour, meal and broken rice	do	727	Broken rice, rice meal, flour, polish and bran.	Five-eights cents per pound	70,593,596	1,980,679	220,605	
Rye	Bushel	728	Rye	15 cents per bushel (56 pounds)	3,433,576	3,612,596	257,518	
Rye flour	Barrel	728	Rye flour and meal	45 cents per hundredweight	14,764	84,699	6,511	Do.
Wheat	Bushel	729	Wheat	42 cents per bushel (60 pounds)	90,129,600	111,500,615	18,927,216	
Wheat flour	Barrel	729	Wheat flour	$1.04 per hundredweight	13,663,457	80,788,765	10,633,038	Assuming 196 pounds per barrel; obtained by deducting $3,292,757; debenture on export of wheat flour made from foreign wheat from original total of $13,925,795.
Biscuits and crackers:								
Plain	Pound	733	Biscuits, etc	30 per cent ad valorem	6,743,348	1,114,887	167,233	
Sweetened	do	733	do	do	3,874,556	916,221	137,433	
Macaroni, etc	do	725	Macaroni, etc., containing no eggs	2 cents per pound	10,740,479	925,004	107,405	
Wheat breakfast foods ready to eat	do	732	Cereal breakfast foods	20 per cent ad valorem	1,961,627	181,511	18,151	
Wheat breakfast foods to be cooked	do	732	do	do	1,242,040	140,740	14,074	
Cereal foods, n. e. s	do	732	Cereal breakfast foods, etc	do	4,638,529	496,361	49,636	
Other grains and preparations	do	732	Cereal preparations	do	12,373,749	952,442	95,244	
Hay	Ton	777	Hay	$4 per short ton	11,073	267,046	24,804	
Kaffir and milo	Bushel	1558	Raw product, n. s. p. f	10 per cent	2,694,978	2,337,928	116,896	
Beans, dried	do	763	Beans, dried	2½ cents per pound	291,218	1,162,488	218,414	Assuming 60 pounds per bushel.
Peas, dried	do	767	Peas, dried	1¾ cents per pound	114,320	483,963	58,017	Assuming 58 pounds per bushel.
Potatoes, white	do	769	Potatoes, white or Irish	75 cents per 100 pounds	2,734,530	3,223,436	615,269	Assuming 60 pounds per bushel.
Onions	do	768	Onions	2 cents per pound	580,273	786,507	330,756	Assuming 57 pounds per bushel.
Other fresh vegetables	do	772	Vegetables, all other	50 per cent	199,043,905	6,340,092	1,585,023	
Vegetables, canned:								
Asparagus	Pound	73	Vegetables, prepared or preserved, n. s. p. f.	35 per cent ad valorem	22,834,475	3,544,726	620,327	
Baked beans and pork and beans	do	763	Beans, prepared or preserved	3 cents per pound	7,664,894	667,013	114,973	
Corn	do	773	Vegetables, prepared or preserved, n. s. p. f.	35 per cent ad valorem	8,366,230	629,133	110,098	
Peas	do	767	Peas, prepared or preserved	2 cents per pound	8,384,573	739,789	83,846	
Soups	do	773	Soups	35 per cent	28,751,205	2,722,575	476,451	
Tomatoes	do	770	Tomatoes, prepared or preserved	40 per cent	4,674,113	340,078	68,016	
Other canned vegetables	do	773	Vegetables, prepared, n. s. p. f	35 per cent	13,126,129	808,444	141,478	
Pickles	do	773	do	35 per cent ad valorem	4,136,192	386,367	67,614	
Catsup and other tomato sauces	do	773	Vegetables, prepared or preserved	35 per cent	11,014,301	1,490,084	260,765	
Other sauces and relishes	do	773	Vegetables, preserved, n. s. p. f	do	3,732,241	769,847	134,723	
Vinegar	Gallon	738	Vinegar	6 cents per gallon	318,511	167,680	9,555	
Yeast	Pound	24	Unenumerated manufactured article	20 per cent	3,584,074	652,894	65,289	
Other vegetable preparations	do				2,969,034	411,648		No corresponding rate.
Grapefruit	Box	743	Grapefruit	1½ cents per pound	976,264	3,619,743	512,539	Assuming 70 pounds per box.
Lemons	do	743	Lemons	2 cents per pound	266,358	1,410,485	197,105	Assuming 74 pounds per box.
Oranges	do	743	Oranges	1 cent per pound	5,510,514	18,745,561	1,928,680	Assuming 70 pounds per box.
Pineapples	do	746	Pineapples, per crate of 2.45 cubic feet	35 cents per crate	50,791	149,126	8,888	
Apples:								
In boxes	do	734	Apples	25 cents per bushel of 50 pounds	9,452,588	20,671,242	992,522	Assuming 42 pounds ber box.
In barrels	Barrel				2,467,948	12,467,077	1,011,859	Assuming 3.28 bushels per barrel.
Berries	Pound	736	Berries	1¼ cents per pound	14,728,517	1,424,832	92,053	
Grapes	do	742	Grapes	25 cents per cubic foot	47,306,879	2,463,724	153,747	Duty, 0.65 cent per pound.
Pears	do	748	Pears	½ cent per pound	69,995,885	4,831,872	174,990	
Peaches	do	745	Peaches	do	19,947,316	806,111	49,868	
Other fresh fruit	do	750	Other fresh fruit	35 per cent	58,955,119	2,070,470	362,332	
Dried and evaporated fruits:								
Pears	do	748	Pears, dried	2 cents per pound	4,576,466	573,302	45,765	
Raisins	do	742	Raisins	do	149,686,659	8,390,051	1,496,867	
Apples	do	734	Apples, dried	do	37,889,187	4,633,108	378,892	
Apricots	do	735	Apricots, dried	do	21,264,616	3,515,207	212,646	
Peaches	do	745	Peaches, dried	do	7,785,897	842,091	77,859	
Prunes	do	747	Prunes, dried	One-half cent per pound	197,227,583	14,837,915	493,069	
Other, dried and evaporated	do	750	Fruits, dried, n. s. p. f	35 per cent	13,568,690	1,489,398	260,645	
Canned fruits:								
Berries	do	736	Berries, edible, prepared or preserved	35 per cent ad valorem	12,684,141	1,307,719	228,851	
Apples and applesauce	do	734	Apples otherwise prepared or preserved.	2½ cents per pound	22,963,281	1,185,349	287,041	
Apricots	do	735	Apricots otherwise prepared or preserved.	35 per cent ad valorem	30,246,105	2,947,925	515,887	
Cherries	do	737	Cherries, prepared or preserved in any manner.	5½ cents per pound and 40 per cent	2,069,091	353,039	127,508	
Prunes	do	747	Prunes, otherwise prepared or preserved.	35 per cent	2,616,486	264,293	46,251	
Peaches	do	745	Peaches, otherwise prepared or preserved.	do	90,040,895	8,315,560	1,455,223	
Pears	do	748	Pears, otherwise prepared or preserved	do	56,075,297	6,241,697	1,092,297	
Pineapples	do	746	Pineapples, otherwise prepared or preserved.	2 cents per pound	46,153,359	4,557,493	461,534	
Fruits for salad	do				33,874,645	5,139,561		No corresponding rate.
Other canned fruits	do				10,643,848	1,051,967		Do.

[1] Upon request the debenture rates upon manufactured food products have been calculated at one-half the duty on such products in H. R. 2667 as passed by the House instead of at the rates on the basic material raw as proposed in the Norris and Brookhart amendments.

Proposed export debenture rates applied to exports of agricultural products and manufactures thereof, calendar year 1929—Conntiued

1. AGRICULTURAL COMMODITIES AND MANUFACTURED FOOD PRODUCTS—continued

Commodity	Unit of quantity	Paragraph No. of House bill	Tariff classification of commodity, the rate on which is used	Tariff rates	Exports, 1929		Debenture cost	Notes
					Quantity	Value		
Preserved fruits, jellies, and jams	Pound	749	Jellies, jams, marmalades	35 per cent	2,413,139	$455,325	$79,682	
Other fruit preparations	do	750	Fruits otherwise prepared or preserved	do	23,915,146	1,225,209	214,412	
Peanuts	do	757	Peanuts {Shelled / Unshelled	7 cents per pound / 4¼ cents per pound	4,880,038	408,004	154,026	Assuming an average of 75 per cent shelled, 25 per cent not shelled, the ratio of imports into Canada from United States, fiscal year 1929.
Other nuts	do				6,020,135	1,072,886		No corresponding rate.
Cottonseed oil:								
Crude	do	55	Cottonseed, oil	3 cents per pound	19,172,131	1,542,241	287,582	
Refined	do		do	do	6,902,890	845,415	103,543	
Corn oil	do	54	Oils, n. s. p. f.	20 per cent	315,255	42,329	4,233	
Vegetable-oil lard compounds	do	703	Lard compounds and lard substitutes	5 cents per pound	6,342,631	866,597	158,566	
Other edible vegetable oil and fats	do				3,893,049	616,804		Do.
Molasses	Gallon	502	Testing not above 48 per cent total sugar. / Testing above 48 per cent total sugar	3.3 cents per gallon / 6 cents additional each per cent total sugars.	8,577,399	768,897	450,313	Assuming an average of 60 per cent.
Honey	Pound	716	Honey	3 cents per pound	8,675,707	775,340	130,136	
Glucose (corn sirup)	do	503	Dextrose	2 cents per pound	118,523,086	4,412,137	1,185,231	
Grape sugar (corn sugar)	do	503	do	do	7,238,983	268,664	72,390	
Sirup, including maple	do	503	Maple sirup	5 cents per pound	3,175,595	972,814	79,390	
Cornstarch and corn flour	do	85	Starches, n. s. p. f.	1½ cents per pound	235,041,590	8,857,751	1,762,812	
Other starch	do	85	Potato starch	2½ cents per pound	3,779,129	181,513	47,239	
Broomcorn	Long ton	777	Broomcorn	$10 per short ton	4,371	597,292	24,478	
Hops	Pound	778	Hops	24 cents per pound	7,677,157	1,383,841	921,259	
Wool and mohair, unmanufactured	do	1102	Wool in the grease of washed per pound of clear content.	34 cents per pound	239,336	87,592	19,123	Assuming exports are of 47 per cent clear content.
Agricultural total							89,063,140	

2. TOBACCO AND TOBACCO MANUFACTURES

Commodity	Unit of quantity	Paragraph No., House bill	Tariff classification on commodity, the rate on which is used	Tariff rate	Conversion factor	Exports, 1929		Equivalent exports of raw materials	Debenture cost	Notes
						Quantity	Value			
Leaf tobacco	Pound	601	Filler tobacco, if unstemmed.	35 cents per pound.		555,415,451	$145,810,570		$97,197,704	
Stems, trimmings, and scrap tobacco	do	601	do	do	1.000	10,549,278	318,904		1,846,124	Debentures on tobacco products have been calculated on the basis of equivalent exports of leaf tobacco at the leaf-tobacco debenture rate.
Cigarettes	Thousand	601	do	do	(2)	8,455,851	16,706,421	[3] 24,099,175.35	4,217,356	
Chewing tobacco, plug and other	Pound	601	do	do	.759	3,885,754	1,944,027	2,949,287.29	516,125	
Smoking tobacco	do	601	do	do	.759	1,120,235	733,565	850,258.36	148,795	
Other tobacco manufactures	do	601	do	do	.759	197,734	111,273	150,080.11	26,264	
Total									103,952,368	

[2] 2.85 pounds per 1,000.

[3] Pounds.

3. COTTON AND COTTON MANUFACTURES

Commodity	Unit of quantity	Basic commodity for which rate is taken	Debenture rate	Conversion factor	Exports, 1929		Equivalent exports of raw materials	Debenture costs	Notes
					Quantity	Value			
Cotton, unmanufactured	Pound	Cotton	2 cents per pound	1.0	3,981,509,485	$770,830,254	3,981,509,485.00	$79,630,190	Debentures on cotton products have been calculated on the basis of equivalent exports of raw cotton at the raw cotton debenture rate.
Cotton mill waste	do	do	do	1.1	59,129,559	6,744,096	65,042,514.90	1,300,850	
Cotton rags, except paper stock	do	do	do	1.18	21,095,634	1,541,930	24,892,848.10	497,857	
Cotton batting, carded cotton, and roving	do	do	do	1.05	446,301	85,812	468,616.05	9,372	
Cotton yarn:									
Carded yarn, not combed	do	do	do	1.18	13,919,250	4,681,954	16,424,715.00	328,494	
Combed yarn	do	do	do	1.43	13,571,962	10,843,493	19,407,905.66	388,158	
Cotton thread and cordage:									
Sewing thread	do	do	do	1.43	1,053,882	1,149,515	1,507,051.26	30,141	
Crochet, darning, and embroidery cotton	do	do	do	1.43	82,825	96,781	118,439.75	2,369	
Twine and cordage	do	do	do	1.18	4,588,069	1,811,740	5,413,921.42	108,278	

Cotton cloth, duck and tire fabric:								
Tire fabric—								
Cord	Square yard	do	do	1.25	4,969,963	2,217,421	6,212,453.75	124,249	
Other	do	do	do	1.25	1,355,239	472,945	1,694,048.75	33,881	
Cotton duck:								
Heavy filter-paper dryer, hose and belting duck	do	do	do	2.36	688,618	421,641	1,625,138.48	32,503	
Unbleached—								
Ounce	do	do	do	1.18	6,045,770	1,712,012	7,134,008.60	142,680	
Number	do	do	do	1.18	4,249,118	1,720,523	5,013,959.24	100,279	
Bleached	do	do	do	1.18	2,293,417	743,777	2,706,232.06	54,125	
Colored	do	do	do	1.18	1,842,948	631,575	2,174,678.64	43,494	
Cotton cloth, unbleached (gray):								
Drills and twills	do	do	do	.22	12,469,675	1,580,059	2,743,328.50	54,867	
Sheetings, 40 inches and under	do	do	do	.30	82,174,153	7,166,814	24,652,245.90	493,045	
Sheetings, over 40 inches	do	do	do	.30	1,561,372	170,747	468,411.60	9,368	
Osnaburgs	do	do	do	.60	22,581,106	2,292,148	13,548,663.60	270,973	
All other unbleached	do	do	do	.30	19,050,636	1,235,158	5,715,190.80	114,304	
Cotton cloth, bleached:								
Drills and twills	do	do	do	.22	4,507,030	678,925	991,546.60	19,831	
Pajama checks	do	do	do	.20	10,421,548	1,076,341	2,084,309.60	41,686	
Sheetings, 40 inches wide and under	do	do	do	.30	33,575,043	3,849,494	10,072,512.90	201,450	
Sheetings, over 40 inches	do	do	do	.30	12,960,689	1,712,039	3,888,206.70	77,764	
All other bleached	do	do	do	.20	27,839,039	3,273,673	5,567,807.80	111,356	
Cotton cloth, colored:								
Voiles	do	do	do	.13	56,378,646	8,048,951	7,329,223.98	146,584	
Percales and prints—								
32 inches and less	do	do	do	.20	29,991,139	3,114,296	5,998,227.80	119,965	
Over 32 inches	do	do	do	.20	11,595,083	1,610,203	2,319,016.60	46,380	
Flannels and flannelettes	do	do	do	.30	4,451,811	684,812	1,335,543.30	26,711	
Khaki and fustians	do	do	do	.22	4,526,474	904,219	995,824.28	19,916	
Denims	do	do	do	.60	17,229,538	3,152,250	10,337,722.80	206,754	
Suitings (drills, etc.)	do	do	do	.60	30,343,950	4,927,863	18,206,370.00	364,127	
Gingham	do	do	do	.22	14,001,954	1,466,375	3,080,429.88	61,609	
Chambrays	do	do	do	.22	16,447,828	1,751,199	3,618,522.16	72,370	
All other printed fabrics—								
7½ yards per pound and lighter	do	do	do	.16	27,556,474	4,451,922	4,409,035.84	88,181	
Heavier than 7½ yards to a pound	do	do	do	.22	20,847,631	3,691,987	4,586,478.82	91,730	
All other piece dyed fabrics—								
5 yards per pound and lighter	do	do	do	.18	24,717,573	3,704,941	4,449,163.14	88,983	
Heavier than 5 yards per pound	do	do	do	.26	19,201,400	2,808,208	4,992,364.00	99,847	
All other yarn dyed fabrics	do	do	do	.22	19,807,137	2,963,458	4,357,570.14	87,151	
Cotton and rayon mixtures (chief value cotton)	do	do	do	.22	18,766,787	5,174,491	4,128,693.14	82,574	
Other cotton fabrics:								
Blankets	Pound	do	do	1.25	1,569,156	885,311	1,961,445.00	39,229	
Damasks	Square yard	do	do	.37	780,072	244,629	288,626.64	5,773	
Pile fabrics, plushes, velveteen, corduroys	do	do	do	.74	494,061	412,193	365,605.14	7,312	
Tapestry and other upholstery goods	do	do	do	1.00	293,125	305,280	293,125.00	5,862	
Cotton fabrics sold by the pound	Pounds	do	do	1.17	10,129,620	3,756,248	11,851,655.40	237,033	
Cotton wearing apparel:								
Knit goods—								
Gloves	Dozen pairs	do	do	1.20	125,563	219,413	150,675.60	3,014	
Hosiery—								
Women's	do	do	do	1.80	1,941,831	3,442,369	3,495,295.80	69,906	About 1½ pounds per dozen, finished weight, 20 per cent waste allowed.
Children's	do	do	do	1.80	751,213	1,143,977	1,352,183.40	27,044	Do.
Men's socks	do	do	do	1.20	1,084,490	1,855,703	1,301,388.00	26,028	About 1 pound per dozen, finished weight, 20 per cent waste allowed.
Underwear	Dozen	do	do	12.00	610,616	2,194,452	7,327,392.00	146,548	Only rough estimate possible.
Sweaters, shawls, and other knit outerwear	Number	do	do	1.50	504,912	419,844	757,368.00	15,147	Do.
Collars and cuffs	Dozen	do	do		231,206	311,029	(4)		
Cotton overalls, breeches, and pants	do	do	do		53,965	662,670	(4)		
Underwear, not knit	do	do	do		116,511	538,583	(4)		
Shirts	do	do	do	8.00	236,450	2,072,998	1,891,600.00	37,832	
Dresses, skirts, and waists	Number	do	do	(5)	610,126	596,177	397,451.33	7,949	
Other cotton clothing		do	do	(6)		1,310,938	1,048,750.40	20,975	
Other cotton manufactures:								
Handkerchiefs	Dozen	do	do	(7)	213,752	145,355	76,423.02	1,528	Assuming 75 per cent of imports to be men's handkerchiefs 3 square yards per dozen; 25 per cent women's, 1.361 square yards per dozen.
Laces, embroideries, and lace window curtains	Yard	do	do	(8)	4,264,710	215,750	71,916.67	1,438	
Woven belting for machinery	Pounds	do	do	1.18	424,119	242,368	500,460.42	10,009	
Cotton bags	do	do	do	1.17	5,906,326	1,209,801	6,910,401.42	138,208	
Quilts, comforts, counterpanes, and bedspreads	Number	do	do	4.00	184,863	272,529	739,452.00	14,789	
Bed sheets, pillow bolster, and mattress cases	Dozen	do	do	18.00	36,803	276,563	662,454.00	13,249	
Towels, bath mats, and wash cloths	do	do	do	4.00	907,073	1,326,797	3,628,292.00	72,566	
Other cotton manufactures						4,686,196	(4)		
Cotton, total								86,725,885	
Grand total								279,741,393	

[4] Statistics for estimates not available.
[5] $1.50 per pound.
[6] $1.25 per pound.
[7] Men's, 1.4; women's, 1.25.
[8] $3 per pound.

PERMISSION TO FILE MINORITY VIEWS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that I may have permission to file, not later than midnight to-night, my own minority views on the Johnson bill (H. R. 10381) as a member of the Committee on World War Veterans' Legislation.

The SPEAKER. The gentleman from Indiana asks unanimous consent that he may have until midnight to-night to file his minority views on the bill H. R. 10381. Is there objection?

There was no objection.

TAFT AND THE FILIPINOS

Mr. OSIAS. Mr. Speaker, I ask unanimous consent to insert in the RECORD as an extension of my remarks, a brief tribute to the first American civil governor of the Philippine Islands.

The SPEAKER. The gentleman from the Philippine Islands asks unanimous consent to extend his own remarks in the RECORD. Is there objection?

There was no objection.

Mr. OSIAS. Mr. Speaker, the Grim Reaper once again claimed another victim. It was William Howard Taft in life. Hereafter history will immortalize him as Taft, the good and great American, the good and great servant, the good and great man.

When I was a student I recall reading a magazine article about Taft. I do not recall the author, the magazine, or the exact year. But I do distinctly remember that the writer presented Taft's as a career of big tasks. Taft's death closed a veritable career of great tasks performed conscientiously, faithfully, and well.

Taft was a big-hearted man. And he was a man—good and great. History does not need to honor him. He made history, and his record of deeds and accomplishments constitute his best monument.

His genial nature was a great factor in winning the Filipino people's confidence in the aims and purposes of the American Government. Taft helped lay the foundation for the stable government which has long obtained in the Philippines. He assisted in the permanent solution of the Philippine agrarian problem. He was greatly instrumental in the establishment of self-government in the municipalities and provinces of our island nation. He was the first American civil governor. He inaugurated the first Philippine Assembly while he was Secretary of War. As governor, as Secretary of War, as President of the United States, Taft steadfastly held to his Philippine policy tersely expressed in five words which should forever be remembered:

The Philippines for the Filipinos.

I repeat, Taft was not only a good and great American. He was a good and great man. A little song that has for years been popular among certain circles and hilarious stag parties used to be sung for the purpose of making fun of Taft and to reflect upon the Filipino, whom he called "our brown brother." The refrain runs thus:

He may be a brother of William H. Taft, but he ain't no brother of mine.

I wonder if those men who used to delight in singing that song do not now realize what pigmies they are by the side of that great and good man, who could look upon his fellow man as his brother regardless of nationality or race!

Let these insignificant words serve as a wreath coming from the grateful people of the Philippines at the tomb of Taft—the governor, the Secretary of War, the President, the Chief Justice, the man, good and great. The people and Government of the United States could build no greater monument to Taft than to free the people whom he helped prepare for independent self-government and thus make real Taft's fond desire of truly making—

The Philippines for the Filipinos.

COMMERCIAL POST OFFICE STATION AT ST. PAUL, MINN.

Mr. MAAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the post-office situation.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD on the post-office situation. Is there objection?

There was no objection.

Mr. MAAS. Mr. Speaker, recently the House adopted an amendment to the annual appropriation act providing the money for rent, light, and heat of postal quarters, forbidding the payment of any rent for the commercial post-office station at St. Paul, Minn., because the Government has condemned the property and given the Post Office Department possession of the building, which is to be torn down to make way for a new Federal building which has been appropriated for.

Two years ago the Post Office Department stopped paying the rent on this station, alleging fraud and excessive rental terms of the lease, and the Government entered suit for $280,000 overpayment of rent on the basis of the real valuation of the property. This case is still pending in court, as is also an appeal on the condemnation order. The Post Office Department had no business inserting in their estimates for rent an item for St. Paul for the next fiscal year. When the House removed this item the Postmaster General and his assistants appeared before the Appropriations Committee of the Senate and requested that the amendment be stricken out of the bill, alleging that the department had no intention of paying this rent anyway, and that the money was needed for the rent of temporary quarters when the Government should move out of the present commercial station to make way for its demolition. The effect and purpose of the amendment was to definitely terminate this lease by statute and eliminate a long-drawn-out court trial. The effect of eliminating the amendment would be to ratify this lease and destroy the Government's case in court and force the Government to continue to pay $120,000 per year for the next 12 years for this postal station, which has a value of less than $200,000 and which is falling down through cheap and faulty construction, and which the city of St. Paul has condemned as unsafe, insanitary, and dangerous to life.

The court has condemned the property and given the Government possession, but the Post Office Department has not moved out, although plenty of available temporary quarters have been offered to the Government at but a fraction of the rental paid for this station. When the commissioners appointed by the court made their award under the condemnation proceedings, they took into consideration the value of the land, the building itself, and the lease and made an award of $317,000. Now, the Post Office Department admits that it prejudiced the Government's case by inserting the item for rent in the appropriation bill in the first place, and the Postmaster General has suggested to the Senate Appropriations Committee that to meet the situation they reduce the total lump-sum appropriation by the amount of $60,000, admitting now that the other $60,000 of the $120,000 for St. Paul is all he will need for rent of temporary quarters. This move, however, is simply a subterfuge and will not accomplish the purpose.

The lump-sum appropriation is made up of explanatory estimates, which are in printed form and can be submitted as documentary evidence in the court trial. This document shows that $120,000 was allocated for St. Paul, which is the exact amount of rental called for under the terms of this lease that the Government seeks to cancel.

The effect of leaving this item in the lump sum appropriation act without a specific elimination could be only to ratify the lease.

I wish to quote from a letter addressed to an Assistant United States Attorney General by the then First Assistant Postmaster General, dated May 4, 1929, in regard to the make-up of the estimates for the fiscal year 1930:

It will be noted that we start with an amount representing the actual obligations in force at the time the estimate is prepared. Included in this, of course, is the amount required to pay the rent for the commercial station.

You will note that he says that the estimate represents actual obligations and that can mean nothing else than a ratification of the lease, one of the most unconscionable contracts the United States has ever entered, which provides for the payment of $120,000 per year on a property worth less than $200,000. The building although only eight years old has deteriorated so rapidly that it is falling apart; it is settling and has huge cracks in the walls and the roof is built of second-hand planks and is in danger of collapse. This lease should be terminated and there should be no "ifs" and "ands" about it.

If it is the intention of the Post Office Department to make no more payments of rent under this lease, it should be made plain by statute, which will be done by the adoption of the House amendment. This will settle the question without any long, drawn out court interpretations as to what might or might not be the effect or have been meant by the reduction of $60,000 in the lump-sum appropriation.

If there is no intention on the part of the Government to pay this rent, it should be specifically so stated in the law, then there can not be any possibility of misinterpretation by anyone later. When the Senate was considering the amendment apparently a well-organized campaign of protest was received from bondholders all over the country by Senators and Representatives against the amendment.

The same man that owns this postal station owns a great number of other postal stations upon which there has been practiced the worst kind of high financial juggling in exorbitant

bond issues upon fictitious and fraudulent values. He has been permitted to indulge in an orgy of high finance. On this one station alone, at St. Paul, he has bonded the property for 600 per cent more than its value and had prospective additional bond issues that would have brought it up to over 1,000 per cent of its actual value. He has done the same thing with postal leases throughout the United States, from coast to coast; he has misled the public into buying these bonds on the representation that they were Government bonds. As a matter of fact, they are not obligations of the United States Government in any sense of the word; they are obligations of a private corporation and these bondholders can still look to the corporation for redemption. My interest is in protecting the public against these exorbitant and fraudulent rentals. This one man who has specialized in postal properties in the wholesale issuance of bonds on such properties has been successful in having practically all of these leases made noncancelable.

In one issue of bonds on the St. Paul station the records show that he received 30 per cent commission. The issue was for $300,000, and he personally received $90,000 in commission. This is typical of his whole policy. This has been made possible only by exorbitant rentals and unfair questionable leases. It seems that no matter who bid on these postal stations this one man, Jacob Kulp, always got the contracts. This can easily be understood when you find the type of building that has been put up as represented by the inadequate cheaply and dangerously constructed building at St. Paul.

There have been rumblings about the leasing policies and the situation in the Post Office Department for a number of years, and it is high time that this matter be thoroughly aired and investigated and all of the facts brought to the full view of public examination. This policy has been going on for at least 10 or 12 years, and it is time that this policy be discontinued. I am sure that if Congress will ascertain all of the facts in the case it will summarily demand an immediate change of policy.

I have introduced a resolution asking for a House investigation of all of the facts. If there is nothing to be covered up and nothing wrong in the department or its leasing policy the department should welcome such an investigation. Serious charges have been made and the public is entitled to a full examination of the facts. Recently Postmaster General Brown gave Mr. SPROUL of Illinois a memorandum which was read on the floor of the House in connection with postal leases.

Among other things he said that all post-office leases had cancelable clauses. I have checked this matter up and find in the Director of the Budget's office that practically no leases have the cancelable clause any more with the exception of those where Government projects have already been authorized. In other words, practically all post-office leases are now noncancelable. The Postmaster General also included an appraisal of the St. Paul commercial post-office station that was one of the most astounding things I have ever seen. It was nearly $300,000 more than an appraisal made by the Post Office Department just two years previous. One item alone is typical; he listed the furniture and fixtures at $63,000. I have been advised by the county assessor of the county in which this building is located that he has a sworn statement for the year 1928 by the owners that the equipment was valued at $29,462. In 1929 the owners made no return at all on the equipment. I have since located the manufacturers of the equipment and they advise me that the equipment was sold for $25,000. The owners listed in their cost of the whole project $12,500 as payment for the use of a party wall, when in reality they paid but $300 for this privilege. In the second appraisal, which was sent to Mr. SPROUL and read on the floor of the House, citing a value of some $677,000 in face of the fact that commissioners appointed by a Federal court in condemnation action gave an award of $317,000 for the building land and value of the lease, the Postmaster General used the owners own figures as the basis for the valuation of this property. This appraisal is made up in just such ways as I have indicated and it is a fictitious, untrue, and fraudulent representation of the value.

I have just learned that the Post Office Department has recently ordered a reappraisal of all leased properties, possibly anticipating just such an investigation as the House has been asked to make, to determine the reasonableness of the rentals made in reference to the value of the property. In any event, it is very enlightening to find that it was on this new appraisal that nearly $300,000 was added to the Post Office Department's own appraisal of two years previous. If similar increases have been added throughout the whole country, it would certainly be well for Congress to investigate and to have a true appraisal made of these properties and then check the rentals paid.

I think that if this is done you will find that the annual appropriation item for rent of leased post-office stations can be reduced 8 or 10 million dollars a year, if not more. The Postmaster General and his assistants opposed the amendment which was adopted by the House forbidding the payment of any rent for the St. Paul Commercial Post Office Station under the terms of the lease before the Senate Appropriations Committee.

Why are they so interested in protecting this lease, because that is the only possible effect striking the amendment out would have—to protect this lease and the lessor.

PROHIBITION—PERISHABLE AGRICULTURAL PRODUCTS

Mr. BURTNESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a statement which I made before the Committee on Agriculture of the House on the so-called Summers bill to regulate the sale of perishable products in interstate commerce; also a statement which I made before the Judiciary Committee of the House on the question of prohibition.

The SPEAKER. The gentleman from North Dakota asks unanimous consent to print in the RECORD two statements made by him—one before the Committee on Agriculture and the other before the Committee on the Judiciary. Is there objection?

There was no objection.

Mr. BURTNESS. Mr. Speaker, under leave granted to extend my remarks, I include herewith a statement made by me before the Judiciary Committee of the House of Representatives on March 6, 1930, in connection with its hearings on proposals to repeal the eighteenth amendment and the Federal prohibitory laws.

A special reason for including this statement in the RECORD is the fact that representatives of the press, who apparently have very "wet" leanings, sent out a misleading and garbled report with reference thereto. On the basis of this unfair report some caustic criticisms have been made about me in my State.

Such report, for instance, stated that I testified that the farmers of North Dakota since the advent of prohibition are drinking milk instead of intoxicating liquor. A reading of the remarks I made will indicate that the only reference which I made to milk was that this product of our American farms is now being consumed by American workmen in our factories with their noon meal while before prohibition many of such workmen patronized the corner saloon for a can of beer.

The report also attributed to me certain claims made with reference to the prosperity of North Dakota since prohibition, which I did not make at all. Some general assertions as to such prosperity were included in a statement signed by leading farmers, professional men, and business men of North Dakota, which I gladly presented to the committee at the suggestion of leading "dry" organizations of our district. I have made so many speeches on the floor of the House during the past six years asking for Federal legislation that will help to solve our many farm problems that it should not be necessary for me to indicate to my colleagues that the farmers of the Northwest are not enjoying the prosperity which they richly deserve, but are in many cases in desperate straits.

I regret that the situation seems to be such that the large news agencies of the country very seldom report any so-called "dry" speeches made in Congress or before congressional committees in a fair manner. A cursory reading of my statement before the Judiciary Committee plainly shows that such a contention is well founded. It is as follows:

Mr. BURTNESS. Mr. Chairman and gentlemen of the committee, the principal reason for my appearing here this morning is the fact that one Mr. Pierce Blewett, of Jamestown, N. Dak., appeared before this committee some 10 days ago, and from his testimony, apparently, wanted the committee and wanted the country to believe that all we need to solve the many farm problems existing throughout the country, and particularly in the Northwest, would be the repeal of the eighteenth amendment and of the Volstead Act.

That is not the unanimous sentiment of the people of my State, nor, in my opinion, is it the view of a majority of our people.

North Dakota occupies rather a singular position in this; that it was the first of the States which wrote a prohibitory clause into its Constitution when it became a State, and, I believe, the only other State that has followed North Dakota in that respect is Oklahoma.

It is rather difficult for the people of our State to follow the logic of those who are urging the repeal of this amendment and of our prohibitory legislation, when they say, first, that more liquor has been consumed since prohibition than was the case before. If they are correct in that regard, that, of necessity, must mean that more barley, more rye, more corn, and more other cereal grains have been used for the illicit manufacture of liquor than were used for the legal manufacture of liquor before prohibition.

I say it is difficult for us to follow their logic when they first make that assertion, and then almost immediately present a witness who tells you that the farming industry of the country, particularly the producers of cereals—barley, corn, and rye, and products of that sort—have been destroyed because of prohibition.

Now, I think most of us out in the grain-growing sections agree that the prohibition law did take away some of the markets for our crops. But, on the other hand, we also feel that the prohibitory laws gave us different markets for these same crops and substantial markets for other farm products. For instance, the tremendous amount of near beer that is consumed throughout the country to-day, with which we are all familiar, of necessity means that barley is used in the manufacture of that near beer.

In the 14 trips that I have made by automobile within the last eight years from Washington to North Dakota I have driven through many factory towns—some large, some small. Whenever I would drive through one of those towns on a fairly mild, sunshiny day at the noon hour I would see large groups of men employed in those factories eating their lunch on the premises adjacent to the factories. And without exception, in those groups of men you would see milk trucks or milk wagons, where the driver was selling bottles of milk to those men, like the veritable sale of hot cakes. That is surely another type of market coming to the farmers of this country because of the prohibitory laws. You know what they drank in pre-Volstead days, the product of the corner saloon.

But perhaps of even greater importance than that is the fact that at least many of our people believe that since the advent of prohibition, more of the money of the wage earner has gone into the home of that wage earner and has made it possible for that wage earner's family to eat a piece of fruit for breakfast, to eat bacon and eggs and toast, accompanied by a fairly liberal supply of butter and plenty of cream for his coffee; enlarging, as some of us believe, the markets for some of our crops and products.

But I did not come here to make any extended argument at all. I simply wanted to preface a statement, signed by a number of people in our State, with these brief remarks. The statement that I will read is signed by a substantial number of persons; and I hope all of the signatures will appear in the RECORD. It is signed by leading professional men, leading business men, and leading farmers of North Dakota; and I believe that it fairly represents the viewpoint of a majority of our people. It is as follows:

"FARGO, N. DAK., *February 28, 1930.*

"To the JUDICIARY COMMITTEE
OF THE HOUSE OF REPRESENTATIVES,
Washington, D. C.:

"Our attention has been called to the testimony given by Mr. Pierce Blewett at hearings before the Judiciary Committee of the House of Representatives in which he is reported to have said that prohibition had ruined North Dakota. This statement is not true. North Dakota has had prohibition 41 years. During this time it has been clearly demonstrated that prohibition has brought lasting benefit to the citizens of our State, it has increased the economic well-being of our people, has increased savings, has decreased poverty, and has made North Dakota a safe place to rear our children, where the contaminating influence of strong drink has been greatly curbed.

"North Dakota, being almost wholly an agricultural State, we feel the general depression in agriculture which is in no wise aggravated by prohibition. Notwithstanding this general depression, the wealth of North Dakota has increased materially during the years of national prohibition. According to figures compiled by the Greater North Dakota Association, the value of North Dakota agricultural products has increased from $206,364,000 in 1921 to $339,355,260 in 1929. During this time the value of dairy products has increased 78 per cent, of beef 114 per cent, hogs 202 per cent, sheep 402 per cent, and poultry 186 per cent. In per capita wealth the State of North Dakota stands eighth among the States of the Union."

(Signatures omitted herein, but statement was signed by a great many of the leading farmers, business and professional men of the State of North Dakota, the names thereof appearing in the printed hearings of the Judiciary Committee.)

Our people do feel that our general economic situation will be best subserved by the continuance of prohibitory legislation, but even if that should not be the case we feel that there are greater and more important problems involved in this general question than merely checking up, on the one hand, some economic benefits from the sale of one or two crops enjoyed before prohibition, and comparing those only to material advantages gained therefrom.

We believe in the greatest good for the greatest number of all the people of the country.

Mr. LAGUARDIA. May I ask you a question?

Mr. BURTNESS. Certainly.

Mr. LAGUARDIA. Let us see if we can not agree upon existing facts, without seeking to convert each other as to the good or evil of prohibition. Mr. Blewett says that—

"I do not mean to say that barley alone caused the breakdown of the farming in the United States. But between the barley and the rye and the corn that were used for manufacturing liquor, it took up the slack, so that the farmers in our country would plant a good field of barley, with the idea of getting a sale for that and a market for it in the fall."

Is that correct?

Mr. BURTNESS. If you refer to the use of barley in our crop system, in our general rotation system, it is true that the cultivation of barley works in very well, and it is an important crop in North Dakota.

Mr. LAGUARDIA. Then he said:

"In that area they would reduce their wheat acreage, and for that reason we had no wheat surplus."

Mr. BURTNESS. Well, of course, anyone who says that we had no wheat surplus prior to the advent of prohibition simply does not know the facts. The surplus of our wheat has not been larger in recent years in totals or percentages than it has been on the average for decades. We have always had to export, on the average, approximately 200,000,000 bushels of wheat. Our wheat acreage, of course, increased by tremendous bounds during the war, due to the propaganda carried on by the Government for the planting of more wheat to win the war; and without giving the exact figures, roughly, our wheat acreage increased from something like 52,000,000 acres throughout the country to something like 75,000,000 acres because of that propaganda—almost a 50 per cent increase in the acreage. This was brought about not because of the prohibition law, not to any decrease in the barley acreage, but was due to the fact that the Government sent out word to us that we must, throughout the wheat districts of the West, increase our wheat acreage; and it has been rather difficult to get that wheat acreage down again to the pre-war level. But it has gradually come down and it is now substantially down to the general average. The marginal lands due probably to the agricultural depression seem to be getting out of production.

Mr. LAGUARDIA. But the fact remains that the farmers are planting wheat, where heretofore they planted rye and barley and the crops mentioned by Mr. Blewett.

Mr. BURTNESS. No; I would not agree to that. I think our barley acreage now is fully as large as before the war and rye about the same. I have not the exact figures with me, but my judgment is that the barley acreage in the last few years has been greater than it was prior to 1919.

Mr. LAGUARDIA. A moment ago you stated that you believed that manufacture of near beer consumed a great deal of barley and those other crops.

Mr. BURTNESS. It does. I have not the exact figures.

Mr. LAGUARDIA. Well, in 1917 there were 2,770,984,000 pounds of malt, 125,632,269 pounds of rice, 41,958,753 pounds of hops consumed for beer, while since prohibition—let us take 1928—there were only 152,382,000 pounds of malt, 4,417,000 pounds of rice, and 3,317,000 pounds of hops. So you see there is quite a reduction in the consumption.

Mr. BURTNESS. Oh, I did not say there was not a reduction. I only contended that there are other lawful markets, and the use of barley for near beer is one. But there are various other ways in which the demands for farm products—not simply barley, but other farm products—have been increased because of the prohibition law, in my judgment.

Mr. LAGUARDIA. Then you stated that you could not reconcile the statement that more alcohol is consumed now and less agricultural products than before prohibition——

Mr. BURTNESS. More intoxicating liquors, not alcohol.

Mr. LAGUARDIA. More intoxicating liquor. You are aware of the fact that enormous quantities of alcohol are made from Cuban blackstrap?

Mr. BURTNESS. I am not an expert on the subject.

Mr. LAGUARDIA. Well, what do you know about the increase in corn sugar? You are aware of the fact that we produced 152,000,000 pounds of corn sugar in 1921, and it jumped to 904,803,000 pounds in 1927?

Mr. BURTNESS. It was one of the items that I overlooked including in the credit column. Corn sugar is a farm product. My friends from Iowa are tremendously interested in it. They are very anxious that corn sugar be used in the making of jams and jellies, the canning of vegetables, and a lot of other products, without requiring a specific label; and, of course, we all know that many plants are now producing corn sugar made from a product of the American farm.

Mr. LAGUARDIA. You would not say that this remarkable increase of 400 per cent is due to increased consumption of jam in the country, would you?

Mr. BURTNESS. I will not say jam alone. Undoubtedly, corn sugar—we must admit the facts—much corn sugar is going into the illicit manufacture of intoxicating liquors; but much of it is also going into perfectly legitimate enterprises, whose use of corn sugar is increasing tremendously.

Mr. LAGUARDIA. As to that portion of it which is going into the manufacture of illicit alcohol, have you heard a single, solitary Member from the dry State of Iowa protest or try to stop it?

Mr. BURTNESS. Your observation and opportunities for hearing the protests of the people from Iowa are just as good as mine, so I can not see that I can add anything to that.

Mr. LAGUARDIA. Mr. Green, the president of the American Federation of Labor, in a communication addressed to Mr. Wickersham, and also in a letter to the President, in which he inclosed his communication, stated that $110,000,000 worth of farm products would be used in the produc-

tion of beer, if the law was so amended as to permit the manufacture of light beer.

I want to ask you, assuming that the modification of the Volstead law, to the extent of permitting the manufacture of beer, would consume sufficient farm products to take up the slack, and thereby stabilize prices, would you, as one of the best friends of the farmers in Congress, resist such a modification?

Mr. BURTNESS. Of course, I do not agree with you in your premise——

Mr. LAGUARDIA. Well, let us assume it to be right. I do not say it is. I say, assuming those facts.

Mr. BURTNESS. Because it leaves out so many other factors. I am one of those who believe that if beer, for instance, was manufactured to the extent suggested, the sale thereof would use up so much of the funds of the people of this country for that purpose that our other farm products would be just as seriously hurt by that result as the benefit arising therefrom would amount to.

But, answering your question more specifically, I think I presented my viewpoint and the viewpoint of the people of my State, that we feel that this question is of greater importance than simply trying to check up the benefits with reference to one or two crops with the detriments to those specific crops. And I will say that I would not vote for it.

Mr. LAGUARDIA. We had a great many statements yesterday as to the increased prosperity of the country since prohibition. You and I both served in Congress before prohibition. Is it not true that we were never faced with the necessity of farm relief legislation, to the extent of the enormous appropriation authorized, before prohibition?

Mr. BURTNESS. I was not a Member of Congress until 1921.

Mr. LAGUARDIA. Well, you were an authority on farming conditions then, before that?

Mr. BURTNESS. I am entirely too modest to make that assertion. But I would express this thought to the gentleman: That we have had many problems presented in Congress since the war that were not presented to the Congress of this country prior to the war.

Mr. LAGUARDIA. And prohibition being one of them?

Mr. BURTNESS. Of course, prohibition and the problems involving the sale of intoxicating liquors is one of such important problems.

Mr. SWANSON. Mr. BURTNESS——

Mr. BURTNESS. I am glad to yield to the gentleman from Iowa.

Mr. SWANSON. Your answer to Major LAGUARDIA was that you had never heard any protest on the part of Iowa in connection with the use of corn sugar for the making of alcohol?

Mr. BURTNESS. I did not say that I had never heard any such protest. I said his opportunities in that respect were fully as good as mine.

Mr. SWANSON. But the inference was that there had been no protest.

Mr. BURTNESS. Well, I am sorry if I left that inference.

Mr. SWANSON. The fact is that the Members of Congress from Iowa and the people from Iowa that you have heard talk of this subject have generally expressed the opinion that the corn sugar should not be used for making illicit alcohol or for the manufacture of any illicit liquor?

Mr. BURTNESS. I do know this, that any representation on the part of the people of Iowa with reference to corn sugar bills in Congress has been based entirely on the tremendous opportunities which they have to encourage development in that business in perfectly legitimate enterprises.

Mr. LAGUARDIA. But, if my colleague from Iowa will permit, the bill has not passed the Senate, and there is no very strenuous effort being made to pass it, notwithstanding the fact that both houses are overwhelmingly dry, and notwithstanding the fact of prohibition, the acreage grown and the quantity of corn sugar increases each year in the State of Iowa.

Mr. SWANSON. There are many legitimate uses for corn sugar, as the gentleman knows, and the uses for corn sugar are increasing, as the gentleman from New York knows; because corn sugar is a cheaper product than cane sugar.

Mr. LAGUARDIA. The gentleman is correct, that the use of corn sugar constantly grows; likewise the use of corn whisky constantly grows.

Mr. SWANSON. Speaking for myself, and a great many of my constituents, I want to say to the gentleman from New York that we are opposed to the use of corn sugar for the making of illicit liquor, or any misuse of that product.

Mr. BURTNESS. I thank the committee for its consideration.

Mr. BURTNESS. Mr. Speaker, I also include herewith a statement made by me before the Agricultural Committee of the House of Representatives on February 18, 1930, in support of the bill H. R. 5663, introduced by Mr. SUMMERS of Washington, the object of which is to suppress unfair and fraudulent practices in the marketing of perishable agricultural commodities in interstate and foreign commerce.

Briefly, it provides for licensing those who operate as commission merchants, dealers, or brokers in fruits and vegetables in interstate commerce. The administration of the act is by the bill placed under the jurisdiction of the Department of Agriculture.

The statement made by me before the committee is as follows:

Mr. Chairman and gentlemen of the committee, the interest of our section of the country in this proposed legislation is limited largely to the problem of the potato grower and those who grow and market potatoes. In view of the many other witnesses who will appear here I will make my remarks brief, because I think it is not necessary in addressing men like those on this committee to tell you of the chaos which exists in the marketing of almost all perishable products.

As I say, my familiarity is limited to potatoes, but I take it the situation is very much the same in the case of all the perishable commodities whenever there are violent fluctuations in the market. Naturally shippers do not encounter a great deal of trouble with reference to carrying out the agreements in the contracts when the market is a rising one, because then the factors, commission men, or brokers at the other end of the line are ready, in fact anxious, to comply with the terms of the contract. But in such a commodity as potatoes, when there may be a drop of 10, 20, or 30 cents per hundredweight in the course of a few hours or in the course of a day, and much larger drops from time of shipment till the car reaches the destination point, we know that the incentive to try to do everything possible to get away from a contract entered into is so tremendous that very often human nature can not stand up against it. You also know the difficulties of enforcing that kind of a contract when the deal is made, for instance, between a person in my State of North Dakota and some commission merchant in Illinois, Texas, Iowa, or some other distant State. There is always an opportunity to go to the courts, but that opportunity to go to the courts does not give the shipper an adequate remedy, even if the individuals and the corporations that you are dealing with were in all cases financially responsible, which unfortunately is not always the case.

One of the men who has had experience with potatoes as a grower, a dealer, and as a shipper and as representing potato associations, an official in various capacities, in our country is Mr. O. J. Barnes in my home city of Grand Forks, and I want to ask the liberty of quoting two or three sentences from one of his letters (reading):

"I have read this bill very carefully, and it is exactly the kind of bill that all honest dealers have been wanting passed for some years."

* * * * * * *

"I might cite just two instances that have come up in the last week or two in which I would have saved at least $400 had this bill been in operation. One concern in Illinois wired me an order about the middle of February for two cars of potatoes for deferred shipment. When the shipping dates came we wrote them we were making shipment. We shipped the cars and invoiced them, and they never replied to our letter advising that the shipment was made, nor did they wire or write us when they received the invoices telling us that the shipment would not be accepted. They waited until the cars got there and then rejected them without even looking at them. They were sold at $1.25 per hundredweight, and the best offer that we were able to draw was 45 cents per hundredweight, and the freight was 52 cents per hundredweight."

So you note that when that car of potatoes got down to this point in the great State of Illinois the amount realized on the potatoes—this was last year—was less than the amount of the freight, although they had a contract for the sale of those potatoes at $1.25 a hundredweight, which would have given the shipper 73 cents per hundredweight above the freight. This is a specific loss and a big one.

Mr. KINCHELOE. Does not that sort of thing occur in every kind of business as well as potatoes—the grain and stock business, for example?

Mr. BURTNESS. The incentive for taking advantage of that sort of a situation is, of course, so much greater with reference to perishable commodities than with any other commodity. It could not easily happen with such a commodity as wheat or something of that sort, because such commodities are not perishable. But I take it that similar situations apply to all perishable commodities.

Mr. KINCHELOE. It does happen in relation to a good many other products, I happen to know.

Mr. BURTNESS. But the nonperishable product remains there; it does not deteriorate and does not spoil.

Mr. KINCHELOE. That does not alter the principle of the bill, whether it deteriorates or spoils or not. It is a question of going to court or whether you are going to have a Federal collection agency to kill the offenders and put them out of business. The difficulty rises in the case of hay raised in my district and everything we ship.

Mr. ASWELL. What about livestock; is it not perishable?

Mr. KINCHELOE. Certainly.

Mr. BURTNESS. It simmers down to a practical question as to whether the difficulties in respect of perishable products like fruit and vegetables are different from the rest of them, and I assume that the witnesses who have appeared before have plainly shown the differences between perishable products, fruits and vegetables on the one hand, and other products which may or may not be perishable. Have you heard of

any differences of this kind arising with reference to livestock, beef or——

Mr. KINCHELOE. Certainly; I have sued railroads for losses incurred.

Mr. BURTNESS. The railroads causing loss of livestock, but the railroads are not buying livestock; that is in reference to the contract of carriage, as insurers or for negligence, and you can get service on the railroad companies in your own jurisdiction. You do not have to travel a thousand or fifteen hundred miles in order to get service on a railroad company. But I am talking of commission men.

Mr. KINCHELOE. I realize there is crookedness in the trade. I do not know how diligent your firm was, whether you looked up that man to see whether he was a responsible business man before you shipped or not. But whatever applies in the fruit and vegetable business applies to every other business that goes in interstate commerce, especially livestock.

Mr. BURTNESS. I am not going to argue that feature with you, as I can not take the time on it. I do say and contend there is a big, practical difference between the situation in the case of perishable fruits and vegetables on the one hand and products such as livestock, which goes to a packing plant. A few large packing plants throughout the country have most of the business, together with some independent packers, and they are subject to Federal regulation. I have never heard of any complaint being made along that line; that is, making a complaint over the condition of the products when they arrived there, or something of that sort. Sometimes people are disappointed in the receipts they get. That is human nature. But there has not been the fraud committed with reference to these other products that are not perishable that, I believe, have been committed in the vegetable and the fruit markets of this country on the part of a great many commission men.

And, after all, what does this bill attempt to reach? It attempts to reach, as I read it, only fraudulent practices. That is all it does; and if there are fraudulent practices in the livestock market or in any other market that might be referred to, then I think it also is a problem that should be tackled by Congress; and if such a situation exists I would not say we have not the power or should not consider it. But the situation before this committee to-day is that fraudulent practices are brought to your attention in a very important industry in this country; that is, the fruit and vegetable industry.

Let me give you one other reference that Mr. Barnes made, and then I will be through. [Continues reading:]

"Another concern in Iowa ordered a car of seed potatoes, and when they arrived they rejected them on the ground they were very, very dirty, large amount of small potatoes, wet and moldy."

Note the ground for rejection. [Continues reading:]

"We sent C. L. Fitch of the Agricultural College of Ames to inspect the car and he wired us that they were strictly U. S. 1, no small potatoes, no wet potatoes, and no mold and stock bright and clean, all of which was directly opposite to the statement made to justify the buyer's rejections."

Surely you do not want much better authority for the inspection of a car of potatoes that has been rejected on specific grounds than the authority of the representative of the Agricultural College at Ames, Iowa, one of the outstanding educational institutions of this country.

Mr. KETCHAM (presiding). Right at this point, will you please say whether the gentleman, Mr. Barnes, whose letter you have been reading, is a representative of the dealers or producers?

Mr. BURTNESS. He is a large producer himself. He is also, in a way, a commission man.

Mr. KETCHAM. A dealer?

Mr. BURTNESS. Yes. He buys from farmers. He produces, himself; he has a number of farms; he is possibly a dealer more than anything else, although he is a large producer.

Mr. ADKINS. He is not interested in cooperative marketing?

Mr. BURTNESS. There is no potato cooperative association at Grand Forks, N. Dak., where Mr. Barnes lives, but as a producer he attends many meetings of producers. He is a member of the board of directors of associations in which producers are included, which possibly takes in the cooperative associations.

Mr. ASWELL. As a matter of fact, this man you quoted is opposed to cooperatives. He is not connected in any way with them.

Mr. ADKINS. That would put him out of business with a cooperative.

Mr. BURTNESS. He himself is not managing a cooperative association; no.

Mr. ASWELL. He is not a member of one, either?

Mr. BURTNESS. Not that I know of.

Mr. ASWELL. There seem to be conflicting reports—one by Ames, Iowa, and one by another. How would this bill cure that without carrying it to court?

Mr. BURTNESS. The bill, in my judgment, will cure it, for this rearon: That these men who are to be engaged in the business of commission merchants, brokers, and so on—whatever you want to call them—under the terms of this bill must have a license, and they will be afraid to raise that sort of a question without justification, inasmuch as you are making it unlawful for them to make any fraudulent representation with respect to any shipment made, and all of the other provisions of the bill, including power of revocation of license.

Mr. JONES. Let me ask you a question right there. I am interested in this. I am not prejudging the measure or expressing an opinion but I notice in section 4 that every commission merchant, dealer, or broker would have to secure a license. I have a number of small dealers in towns in my section—and I am sure they are likewise found all over the country—who just sell these fruits and vegetables in a little confectionery store. Would they have to secure a license?

Mr. BURTNESS. Oh, no.

Mr. JONES. They are dealers in vegetables and these things. I was wondering if your language was not broad enough to cover them.

Mr. BURTNESS. The definition of "dealer," in subdivision 6, page 2, is "any person engaged in the business of buying or selling, other than at retail."

Senator JONES. That is all right.

Mr. BURTNESS (continues reading):

"That this act shall not apply to retailers buying in less than carload quantities"—

As well as other limitations.

Senator JONES. That is satisfactory.

Mr. KINCHELOE. Why is it these potato growers could not go into an association and establish these clearing-house associations?

Mr. BURTNESS. That is a big problem.

Mr. KINCHELOE. It is a big problem, of course.

Mr. BURTNESS. The difficulties of getting started under the Federal marketing act, or otherwise, are as well known to you as to me.

Mr. KINCHELOE. They will never start if they have a club over some fellow, saying, "If you do not do that we will put you out of business."

Mr. BURTNESS. The people who would be put out of business here are only one type. It will not have any effect whatsoever upon the middleman that is not guilty of fraudulent practices, but it will reach the fellow who is guilty of fraudulent practices; and there seems to me at least to be absolutely no danger in this bill for any commission man who wants to deal honestly with the people he is representing and who desires in good faith to live up to his contracts.

Someone mentioned livestock a few minutes ago. You have passed the packers and stockyards act for the control of the packing industry, and which is no way different in principle from the control of this industry, only in a different form. Federal legislation also regulates the grain exchanges.

Mr. ADKINS. Do you know there are thousands of pigs, sheep, and cattle sold on mail order? As a concrete example, one that could very well illustrate thousands of instances, a man buys a pig on a mail order. The seller guarantees it to be so-and-so. I saw the pig shipped. It got there and he wrote a letter back that the pig did not quite come up to the specifications, but that he could use him at so much less money or ship him back. We get lots of that kind of thing.

Mr. BURTNESS. Those pigs are mostly for breeding purposes?

Mr. ADKINS. Why, yes. In fairness to those men, why not include them? Why make a collection agency for one class of people? He could not go into the courts over a pig. There are hundreds of that class of cases.

Mr. BURTNESS. Oh, yes. Here is a question of drawing an arbitrary line, not on principle but simply drawing a line between what is practical, what is required, and the situation as it has developed in our business progress, and what is not required. Of course, the incidents you speak of are largely intrastate, an infinitesimal percentage as compared with the amount of business that is done by commission merchants.

Mr. ADKINS. Men are making their living out of that just the same?

Mr. ASWELL. One question for my information: In the long hearings on the Farm Board it was agreed to establish fruit and vegetable divisions, and we had extensive hearings, and then one of the fruit and vegetable men was selected as one of the members of the Farm Board. Every man interested in agriculture admits the necessity of the Farm Board above any other boards. What effect would the passage of this bill have on the operations of the Farm Board?

Mr. BURTNESS. I think it would be helpful.

Mr. ASWELL. In what way?

Mr. BURTNESS. I think we will all agree, or if we will not all agree it is at least my judgment, that regardless of what the success of the operations of the Federal marketing law may be we are not going to eliminate all the so-called middlemen, whether it be in the meat business, the grain trade, or in the fruit and vegetable business.

Mr. ASWELL. It does not necessarily have that object?

Mr. BURTNESS. No. Many feel, however, that such is going to be the result; that all of the products in a certain line, all of the grain or all of the produce of a certain kind, will eventually be handled by cooperatives and the agency that is encouraged by the Federal Farm Board, the national agency that is set up. Personally I do not think that will ever be the result. If these agencies ever handled 50 per cent of the products of the country, I think they will be doing very well; and if they can do that I believe they will accomplish what was hoped for by the farm bill; that is, that they will be able to stabilize prices; but there will still be a tremendous amount of wheat, corn, livestock, fruit, and vegetables, as well as butter, and so on, handled very much the same as they are handled now but, let us hope, under more stabilized prices.

Mr. ASWELL. Would not the passage of this bill encourage the handling of fruits and vegetables outside of the Farm Board?

Mr. BURTNESS. Not at all.

Mr. ASWELL. You have just said so, practically.

Mr. BURTNESS. There will be the necessity then, as now, for honesty among middlemen.

Mr. ASWELL. You do not have much faith in the Farm Board?

Mr. BURTNESS. Oh, yes.

Mr. ASWELL. You did not vote for it.

Mr. BURTNESS. Oh, yes; I surely did.

Mr. ASWELL. Then I beg your pardon.

Mr. BURTNESS. I actively supported the bill on the floor of the House. I must say that I did not have quite the faith in this last bill I did in the equalization-fee bill, for I want to be frank. I hope some day I will be forced to change my mind. I have not seen anything yet in the results to cause me to change my mind with respect to that, but I have every hope for the Farm Board. I want the Farm Board encouraged in every way possible.

Mr. ASWELL. You do not really think this bill encourages the Farm Board?

Mr. BURTNESS. It certainly is not discouraging it in any shape, manner, or form; and I venture this suggestion: That if anyone went and discussed this matter with, for instance, the chairman of the Farm Board, Mr. Legge, I think you would find that he would welcome legislation of this sort.

Mr. ASWELL. Did you discuss it with the fruit and vegetable man?

Mr. BURTNESS. I do not know him; but I know Mr. Legge, and I think I know something about his general views.

I thank you for your sympathetic consideration.

TRANSPORTATION OF PERSONS IN INTERSTATE AND FOREIGN COMMERCE BY MOTOR CARRIERS OPERATING ON PUBLIC HIGHWAYS

Mr. PARKER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10288) to regulate the transportation of persons in interstate and foreign commerce by motor carriers operating on the public highways.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10288, with Mr. LEHLBACH in the chair.

The Clerk read the title of the bill.

Mr. RAYBURN. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman and members of the committee, I believe that the longer I remain in this House my embarrassment increases in proportion every time I ask the privilege of claiming the attention of the Members to discuss legislation.

Also, having been a member of the Committee on Interstate and Foreign Commerce for 16 years, and in that time, after listening to witnesses who are presumed to know more about the great question of transportation than anybody else, and after sitting in the committee throughout months trying to whip ino proper form legislation that we intend to present to the House for consideration, the more and more I go into the great and seemingly unsolvable questions of transportation, each and every time I rise on this floor to discuss any element of it I do it with more and more humility.

In the years I have sought to make a study of transportation it appears to me that it is farther and farther from solution.

Transportation and the taxation are the two most vital things with which legislative bodies and governments have to deal. Therefore, as I say, realizing that, after these years of listening and some degree of absorption, it is more with humility and more of the knowledge of things that I do not know about this great question than that I do know, that I approach them.

I am a member of the minority of the Committee on Interstate and Foreign Commerce. Yesterday the gentleman from Alabama [Mr. HUDDLESTON] took occasion to give what he thought to be the duty and function, and the sole duty and sole function, of a member of the minority.

Although being a member of the minority, I heartily support this bill and shall vote for its enactment. There are some minor matters in this bill that I would not have written as they are, but fundamentally and generally the bill has my support. Allow me to say that I do not subscribe to the strange and novel philosophy of my friend from Alabama [Mr. HUDDLESTON] when the gentleman says to the other members of the minority, all of whom are supporting this bill, that he thinks the sole and only function of a legislator who sits in the minority is to say "no."

I have served in this House in the majority and in the minority, and I would have regretted very much when I was serving with the majority if all of the members of the minority on the committee of which I was a member had resisted every species of legislation and every action that the committee of which I was a member took.

I believe that it is my duty, as a member of the Committee on Interstate and Foreign Commerce, to fight and seek to defeat all legislation that I do not believe is in the public interest and that should not become a part of the law of the land. With a strong feeling, I am also convinced that I was elected as a Member of Congress to seek to serve the people by writing necessary and needed legislation as much as to seek to defeat unnecessary and vicious legislation. [Applause.]

This committee of which I am a member has, I think, fewer partisan questions before it than any other committee of the House of Representatives, because you can not make transportation a partisan or a party question. I have served upon that committee under five chairmen—the gentleman from Georgia, Mr. Adamson, a man of outstanding ability; the gentleman from Tennesee, Mr. Sims; the gentleman from Wisconsin, Mr. Esch; the gentleman from Massachusetts, Mr. Winslow; and our present genial and able chairman, the gentleman from New York, Mr. PARKER. Not one out of a hundred questions before that committee involves the question of partisanship, because they are too big and too broad to be considered from the standpoint of the partisan. I have thought it my duty since I became a member of that committee to sustain the majority of the committee when they were writing needed and necessary laws. [Applause.]

That has been my theory and that shall continue to be my theory, and I should regret the day when I would feel called upon, simply because I was a minority member of a committee, to oppose legislation, it matters not whether it be good or whether it be bad.

A great deal has been said about the necessity for this legislation. A great deal has been said about whether there was any public demand for this legislation. A great deal has been said one way and the other about whose interest this legislation is in and whose interest this legislation opposes.

Frankly, when I begin the study of a measure before the committee of which I am a member I trust I can divest myself of the influence of who opposes or who supports the legislation.

There must be some public demand for this regulation in the country or legislative bodies would not have responded. Forty-six out of the forty-eight States in the Union have, through their legislatures, recognized that there was a public demand for the control of motor carriers, because they have responded with legislation controlling them. That would evidence to me that there is a general public demand throughout the land for the control of this new and novel system of transportation.

The States have passed laws upon this subject as broad as under their constitutions and the Constitution of the United States they were empowered to pass. They began four or five years ago to pass legislation to control busses. They found they could control the traffic within their borders and strictly intrastate traffic. They also found that they could not, under the decisions of the Supreme Court and under the law of the land, control one kind of bus traffic and that was busses which operate in interstate commerce.

Is there a public demand? The representative of all of the State commissions in the land came before our committee and recommended the passage of legislation for the control and regulation of interstate transportation by busses. Their designated representative here in Washington, Mr. Benton, represented them before the committee, and he said he spoke for every State commission in the Union, and that they were coming to Congress and pleading with us that we pass legislation giving some agency of the Government power to control and to regulate traffic by interstate busses.

All of the indictments which have been made against this bill upon this floor could with the same force and the same consistency have been made against any regulation by any State legislature in the Union.

They say we are creating a monopoly. They say we are passing a bill that will allow the railroads to take over all the bus lines from one end of the land to the other; but allow me to call your attention to the fact that there is nothing in the law of the country now that will keep the railroads from buying all the bus lines in the United States, but in this measure there is a provision that no railroad shall acquire an interstate bus line and that no bus line shall acquire a railroad unless and until they have come to the Interstate Commerce Commission, made their case, and received the approval of the Interstate Commerce Commission. Under this bill the Interstate Commerce Commission is compelled to find that it is in the public interest for a railroad to be able to acquire a bus line. As I say, at the present time there is nothing to prevent a railroad from acquiring any bus line or all the bus lines it desires.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. HUDDLESTON. Can a rail carrier purchase a competing bus carrier under the law as it is now?

Mr. RAYBURN. No; not a competing carrier. On that point my assertion was too broad.

Now, as to this monopoly. They talk about the certificate of convenience and necessity being a grant of monopoly. Well, that is nothing new. If this bill, by the granting of a certificate of convenience and necessity, grants a monopoly, then forty-odd States in the Union have granted a monopoly, because they require a certificate of convenience and necessity from the commissions of those States before a bus line can operate within their borders.

Then the only thing that is left to be controlled is the percentage of busses that operate in interstate commerce.

Are we going to allow the States to regulate intrastate busses? Are we going to have it so they can say and shall say whether or not a bus shall operate in intrastate commerce upon the roads in that State and leave unregulated the 10 per cent of interstate busses that are allowed to clutter up the roads and do as they please and the passengers carried on those busses not insured?

The Supreme Court, in what is known as the Sprout case, held that a State or that a municipality could require that a bus line conform to all of the police regulations of the municipality or of the State.

They could force them to insure themselves against injury to property or injury to persons not riding upon the bus. They did not hold it specifically, but inferentially they held that they could not force them to carry insurance sufficient to cover the passengers traveling upon interstate busses. This legislation is, therefore, necessary if we are going to control the interstate busses.

I think I have stated what is the public necessity and the public demand for this bill.

It is true that the State commissions, the bus owners, the railroads, and some other parties got together and wrote a bill, handed it to us, and asked us to adopt it. When they brought it before the committee I asked each one of them what was his individual opinion with reference to the specific provisions of the bill, and each and every one of them said, "I do not feel free to say what my individual opinion is, because I have said I will support this particular bill before this committee."

In that bill was a provision about which practically every Member of Congress has received telegrams and letters from their State commissions. That bill provided, where an interstate bus touched a State, it mattered not whether it was two, three, or a dozen States, that a State board should be set up in each one of the States, or representatives of the State boards, and that these representatives of the State boards should meet somewhere as Federal agents and determine whether or not a certificate of convenience and necessity should be granted to the applicant to operate in interstate commerce.

I, with a majority of the committee, did not indorse that provision of the bill, because I looked upon it as a legislative monstrosity. We finally reduced it to where we allowed a State board to be created where only two States are involved and where that community of interest is only involved, believing that that would bring into existence as many of these State boards for which the Federal Government would want to pay the expenses, and believing that in those two States, lying side by side, there would be interest enough so that they might be able to get together. I believe that if we had given the consent of Congress for the formation of these boards in 3, 5, and 10 States they would have developed into great debating societies and probably never have come to any reasonable conclusion. I realize some will say we have given away the principle when we allow two States to sit upon these cases. That is true, but it is practical for two States, and there will be enough of these joint boards where only two States are involved, but if we had even three States it would probably increase the number of these State boards by a dozenfold, and if we had four or five then we would likely increase these State boards a hundredfold, which would result, in my opinion, in making a cumbersome and unworkable provision of the law, and too expensive to be justified.

We provide that where two States are involved the Interstate Commerce Commission shall designate whomever the State commissions or State utility boards designate; that they shall sit upon the case and determine whether it involves the granting of a certificate of convenience and necessity; whether it involves matters of rate regulation; whether it involves safety or involves anything with reference to the bus line or its operation, and determine whether under the regulations and under the law it deserves and needs to be considered or set up.

This recommendation of the board is filed with the Interstate Commerce Commission. Within 10 days it becomes the order of the commission unless complaint is filed or unless the commission itself revises it, opens it for hearing or for further consideration; and in this event, the commission shall make whatever order, whatever amendment or whatever revision it deems necessary in the premises.

Mr. RANKIN. Will the gentleman yield there?

Mr. RAYBURN. Yes.

Mr. RANKIN. The reports of these joint boards must be unanimous to be effective?

Mr. RAYBURN. Yes.

Mr. RANKIN. And if any member of the Interstate Commerce Commission should object to a report, that would simply set the proposition aside, would it not?

Mr. RAYBURN. No; it would not set it aside. It would open it for hearing and for decision by the Interstate Commerce Commission.

Mr. RANKIN. In other words, any member of the Interstate Commerce Commission could veto any effort being made by this joint board and then the Interstate Commerce Commission would take entire jurisdiction of the proposition.

Mr. RAYBURN. Absolutely; and I think, in the first place, the Interstate Commerce Committee ought to have entire jurisdiction of it. I was opposed to organization of any of these State boards, because I want the responsibility not put in Texas or in Mississippi but I want the responsibility here in Washington where it belongs. [Applause.]

Mr. RANKIN. The gentleman got practically what he wants, because this proposed law virtually puts these State boards out of the picture.

Mr. RAYBURN. I trust I did. I am not deceiving the gentleman at all with reference to my belief with regard to that matter.

Mr. MOORE of Virginia. Will the gentleman yield for a brief question?

Mr. RAYBURN. Yes.

Mr. MOORE of Virginia. Did the Interstate Commerce Commission, in its report in 1928, recommend that joint boards should be set up in every case?

Mr. RAYBURN. It did. The Interstate Commerce Commission, saying that it is overworked, saying that it did not want to take on this additional work, recommended that in every instance one of these State boards be set up. I did not agree to that and the committee did not.

Mr. COX. Will the gentleman yield there?

Mr. RAYBURN. Yes.

Mr. COX. The Interstate Commerce Commission in that recommendation, of course, reserved the right to review?

Mr. RAYBURN. Yes.

Mr. COX. If, then, the recommendation of these two State boards are simply advisory to the Interstate Commerce Commission, why set them up at all, just as the gentleman has stated?

Mr. RAYBURN. Well, that is the question that has been in my mind all the time. I think the Interstate Commerce Commission ought to conduct this business just exactly like it grants certificates of public convenience and necessity to the railroads, and when an application is made and an investigation is called for an examiner or a commissioner should be sent out to produce all the facts and submit them to the commission for their approval, revision, or disapproval.

Mr. COX. What is the difference in the obligation of the bus operator to the public and that of the street-car operator or the railroad operator? They are all public carriers for hire, are they not?

Mr. RAYBURN. I think so.

Mr. WINGO. I would like to ask the gentleman a question for information. I have not had an opportunity to study this bill very closely, and I want to use a concrete illustration. Take a bus line that runs from Texarkana in Texas, a short distance through Arkansas, and then into Oklahoma and back into Arkansas, which is an interstate line, three States being affected; would you have two different boards handling that proposition?

Mr. RAYBURN. No; that would be handled, in the first instance, by the Interstate Commerce Commission.

Mr. WINGO. And that would also be true of a line that runs from Oklahoma through Fort Smith and then on up into Missouri; no State commission would have anything to do with that.

Mr. RAYBURN. No; except any application that is made touching any State, the State commission or the governor, in the absence of a State commission, is notified, allowed to come in and enter into the hearing, produce any facts or any evidence he has before the commission, and appear as a witness and as a representative of his State and its interests.

Mr. WINGO. Let us consider another actual case of a concern in Fort Smith with one line of busses running into Missouri and another into Oklahoma. On these two different lines you would have two different sets of special commissions to

report to the Interstate Commerce Commission. Suppose the one that is set up between Oklahoma and Arkansas adopts one standard or makes one set of findings and the one that is set up to handle the line that runs from Arkansas into Missouri makes a conflicting set of findings, the owners being the same for both lines—who would settle that dispute?

Mr. RAYBURN. The Interstate Commerce Commission. I presume, in a case like that, there would be a complaint made by somebody, and then the case would be opened by the Interstate Commerce Commission.

Mr. WINGO. Suppose no one made a complaint within the 10 days and the Interstate Commerce Commission did not hear about it in that time, which is possible——

Mr. RAYBURN (interposing). It would then go into effect, but the Interstate Commerce Commission even after that would have the right, under this bill, to go into the question and revise the findings.

Mr. WINGO. They could reopen it, when they did hear about it, and revise the findings?

Mr. RAYBURN. Yes.

Mr. DENISON. Will the gentleman yield there?

Mr. RAYBURN. Yes.

Mr. DENISON. Of course, the bill provides that when the joint board makes a finding it must file its report and its order with the commission, so the commission would know what the order is.

Mr. WINGO. But I am talking about actual facts. The commission is busy. The finding, of course, would be filed with an employee or with some agency of the commission, but the commissioners themselves might not hear about it for 10 days.

Mr. DENISON. The bill provides, if I may so state in the gentleman's time, that the order must be filed with the commission. The commission will, of course, by its general rules, make provision for the handling of these decisions or orders of the joint board immediately after they are received.

And may I ask the gentleman from Texas to yield further for an opportunity to correct what I think was an error on his part in answer to the question submitted by the gentleman from Mississippi [Mr. RANKIN]?

When the decision of the joint board is filed with the commission it is not set aside or opened up on the action of any one member of the commission; it must be the action of the commission. So that no single member of the commission has a right to set aside or open it up.

Mr. RAYBURN. My answer to the gentleman from Mississippi meant that any member could make complaint; but, of course, any finding of his would not amount to anything—it must be the finding of the commission. But one member of the board or the commission could complain about the order the same as a bus owner or a private citizen or a municipality, or anybody else.

Mr. DENISON. The gentleman from Mississippi seems to be under the impression that one member can set it aside.

Mr. RAYBURN. Oh, if the gentleman gets that impression from my answer he received a wrong impression.

Mr. RANKIN. I understand that there might be one member representing the Interstate Commerce Commission——

Mr. RAYBURN. Oh, no; there will be no member of the Interstate Commerce Commission on the joint board.

Mr. RANKIN. Suppose there is no unanimity of agreement, if all present do not agree it will go right back to the commission.

Mr. RAYBURN. No; the decision shall be by majority.

The CHAIRMAN. The Chair will suggest to the gentleman from Texas that he has consumed 30 minutes.

Mr. RAYBURN. I yield myself 10 minutes more.

Mr. RANKIN. As I read the bill all these matters are thrown back into the lap of the Interstate Commerce Commission, and all these provisions about the State board are superfluous and mean nothing in the practical working of the bill.

Mr. RAYBURN. The gentleman from Mississippi has a right to his opinion, and I said candidly that in the first instance I was not in favor of joint boards at all, because they are expensive and useless things, in my opinion. I said also, and I say now, that if an amendment by some member of the committee is going to be presented restoring the provisions in the bill as originally introduced I would vote for it.

Mr. RANKIN. I understood the gentleman to say that he was in favor of the elimination of the State boards. I want to ask the gentleman if that will not be the practical effect of the bill as it now is written?

Mr. RAYBURN. I do not think so; I think the State boards will make findings that will never be challenged by anybody.

Mr. COX. The boards are nothing but fact-finding commissions, anyway.

Mr. RAYBURN. But the findings go into effect, unless challenged.

Mr. RANKIN. It may be challenged by any member of the State board or the Interstate Commerce Commission.

Mr. RAYBURN. It may be challenged by anybody, a member of the board, a bus owner, a citizen, a groceryman, or anybody.

Mr. RANKIN. And unless the Interstate Commerce Commission agrees to it it will not amount to anything.

Mr. PARKER. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. PARKER. The gentleman remembers that the principal reason that the agreement was made for the 2-State provisions when the line was to go through two States, was on account of the condition that I mentioned yesterday, where the big cities of the country are right on the border line—where they are practically local in character, and where as a matter of theory they are interstate. That is why we agreed to the 2-State proposition—take New York and Philadelphia, the local people are better able to judge of it than the people in Washington.

Mr. GREEN. Will the gentleman from Texas yield?

Mr. RAYBURN. I yield to the gentleman.

Mr. GREEN. I have a telegram here from the Florida Railroad Commission, as follows:

> Respectfully urge you to endeavor to restore original provisions of the Parker bus bill, House Resolution 10202 to provide for joint boards primarily to handle all cases.

Mr. RAYBURN. That is what I am talking about. We eliminated that and an amendment is to be offered by the gentleman from Michigan [Mr. MAPES] to restore that.

Mr. HASTINGS. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. HASTINGS. Does the gentleman entertain any doubt about the power of Congress to give this authority as a Federal agency to this joint board?

Mr. RAYBURN. Mr. Chairman, I agree partially with the gentleman from Maine [Mr. NELSON], but not wholly. I heard the question of the gentleman from Oklahoma [Mr. HASTINGS] yesterday. Congress in the first instance is charged under the Constitution with the duty of regulating interstate commerce. Congress can not delegate to anybody the power or the authority to write a law. Congress itself must set up the standard through statutes; but the Congress in the administration of that law can delegate that to an administrative body. It has delegated it to the Interstate Commerce Commission as the administrative body to handle the working out of all these things with reference to transportation under the interstate commerce act. I do not think there is a doubt in the world about the authority of Congress to pass this administrative function onto these State boards.

Mr. HASTINGS. I am very glad to know the gentleman agrees with me.

Mr. RAYBURN. I do not think there is a wider power granted in the Constitution of the United States than the power to delegate administrative functions. I do not doubt for a moment that the Federal Government under its law can delegate or make its agent a member of a State commission to do a specific thing, of course, without salary. That is my opinion with reference to it.

Another thing that came up during the consideration of this bill, and that was aired out in the Senate while the confirmation of Chief Justice Hughes was under consideration, is the question of the value of a franchise. As I understand the decision of the Supreme Court in the Utilities case, which came over from Baltimore, which raised a storm of protest over the country, and I think justly so, they allowed the Utilities Co. of Baltimore to capitalize their franchise, something that the people of Baltimore had given them, the right to use the street, without money and without price, at a reasonable rate of charge, that charge to be determined according to the value of the property devoted to the service of transportation. The commission of Maryland and the Supreme Court of the United States granted them the authority to collect a return upon a $5,000,000 value upon the franchise, something which was given to them by the people of Baltimore. I think it is one of the most monstrous things that has ever been done. In order to avoid that, for the first time in Federal legislation that I know anything about, we have placed in this bill a provision that at no time in the valuing of the property for rate-making purposes of an interstate bus company shall the franchise be considered a thing of value. We go farther than that and say that at no time in the granting of a certificate of convenience and public necessity shall there be considered to have been

granted any proprietary interest in these roads over which they operate.

Mr. CLARK of Maryland. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. CLARK of Maryland. The United Railways of Baltimore got around the franchise question by calling it an easement instead of a franchise. Does that possibility exist in this bill?

Mr. RAYBURN. I do not think so. If there is any doubt about it we will put that in, because I think our committee is of the deliberate opinion that nothing like that should take place, and that the law should be so definite on that point that the courts and the commissions hereafter will understand what Congress means.

Mr. CLARK of Maryland. Did the gentleman's committee also consider the question of the advisability of allowing rail carriers to control motor bus carriers?

Mr. RAYBURN. Yes. They will be allowed to buy them and consolidate with them if, after hearing, the Interstate Commerce Commission finds that it is in the public interest.

Mr. CLARK of Maryland. Does the gentleman not believe that is a departure from congressional policies with respect to such matters?

Mr. RAYBURN. No, it is not; because in the transportation act of 1920 we inserted a provision empowering the Interstate Commerce Commission to allow railroads to consolidate if they find it in the public interest.

Mr. CLARK of Maryland. Yes; but if the gentleman will look at the act carefully, he will see that, although there is permission and direction really to set up the transportation business of this country into a certain number of systems; those systems are supposed to be competitive, and it is so provided in the law.

Mr. RAYBURN. Yes; and we have provided in this bill, and if this bill is passed it will be the mandate of Congress that competitive systems shall be considered by the Interstate Commerce Commission and that it is the wish of Congress that competition be preserved. That is in this measure.

Mr. CLARK of Maryland. I know that particular statement is in the measure, but the whole bill outside of that particular statement denies it.

Mr. RAYBURN. I do not think so.

Mr. CLARK of Maryland. Is the gentleman familiar with the provisions of the Panama Canal act with reference to competition?

Mr. RAYBURN. I do not recall it at the moment.

Mr. CLARK of Maryland. Under the Panama Canal act carriers were compelled to divest themselves of any interest in water carriers competing with the rail carriers. That I believe to be the policy of Congress to this day.

Mr. RAYBURN. That is the policy with reference to rail and water carriers.

Mr. CLARK of Maryland. In this bill it is possible for the rail carriers to absolutely control competition with the motor bus which they now have on the highways of the country. That is true, is it not?

Mr. RAYBURN. They can consolidate if the Interstate Commerce Commission finds it is in the public interest; yes.

Mr. CLARK of Maryland. The committee thoroughly discussed the advisability of wiping out that form of competition between two forms of transportation?

Mr. RAYBURN. Oh, not at all. The committee specifically says in this bill that it is its idea and that it shall be the policy of Congress established in this bill that competition shall be preserved wherever it is in the public interest, but sometimes it is not in the public interest to preserve competition of certain sorts.

Mr. CLARK of Maryland. Can the gentleman anywhere point to the use of the certificate of convenience and public necessity by one corporation or by one form of corporation as against another?

Mr. RAYBURN. I think I do not understand the gentleman's question.

Mr. CLARK of Maryland. We have rail transportation and motor-bus transportation.

Mr. RAYBURN. And our interstate motor-bus transportation is unregulated at this time.

Mr. CLARK of Maryland. I understand that. We have the principle of convenience and necessity with respect to each?

Mr. RAYBURN. I do not know; we will if we pass this bill. There is no such thing as convenience or necessity for an interstate bus line now.

Mr. CLARK of Maryland. I know; but wherever franchises of bus companies are exercised there is a consideration of necessity and convenience.

Mr. RAYBURN. The State laws would regulate them.

Mr. CLARK of Maryland. Yes; and I assume that a certificate of convenience and necessity will be required of interstate carriers before they begin to exercise their franchise.

Mr. RAYBURN. Yes.

Mr. CLARK of Maryland. Under those conditions this bill would permit a rail carrier to interpose an objection to a certificate of convenience and necessity upon the motor-bus carriers of the country. Does the gentleman think that would be a wise provision?

Mr. RAYBURN. I do not think that Congress ought to prevent anybody from interposing an objection. I think when an application is made for a certificate of public convenience or necessity anybody who has an interest should be allowed to file an objection; not that his objection would be final, but that the Interstate Commerce Commission should pass on it and find out whether or not his objection, or the advocacy of somebody else, should prevail.

Mr. CLARK of Maryland. I am only speaking of the possibility of the rail carriers monopolizing this motor-bus business on the plea of convenience and necessity. If the gentleman thinks competition should be preserved, why not put in the bill a guaranty of competition between the motor-bus and the rail carriers, just as you do in the canal act?

Mr. RAYBURN. If I thought the Interstate Commerce Commission had broken down; if I thought the Interstate Commerce Commission, as some gentlemen say, is an instrumentality of corporate interests; and if I thought they were not reasonably honest, then I would be willing to surround them with such a strait-jacket as the gentleman would indicate by his question. But I do not believe that a majority of the Members of Congress are dishonest. I do not believe that any great percentage of the Members of the different State legislatures are dishonest.

I do not believe that a majority of the executive departments of this Government are controlled and dominated by dishonest and unpatriotic men, and God forbid that I should ever believe that. But when I do believe that, I will have the courage to stand in my place on this floor and discharge my duty as a Member of this body and move their impeachment. [Applause.] And I believe that if a member of this commission is dishonest and is indisposed to give consideration to the rights of the people of this country, it is the duty of a Member of Congress to impeach him, or else refrain from making irresponsible statements. [Applause.]

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

Mr. RAYBURN. Yes.

Mr. LINTHICUM. What was the reference that the gentleman made to a case in question? Was it the case of the United Railways?

Mr. RAYBURN. I think that is the case.

Mr. LINTHICUM. Something has been said about the decision in the case of the United Railways. That does not apply to other railroads in this country. That has nothing to do with it.

Mr. RAYBURN. Probably not; but there is always an escape when somebody wants to reflect on something that does not really belong to the question at issue.

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

Mr. RAYBURN. Yes.

Mr. RANKIN. I would like to ask the gentleman what would be the cost of this administration?

Mr. RAYBURN. I do not know; but I know that the cost of administration would not be one-tenth as much by referring to only two States as it would be if it applied to all the States. We could not call on the State commissioners and entail that expense on the States.

Mr. RANKIN. This bill turns over to the Interstate Commerce Commission the power to make rates on bus routes?

Mr. RAYBURN. To this extent: They file their tariffs with the commission, and the commission on complaint has the right to approve or disapprove them.

Mr. RANKIN. The bill provides that they can fix the charges.

Mr. RAYBURN. Specifically we give the Interstate Commerce Commission the power to do that under the transportation act as to railroads but we do not do it under this.

Mr. RANKIN. This is the real gist of the bill, this proposition:

> No such carrier shall charge or demand, or collect or receive, a greater or less or different compensation for the transportation of persons, or for any service in connection therewith, between the points named in such tariffs, than the rates, fares, or charges specified in the tariffs in effect at the time.

The CHAIRMAN. The time of the gentleman from Texas has expired. The gentleman from Texas has consumed 15 minutes.

Mr. RANKIN. I should have read section 8 first. I read:

Any such certificate or permit may be suspended, changed, or revoked, in whole or in part, for failure to comply with any provision of this act, or with any lawful order, rule, or regulation of the commission promulgated thereunder, or with any term or condition of the certificate or permit, or whenever the public interest shall so require.

Now, until those fares are approved by the Interstate Commerce Commission they do not issue these permits.

No such carrier shall refund or remit in any manner or by any device any portion of the rates, fare, or charges so specified, nor extend to any person any privileges or facilities—

And so forth.

Mr. RAYBURN. Just read on after the "and so forth" and see what is stated. It just prevents rebates and discriminations.

Mr. RANKIN. And also prevents the bus line from lowering rates without the consent of the Interstate Commerce Commission. Does not the gentleman think so?

Mr. RAYBURN. No; I do not think so.

Mr. RANKIN. I will read that again:

No such carrier shall charge or demand, or collect or receive, a greater or less or different compensation for the transportation of persons, or for any service in connection therewith——

Mr. RAYBURN. Than is set out in its schedule.

Mr. RANKIN. The Interstate Commerce Commission can refuse to issue that order if they want to.

Mr. RAYBURN. Yes; or revise it or make suggestions, any way they please.

Mr. RANKIN. Certainly, they can fix rates.

Mr. RAYBURN. But I want the gentleman to go back to where he said they can not lower the rates without the specific approval of the Interstate Commerce Commission.

Mr. RANKIN. I just read it to the gentleman.

Mr. RAYBURN. Well, it is not in there; that is the trouble.

Mr. RANKIN. It says that after this schedule is approved and the permit issued—

No such carrier shall charge or demand or collect or receive a greater or less or different compensation for the transportation of persons, or for any service in connection therewith, between the points named in such tariffs than the rates, fares, or charges specified in the tariffs in effect at the time.

Mr. RAYBURN. And that is true of any rate that was ever filed with the Interstate Commerce Commission. When the bus carrier would file another schedule of rates, even though it were lower, then, unless there was complaint, under this bill it would go into effect.

Mr. RANKIN. It would first have to have the approval of the Interstate Commerce Commission.

Mr. RAYBURN. I have just told the gentleman that there is not a member of the committee or anybody else who has ever made an understanding study of transportation that agrees with him with reference to that.

Mr. RANKIN. The gentleman from Texas did not agree with me until I read it the third time.

Mr. RAYBURN. And I do not agree now.

Mr. RANKIN. The bill says they can not charge less.

Mr. RAYBURN. I do not care what the gentleman's interpretation of it is. I say that if the gentleman would read it a little more calmly, he would see that there is nothing in this bill that prevents a bus line from filing another and a different schedule of rates than that in effect.

Mr. RANKIN. But it must be approved by the Interstate Commerce Commission before it could go into effect.

Mr. RAYBURN. I can not convince the gentleman that my position is correct.

Mr. HOCH. The language which the gentleman from Mississippi has read does not include the word "approval" at all. The gentleman read paragraph (a), which provides that the rates shall be in effect only when prepared, filed, and posted in such manner as the commission shall by regulation prescribe. It would be an unconscionable thing if we would permit a carrier, after it had posted its rates, to then give a discriminatory rate to some one; give them a lower rate than the rate that was posted. If the gentleman's proposition were in effect, we would return to the old days of discrimination between shippers, and we would have all the evils which went with the provision at that time.

Mr. RAYBURN. That is my interpretation of what the gentleman read.

The CHAIRMAN. The gentleman has consumed 55 minutes.

Mr. RAYBURN. I yield myself five additional minutes.

I tried to state what the gentleman from Kansas just read, that the provision which the gentleman was talking about was one of the good provisions of the bill that prevented discriminations which we think ought to be against the law. I do not agree with him, and I have said it so many times and he has said that he does not agree with me so many times that it seems there is no use for further argument on the point.

Mr. RANKIN. On page 20 you have this language:

No such rate, fare, or charge shall be held to be unjust or unreasonable by the commission or by any joint board, under this act, on the ground that it is unjust to a competing carrier engaged in a different kind of transportation.

It could not, of course, be unjust to a competing carrier unless it was less, could it? If I am wrong about their right to regulate rates, why put that provision in the bill?

Mr. RAYBURN. Because we do not think that if a bus line wishes to put in a lower rate than some competing carrier it should be denied on that ground only.

Mr. RANKIN. Then the gentleman admits that the Interstate Commerce Commission would have a right to prevent it lowering its rates below a competing carrier?

Mr. RAYBURN. The provision says exactly the opposite thing. If the gentleman will just read it, it says exactly the opposite thing. It says it shall not deny a rate because it is presumed to be lower than a competing carrier, or unfair to a competing carrier.

Mr. RANKIN. It says, "a competing carrier engaged in a different kind of transportation."

Mr. RAYBURN. Yes; that means a railroad or an interurban.

Mr. RANKIN. Very well. But if it were another bus line the commission would have the right to fix the rates, would they not?

Mr. RAYBURN. They have the right to file their rates and they become effective unless there is complaint and they are disapproved.

Mr. RANKIN. Then the gentleman agrees with me that if there are two competing bus lines and one of them charges $10 between two points and the other one publishes a schedule to charge $9, the Interstate Commerce Commission, under this bill, can prevent that.

Mr. RAYBURN. I want to see what the gentleman has read.

Mr. RANKIN. I am reading from page 20. I understood that some member of the committee yesterday said that the committee did not write this bill. Did I understand some Member to say that the committee did not write this bill?

Mr. PARKER. Oh, no; absolutely not. It was written by the committee.

Mr. RAYBURN. There is no use making such aspersions as that on this committee. Not at all.

Mr. RANKIN. What was said about these boards coming in and helping to compile this bill?

Mr. RAYBURN. Why, they wrote a bill and handed it to us; that is, the bus lines and the State commissions, but that is not this bill.

Mr. RANKIN. The gentleman from Texas intimates that I do not understand this. Possibly I do not, but I am trying to get information from those who are supposed to understand it.

Mr. RAYBURN. I have given the gentleman all I have, and I have told him all I can about it. When I make a statement the gentleman says he does not agree with me. When the gentleman makes a statement I say that, in the light of all the knowledge I have about this, I think he is wrong; and then we go over the same thing. I can not convince the gentleman against his will.

Mr. RANKIN. I am not trying to be convinced against my will, but if the Interstate Commerce Commission does not have the right to prevent an interstate bus line from lowering its rates under this measure, then why was this provision at the top of page 20 put in the bill?

Mr. RAYBURN. This says that:

No such rate, fare, or charge shall be held to be unjust or unreasonable by the commission or by any joint board, under this act, on the ground that it is unjust to a competing carrier engaged in a different kind of transportation.

The reason why that was put in the bill was this: We do not want the railroads or the interurbans to come in and say that a rate is so low it is unjust to them and that therefore it ought not to be permitted.

The CHAIRMAN. The gentleman from Texas has consumed one hour.

Mr. RAYBURN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. RANKIN. If it is competing with another line engaged in the same kind of transportation, as I have pointed out, and it attempts to lower its rates, then the commission can prevent it.

Mr. RAYBURN. If complaint is made and the Interstate Commerce Commission found that in the public interest it was an unjust and unreasonable rate, of course, it would not put it into effect.

Mr. RANKIN. That is what I wanted to find out. The Interstate Commerce Commission could prevent it from lowering rates.

Mr. RAYBURN. The Interstate Commerce Commission can prevent a railroad from lowering its rates. It has the power to set the maximum or minimum and the maximum and minimum.

Mr. RANKIN. All right. Here is a railroad company owning a line of railroad between two points. The fare on that road is $10 between those two points. It also owns a bus line, and the fare on the bus line is the same. Now, an independent bus owner, or a man or firm owning an independent bus line, could not be prevented from reducing rates on the ground that the bus line is competing with the railroad but could be prevented from reducing rates below those of a bus line owned by the railroad.

Mr. RAYBURN. Yes; of course it could, and that is true about all rates. Everybody who has made an understanding study of transportation understands that to be true.

Mr. COX. Will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. COX. You are simply extending to the bus business, in a limited way, the same principle of control that is applied to the railroads.

Mr. RAYBURN. Absolutely.

Mr. COX. All in the public interest?

Mr. RAYBURN. Yes.

Mr. BURTNESS. Will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. BURTNESS. But the commission can not prevent a bus operator from putting a lower rate into effect except upon a finding that such lower rate is unjust to other bus operators.

Mr. RAYBURN. I just indicated to the gentleman from Mississippi that if the Interstate Commerce Commission, after hearing, found it was an unjust and unreasonable rate it would have the right and power to set it aside.

Mr. BURTNESS. The fact that it is simply a lower rate carries no inference with it that it is unjust, and the burden will be on the complaining carrier to show that the lower rate is unjust to it.

Mr. RAYBURN. Certainly.

Mr. GLOVER. Will the gentleman yield for one question?

Mr. RAYBURN. Yes.

Mr. GLOVER. I hold in my hand two bills, one introduced on the 6th of January and the other on the 26th of February. To me they do not look like twins at all. They contain different provisions and, as I read them, they are as far apart as the poles. I find that the language contained in section 14 of the first bill introduced is stricken out of the second bill. That section takes care of the States in regard to intrastate business, and everything of that kind, and preserves the rights of the States.

Mr. RAYBURN. The gentleman from New York is going to offer an amendment to restore all this language about State commissions; but that, in my opinion, is not going to mean anything after it is restored, for the simple reason that for 50 years it has been held that interstate commerce is the business of the Federal Government and that when it is found that the Federal Government has the power under the Constitution to enter a field of activity or a field of legislation it occupies it to the exclusion of everybody else.

Mr. GLOVER. But this section 14 would preserve the rights of the States.

Mr. RAYBURN. What rights?

Mr. GLOVER. The rights of taxation and other things.

Mr. RAYBURN. I do not think any language you would put there would preserve to the States any rights they would not have without such language.

Now, Mr. Chairman, let me say this: I am sorry I have been unable to convince some gentlemen with regard to my reasoning upon this bill. However, allow me to say this: We were importuned by everybody who had anything to do with interstate busses. We were importuned by bus owners; we were importuned by railroads; we were importuned by chambers of commerce; we were importuned by vast sectors of people; we were importuned by all of the State commissions in the United States which have already through legislation had some control over intrastate business. They have come to us and said: Here is an uncontrolled field of transportation. We can not reach it. We come to Congress as the only body in the world which can reach it. Now, your committee has done the best it could, after laboring for months, in trying to bring out legislation that would control this uncontrolled interstate commerce in motor busses. You can take it or leave it as far as I am concerned. [Applause.]

Mr. PARKER. Mr. Chairman, I yield 40 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Chairman, this bill has been ably debated. There is little that one can add that is new that has not already been brought out in debate. I am in favor of its passage. It was painstakingly considered by the Committee on Interstate and Foreign Commerce and I believe that it is a good bill. It embarks upon a new field as far as Federal legislation is concerned. For that reason, as well as because of the ever-increasing complexity of the problem of regulating motor traffic, it will not be surprising, or at all unusual, if, in the practical administration of it, experience suggests some amendments to it; but I believe that a careful study of its provisions will convince almost anyone that it is a constructive piece of legislation, drawn in the public interest, and that it covers the subject in a comprehensive and intelligent manner.

There are differences of opinion about the necessity or urgency for Federal legislation to regulate the operation of motor busses engaged in the business of common carriers of persons in interstate commerce and how far such legislation, if enacted at all, should go. As is quite apparent to anyone who has followed the debate, those different views were represented in the membership of the committee. They were earnestly and ably argued in the committee by different members of it. It is undoubtedly true that the Government would not fall if legislation on the subject should not pass immediately, but that may be said of almost any proposal for legislation that comes before us.

Every State in the Union, with possibly one or two exceptions, regulates the operations within the State of common carriers by motor busses; and why should the Federal Government delay any longer to regulate their interstate operation? With the rapid increase in motor transportation no one will contend that the passage of such legislation can be indefinitely postponed.

Do we not owe it to those who adopt that mode of travel to give them now the additional protection to life and property that the passage of this legislation will give and to the owners of private cars to protect them as much as possible from the unnecessary or reckless operation of motor busses on our highways?

As the Interstate Commerce Commission, in its report on the subject, has said:

> Wear and damage to the highways and the hazard of transportation are the same whether a motor vehicle of a certain type is moving in interstate or in intrastate commerce.

The gentleman from New York [Mr. PARKER], the chairman, and other members of the committee have carefully analyzed and explained the different provisions of the bill. Without attempting to go over the same ground again in detail, briefly, the bill places the operation of common carriers of passengers by motor vehicle between the States under the jurisdiction of the Interstate Commerce Commission. It does not include trucks or common carriers of freight. It requires those who desire to act as common carriers of passengers by motor vehicle in interstate commerce to secure a certificate of public convenience and necessity from the Interstate Commerce Commission before engaging in the business and makes it the duty of the commission to supervise and regulate their operation after they have been given a certificate.

Mr. LANKFORD of Georgia. Will the gentleman yield there?

Mr. MAPES. I yield to the gentleman.

Mr. LANKFORD of Georgia. Can the gentleman state why the carriers of freight were not included in this bill?

Mr. MAPES. Because this is new legislation, and those interested in it thought it advisable not to attempt too much at the outset and it was therefore decided not to include the carriers of freight at this time. It is recognized by most students of the question, I believe, that there is not as much necessity for regulating carriers of freight at the present time as there is carriers of passengers, and the committee decided to be conservative and not include the carriers of freight at this time.

Mr. LANKFORD of Georgia. Are we to expect a bill including carriers of freight in the near future?

Mr. MAPES. As years go by probably attempts of that kind will be made, but there is no definite proposal of that kind pending before the committee and, as far as I know, no one has any idea of proposing that in the immediate future.

Mr. BURTNESS. Will the gentleman yield there?

Mr. MAPES. I yield.

Mr. BURTNESS. And, in addition to the reasons the gentleman has given, is it not also true that most of the carriage of merchandise, the great bulk of it, is purely intrastate at the present time and that there is very little interstate traffic as compared with interstate passenger-bus traffic?

Mr. MAPES. Yes; that is true. The common-carrier freight by motor vehicle in interstate commerce is very limited, indeed.

Mr. LANKFORD of Georgia. Do many of the carriers of passengers also deal with freight, or do they handle passengers exclusively?

Mr. MAPES. This bill relates exclusively to the carriers of passengers.

Mr. LANKFORD of Georgia. I mean did the evidence before the committee disclose that many of the companies or corporations engaged in the handling of passengers also engaged in the handling of freight, or did most of them carry or handle passengers exclusively?

Mr. MAPES. I do not think that was gone into to any great extent before the committee, but my observation is that the same motor vehicle does not as a rule carry freight and passengers at the same time.

Mr. WOLVERTON of New Jersey. Will the gentleman yield there?

Mr. MAPES. Yes.

Mr. WOLVERTON of New Jersey. Did it not also appear to the committee, from the facts that were ascertained by the Interstate Commerce Commission in its country-wide investigation, that motor trucks engaged in interstate operations, in most instances, were engaged by private contract and by private letting, and that common-carrier service by trucks had not developed sufficiently to require or make necessary their regulation in the public interest, thus the purpose of this bill is merely to control common carriers engaged in the interstate transportation of persons by motor vehicles?

Mr. MAPES. That is true. That is the thought I wished to convey when I answered that the common carriers of freight by motor vehicle in interstate commerce were very limited.

Mr. LANKFORD of Georgia. Carriers of freight do not operate on a general schedule, but operate usually under special contract.

Mr. MAPES. That is true, to a large extent.

It is made the duty of the commission to establish reasonable requirements with respect, among other things, to continuous and adequate service at just and reasonable rates, a uniform system of accounts and reports, qualification and maximum hours of service of employees, safety of operation and equipment, and pick-up and delivery points.

Matters arising out of the administration of the act may be referred by the commission, in its discretion, for hearing to any member or examiner of the commission except those relating to carriers operating between two States only, in which case they must be referred to a joint board consisting of a member of the State utility commission, or similar body, from each State in which the operations involved are conducted; provided, of course, that the State authorities are willing to act. The member or examiner of the commission, or the joint board, as the case may be, is required to hear and decide the matter referred and to recommend an appropriate order thereon. Any order thus recommended by a member or examiner of the commission or by a joint board becomes the order of the commission after the expiration of 10 days unless it is stayed or postponed by the commission.

Mr. CLARK of Maryland. Will the gentleman yield there?

Mr. MAPES. I yield to the gentleman.

Mr. CLARK of Maryland. The bill uses the language "any matter."

Mr. MAPES. Yes.

Mr. CLARK of Maryland. Does that mean that a board must be set up for each matter that arises with respect to a rate or a service, or any other matter, coming up in the course of regulation?

Mr. MAPES. I think if the gentleman will complete his reading of the section he will see it refers to any matter with reference to certain particular subjects which are set out at length.

Mr. CLARK of Maryland. Exactly; and I am led to believe from that language that a board must be set up when any one of these matters may arise.

Mr. MEAD. I have a question that bears on that subject. Will the gentleman yield right there?

Mr. MAPES. I will yield, very briefly.

Mr. MEAD. I just want to ask why, in section 5, paragraph (b), we set arbitrarily the date of January 1, 1930, when a company must have been in operation in order to get a certificate from the commission.

Mr. MAPES. Some arbitrary date has to be fixed, if any date is fixed at all. Different dates were proposed before the committee and the committee felt that those who had pioneered in this field and had made big investments in it, had, for example, established depots and terminal facilities and had been in operation in good faith for a given length of time, should be allowed to continue in operation, and the committee finally fixed upon the date of January 1, 1930. Other dates were proposed, some going back as far as two years, and some proposed that the date be the time that the bill goes into effect; but the committee finally decided on January 1, 1930. Of course, people may have differences of opinion about the advisability of this date, but some arbitrary date has to be named, if any date is to be fixed at all.

Without further reference to other provisions of the bill, there is one phase of it in particular to which I wish to call attention and which some of us would like to see amended. That is the provision which limits the jurisdiction or reference to joint boards of busses when their operations involve two States only.

A brief history of the agitation for the legislation and the different steps leading up to it may help to give a better understanding of this part of the bill especially.

It was comparatively only a few years ago that the States made any distinction in their laws regulating automobile traffic between motor busses and the private car. Pennsylvania, I believe, in 1914, was the first State to do so. A few other States followed in 1915, 1916, and 1917, but up to 1921 only 11 States out of the 48 had passed such legislation. Now, the laws of practically all the States provide for additional or different regulation over the operations of busses engaged as common carriers than they do over the operations of private cars.

Automobile traffic is much more local in character than railroad transportation. Because of its local character and the preemption of the field by the State regulatory laws the State commissions assumed jurisdiction and for a number of years regulated the operation of motor busses engaged in interstate the same as they did those engaged in intrastate commerce. Conceding that Congress had jurisdiction over the subject matter in so far as interstate commerce is concerned, if it saw fit to exercise it, they assumed that they had jurisdiction in the absence of legislation by Congress or until Congress saw fit to exercise its jurisdiction.

Accordingly operators of interstate busses applied to the State commissions for certificates of public necessity and convenience to operate within the States through which they desired to travel and were subjected to the same regulations and control as operators of intrastate busses within the respective States. During this period it was generally conceded that one who desired to operate a bus in interstate commerce must first obtain a certificate of public convenience and necessity from the State before he could operate within that State. This was the situation until the decision of the Supreme Court in the two cases, both decided on the same day, March 2, 1925, one arising from the State of Washington, known as the Buck case, and the other from the District of Columbia, known as the Bush case, to which reference has frequently been made in the debate.

Buck desired to operate a motor bus between Portland, Oreg., and Seattle, Wash. He applied for and was granted a certificate of public convenience and necessity to operate in the State of Oregon, but was refused a certificate by the authorities of the State of Washington.

The ground of refusal was—

As stated in the opinion of the Supreme Court of the United States—

> that under the laws of the State the certificate may not be granted for any territory which is already being adequately served by the holder of a certificate; and that, in addition to frequent steam railroad service, adequate transportation facilities between Seattle and Portland were already being provided by means of four connecting auto State lines, all of which held such certificates from the State of Washington.

The Supreme Court held that the State could not compel Buck to obtain a certificate in order to travel its highways as a common carrier engaged in interstate commerce. Justice Brandeis, in giving the opinion of the court, said:

> It may be assumed * * * that appropriate State regulations adopted primarily to promote safety upon the highways and conservation in their use are not obnoxious to the commerce clause, where the indirect burden imposed upon interstate commerce is not unreasonable. * * * The provision here in question is of a different character.

Its primary purpose is not regulation with a view to safety or to conservation of the highways, but the prohibition of competition. It determines not the manner of use, but the persons by whom the highways may be used. It prohibits such use to some persons while permitting it to others for the same purpose and in the same manner.

The opinion goes on to say that—

The provision of the Washington statute is a regulation, not of the use of its own highways but of interstate commerce. Its effect upon such commerce is not merely to burden but to obstruct it. Such State action is forbidden by the commerce clause.

Soon after the decisions of the Supreme Court in the Buck and Bush cases the National Association of Railroad and Utilities Commissioners appointed a committee to study the situation and recommend Federal legislation.

I think it is fair to say that that association took the initiative in advocating Federal legislation and, of course, in doing so it undoubtedly had in mind the rights and jurisdiction and prestige of its own members in connection therewith. The committee of the association, after conferences with others who believed that Federal legislation was desirable, submitted a draft of a bill which was first introduced in both Houses of Congress in the Sixty-ninth Congress—in the House of Representatives by the gentleman from New York [Mr. PARKER], the chairman of the Committee on Interstate and Foreign Commerce of the House, and in the Senate by Senator Cummins, the then chairman of the Committee on Interstate Commerce of the Senate. Hearings were held on that bill by the Senate committee in the Sixty-ninth Congress, but not by the committee of the House. The bill was not reported by either committee in that Congress.

The bill was again introduced in slightly amended form, although the same in substance, in the Seventieth Congress and again in this Congress. Hearings were had on the House bill by the House committee in the Seventieth Congress, but the bill was not reported either in the House or in the Senate. It developed that there was a wide divergence of views on the part of the members of the House committee on what ought to be done, and the bill was finally laid upon the table.

The gentleman from New York [Mr. PARKER] again introduced the bill in this Congress. Hearings were again held by the House committee. Because of the previous hearings and the general sentiment in favor of legislation along the line proposed the chairman of the committee announced at the beginning of the hearings that it was thought that better progress would be made and that the hearings would be completed much more quickly if the committee heard all those who desired to oppose the bill first and then let one man appear for the proponents. That course was followed.

The principle of that provision to which I desire to direct special attention has been the same in all the bills to which I have referred. That principle has been that the regulation of motor busses should be left to State commissions or a representative of the State commission from each State through which the busses proposed to operate, without limitation as to the number of States. The bills as introduced originally in the Sixty-ninth, Seventieth, and Seventy-first Congresses were based on that principle, no matter how many States were involved. In rewriting the pending bill the majority of the committee has restricted that principle and limited the jurisdiction of the State commissions to cases where the operations are conducted between two States only. Some of us do not believe that such restriction is wise. We believe that to thus restrict the jurisdiction of the joint boards is a mistake. Six members of the committee joined in a statement briefly stating our position, headed "Additional Views," which is attached to the report of the committee.

We appreciate the difficulties that might arise in the administration of the act to refer matters to joint boards in all cases where a great many States are involved, but we believe that the bill goes too far in limiting the jurisdiction of the joint boards when it confines their jurisdiction over motor busses which operate in two States only.

Mr. RANKIN. Will the gentleman yield?

Mr. MAPES. I will yield.

Mr. RANKIN. This bill, according to the statements of gentlemen who have spoken on it, follows as near as possible the Esch-Cummins railroad law, does it not?

Mr. MAPES. I would not say that it followed the Esch-Cummins railroad law, but the study of the members of the Committee on Interstate and Foreign Commerce of the Esch-Cummins law, of the different provisions in that law, and the way it has operated, and the interpretation by the courts of its provisions was a guide to the committee in the framing of this bill.

Mr. RANKIN. I was wondering why the committee did not put in the same recapture clause that is in the Esch-Cummins law.

Mr. MAPES. Because there is a vast difference between motor-bus transportation and railroad transportation. The provisions of the Esch-Cummins railroad law are not applicable in that respect to regulations of motor-bus transportation.

Mr. RANKIN. Let me say to the gentleman——

Mr. MAPES. I do not want the gentleman to take too much of my time, but if the gentleman wants to ask me a question I will do my best to answer it.

Mr. RANKIN. I will say to the gentleman that it looks as if the committee was rather sensitive about giving information on this bill.

Mr. MAPES. I think the gentleman from Mississippi should be the last one to make that complaint, because he has occupied so much of the time of the different Members who have discussed the bill.

Mr. RANKIN. I have done it trying to get information.

Mr. MAPES. I may say to the gentleman that judging from the questions he has put from time to time I am in general sympathy with the position he takes in regard to some of the features of this bill.

Mr. RANKIN. I did finally get an answer to my question. Now I want to ask the gentleman this question: Under the Esch-Cummins railroad law you have a recapture clause—that is, if the road makes an unreasonable profit, it reverts to the Federal Government.

Mr. MAPES. I may say that that provision is because the country is divided into regions as far as the railroads are concerned, and a rate must be allowed that will give a fair return on the aggregate value of all the roads in that region. It contemplates that such rate will permit some roads to earn more than a fair return on their property. There is no such principle involved in the regulation of motor traffic, because each case is decided by itself.

Mr. RANKIN. Not altogether. The only difference is that with the railroad they furnish the road, and the rails, and so forth. With the motor busses the people own the land along the right of way and furnish the road for the bus line, and they are permitted to make any kind of a profit they can.

Mr. MAPES. Yes; but every bus operator that comes under this law comes as an individual operator, and his case is treated by the Interstate Commerce Commission as such. The rates which the Interstate Commerce Commission allows that operator to charge will not contemplate that there will be any excess profits which ought to be turned over to the Government or otherwise.

Mr. RANKIN. They may start out independent, but they will not be that way long.

Mr. MAPES. But as far as the rates are concerned for travel on these motor busses, they will not contemplate allowing the operator to make any more than a reasonable return on his investment.

Those of us who support the amendment which I have been discussing believe that the joint boards should have jurisdiction of operations at least in all cases where not more than three States are involved, and that the Interstate Commerce Commission should be given authority, in its discretion, to refer matters to joint boards where more than three States are involved.

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

Mr. MAPES. Yes.

Mr. CRISP. I am in sympathy, I think, with the gentleman's amendment. If it is agreeable to him, I wish he would explain briefly the difference between his amendment and the provision in the bill. Under the amendment the gentleman advocates, with a representative of each of the States, still the Interstate Commerce Commission would have, with an objection filed, the veto power.

Mr. MAPES. We think that the provision in the bill, as it is in that respect, is a very happy provision, and we have no desire to change the provision so far as it relates to procedure.

Mr. CRISP. Then the difference between the gentleman's proposed amendment and the provision in the bill is that under the bill we have now only two States represented, whereas the gentleman wants all of the States affected represented.

Mr. MAPES. No; not all of them. I shall discuss that in just a moment.

Mr. RANKIN. Mr. Chairman, will the gentleman yield for a question?

Mr. MAPES. I am sorry, but I feel that I must go on; I must decline to yield at this time.

I want to commend the frankness of the gentleman from Texas [Mr. RAYBURN], who said very frankly that he is not

in sympathy with the provision in the bill as far as the reference to joint boards is concerned, at all, but that he accepted it as a compromise. However, if he referred to the amendment which I propose to make, and I assume that he did, because he mentioned my name later on in his remarks, he was mistaken when he inferred that I proposed to offer an amendment to require the reference to joint boards, no matter through how many States the busses operated. I do not intend to go as far as that. Those of us on the committee who favor this amendment recognize that it might be cumbersome and impractical to carry out a provision that went as far as that. We do not propose to do that. We believe the joint board should have the jurisdiction of operations, at least in all cases where not more than three States are involved, and that the Interstate Commerce Commission should be given authority in its discretion to refer matters to joint boards where more than three States are involved.

Amendments will be offered during the consideration of the bill under the 5-minute rule in accordance with these views.

We believe that to give the joint boards jurisdiction over as broad an area as it is practicable to do is more in harmony with the plans of the proponents of the original legislation. It certainly is more in harmony with the views of the State public utility commissioners. To do so complies also with the recommendations of the Interstate Commerce Commission in that regard and would, to that extent, relieve or protect from additional burdens the already overburdened Interstate Commerce Commission. The operation of motor busses is of such a local character that it is believed that the joint boards can supervise and regulate their operation to much better advantage and with greater satisfaction to the public than the Interstate Commerce Commission here in Washington can do it.

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

Mr. MAPES. Yes.

Mr. WHITTINGTON. Would the extension of these boards materially increase the cost of operation?

Mr. MAPES. Personally, I do not see how it could.

The Interstate Commerce Commission itself has declared that—

> In the course of hearings [which it conducted] the administration of State regulatory laws by State commissions was commended by shippers and motor-vehicle operators generally, as was also the regulation they exercised over interstate motor-vehicle operations during the period in which they assumed jurisdiction over such operations. If interstate commerce by common-carrier motor vehicles is to be regulated at this time, original jurisdiction in the administration of such regulatory laws should, so far as possible, without contravention of the commerce clause of the Federal Constitution, be vested in State regulatory bodies or officials, with the right of appeal to us.

In order to show just how the provision relating to the joint boards in the pending bill differs from the provision in the bill as originally introduced in this Congress let me read from the two bills.

The original bill in this Congress is H. R. 3822. That bill provides, page 4, line 22:

> For the purpose of carrying out the provisions of this act the commission shall refer all matters over which it has jurisdiction—

Except certain matters specifically referred to—

> to joint boards made up in each case of representatives of the boards of the several States in which any part of the interstate operation is or is proposed to be conducted.

You will notice that there is no restriction as to the number of States.

The committee has substituted for that provision of the original bill the language in the pending bill on page 7, beginning with line 14, paragraph (d), which is as follows:

> The commission shall, when operations of common carriers by motor vehicle conducted or proposed to be conducted between two States only are involved, refer to a joint board for hearings and decision and recommendation of appropriate order thereon—

And so forth.

It will be seen that this language expressly limits the jurisdiction of the joint board to those cases where two States only are involved.

In this connection the findings and recommendations of the Interstate Commerce Commission are interesting and very much to the point.

On June 15, 1926, as has already been brought out in the debate, that commission, on its own motion, started an investigation of the operation of motor busses and motor trucks. In the course of that investigation hearings were held by an examiner of the commission at different points over the United States; more than 5,000 pages of testimony were taken and over 400 witnesses heard. It has been stated in this debate that the public has not been heard or has not been represented in the consideration of this legislation. Well, the Interstate Commerce Commission in its report said that—

> The witnesses included Federal, State, county, and municipal officials; railroad executives; operators of motor busses and motor trucks; farmers; livestock men; manufacturers; shippers; representatives of State regulatory bodies; motor-bus and motor-truck associations; chambers of commerce; traffic associations; farm bureaus; highway commissions; and the automotive industry.

It would be difficult to hear a more inclusive representation of the public.

On April 10, 1928, after due consideration of the record in that proceeding, the commission filed an exhaustive report (Rept. No. 18300), in which, among other things, it said:

> The transportation of passengers and property by motor vehicle is at present a distinctly local proposition, the character of which is not changed by the mere incident of crossing a State boundary line.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. MAPES. Yes.

Mr. MOORE of Virginia. The Interstate Commerce Commission, which the gentlemen of the committee have time and time again vouched as their authority, has expressed the opinion recently that matters of this kind should be referred in every instance to joint boards. They seem to consider that practical, and so far as we can ascertain they consider it free from undue expense. I ask the gentleman why that should not be done.

Mr. MAPES. I believe that the Interstate Commerce Commission certainly ought to be given authority in its discretion to refer matters to such joint boards where more than three States are involved. Certainly there could be no harm in leaving it to the discretion of the Interstate Commerce Commission.

Mr. MOORE of Virginia. But the Interstate Commerce Commission says no harm will come from directing them to make reference in every case to joint boards.

Mr. MAPES. I am inclined to have a good deal of sympathy with the views of the gentleman from Virginia, but the gentleman knows, as a matter of practical procedure, in passing legislation, compromises are often accepted, and realizing that the commission is sympathetic with this idea and has recommended it in its report, those of us who signed the additional views statement believe that it is safe and fair to leave it to the discretion of the Interstate Commerce Commission to refer the cases to joint boards where the operations involve more than three States.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield to one more question?

Mr. MAPES. I do.

Mr. HASTINGS. As I understand it, then, the gentleman did not give any final authority to any of these joint boards, but all their decisions and orders would be subject to the approval of the Interstate Commerce Commission?

Mr. MAPES. I am inclined to agree with the constitutional lawyers on our committee, who say that the commission must be given the final authority.

Mr. HASTINGS. Then the gentleman does not agree with the gentleman from Texas [Mr. RAYBURN] that the Congress of the United States could designate the joint boards as Federal agencies to make these orders and decisions?

Mr. MAPES. I did not quite understand the gentleman from Texas to go as far as that. It would at least create a doubt in the minds of some to go as far as the gentleman suggests. I do not think there can be any doubt of the constitutionality of the provision in the bill, and for all practical purposes it seems to me to accomplish the same result.

Mr. HASTINGS. I regret the gentleman from Michigan is not willing to go that far, because I think that amendment is one that I would like to vote for.

Mr. MAPES. As it stands, we are raising no question about the constitutionality of the provision.

Mr. HASTINGS. But with the outstanding bus business throughout the United States there would be hundreds of thousands of these different orders that would have to come up to the now overburdened Interstate Commerce Commission.

Mr. MAPES. That may be true; but leaving the matter to the discretion of the commission will give an opportunity to see how the principle will work in practical operation. If it is deemed desirable to change it, that can be done in the future.

Mr. HASTINGS. But the gentleman would anticipate many vexatious delays in passing on minor matters by the commission?

Mr. MAPES. That may be true.

The Interstate Commerce Commission further says, what I understand to be the law—page 743 of its report—that—

State officers, unless prohibited by the constitution or laws of the State, may be authorized by Federal statutes to perform duties conferred by a Federal statute, but they can not be compelled to perform such duties.

And again:

It would appear that Congress has the right to delegate to State agencies the administration of Federal statutes, and it seems reasonably free from doubt that it can do so in the administration of laws regulating interstate commerce, particularly if provision is made for an appeal from the action of such agencies to a Federal tribunal.

Such provision for appeal from the action of the joint boards is made in this bill.

In view of the predominantly local character of motor transportation at this time—

The report of the commission continues—

Congress should vest in State regulatory bodies original jurisdiction in the regulation of interstate commerce by common-carrier motor vehicles operating on the public highways within general lines marked out by the statute.

The bill as originally drafted had that recommendation of the Interstate Commerce Commission in view. The commission summarizes its conclusion on this point as follows (p. 746):

Original jurisdiction in the administration of regulation over motorbus lines operating in interstate or foreign commerce as common carriers over the public highways should be vested in such State regulatory bodies or officials as are, or may be, charged with the administration of laws and regulations covering intrastate commerce by motorbus lines in their respective States and who notify the Interstate Commerce Commission within a reasonable time that they will act.

What will be the effect of this 2-State limitation? It will give State commissions jurisdiction over a few local situations, but the great mass of interstate bus operations will come under the jurisdiction of the Interstate Commerce Commission here in Washington.

Busses running between New Jersey and Philadelphia, between New Jersey and New York, between St. Louis and east St. Louis, and a few other interstate operations, will come under the jurisdiction of the local State commissions, but an operator in New England will scarcely be able to turn around without coming under the jurisdiction of the Interstate Commerce Commission, and those who run between Philadelphia and New York will come under the Interstate Commerce Commission. The 2-State limitation will take away from the State commissions jurisdiction over operators in the Middle West running, for example, between Detroit and Chicago, between Chicago and Minneapolis and St. Paul, and between Cleveland and Chicago.

I have here a letter from the general counsel of the National Association of Railroad and Utility Commissioners, Mr. John E. Benton, in which he says:

The 2-State plan will be of very limited value in the West and is simply not workable in the East. If you go from Baltimore to Richmond, you run into 3 States—counting the District as 1; from Washington to Philadelphia you run into 3—or 4 via Wilmington; from Philadelphia to New York you run into 3; from New York to Boston 3—or 4 via Providence; from Portland to Boston you run into 3, and to New York 6 or 7.

The commissioners of both large and small States alike unite in saying that the 2-State plan does not meet their need. For example, Hon. Mayland H. Morse, chairman of the Public Service Commission of New Hampshire, under date of March 3, 1930, before receiving a copy of the bill, wrote me:

"Although as yet I have had no opportunity to see the amended Parker bus bill, so called, I have been advised that if more than two States are involved, jurisdiction would be had only by the Interstate Commerce Commission. This feature appears to me objectionable from the standpoint of New Hampshire, because a bus line from Boston to Maine will naturally pass through three States and might possibly pass through four. Accordingly, on this one feature of the bill alone, I believe the number of States involved would be increased from two to five."

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

Mr. PARKER. Mr. Chairman, I yield to the gentleman 10 additional minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 10 additional minutes.

Mr. MAPES. Now, I wish those of you who are interested in this subject would pay particular attention to this statement of Mr. Benton that I read a moment ago:

The commissioners of both large and small States alike unite in saying that the 2-State plan does not meet their needs.

I respect the judgment of those who do not accept the judgment of the State commissioners as to the advisability of this provision, but the men who have the most to do with the regulation of motor traffic, the State commissions, supplemented by the recommendation of the Interstate Commerce Commission, which has control of the regulation of the railroads, recommend that these matters be referred to the joint boards made up of members of the State commissions.

I submit that there is no reason why these operations between the States I have mentioned should not come under the jurisdiction of the local commissions as well as operations between two States only, and the commission should be given the power, in its discretion, to refer to the local commissions any or all cases where more than three States are involved if it sees fit to do so.

Those familiar with the problem have for years been alarmed at the ever-increasing work of the Interstate Commerce Commission and the almost impossible task which it has to perform. The problem is how to lessen rather than to increase that burden.

In the last two annual reports of the commission, at least, in speaking of its inability to keep up with its work, the commission has used this language:

The continual growth in variety and volume of the work devolved upon the commission has made the performance of our duties less and less current. For the more prompt disposition of matters intrusted to us there should be express statutory authority for the commission to delegate to individual commissioners and employees of the commission the power to perform specified duties, and to consider and determine specified matters and subjects, subject to the general control and supervision of the commission, and the exercise by it of appropriate powers of review either through the commission or a division thereof.

Of course, this statement of the commission refers to its existing duties and has no reference to the additional burdens which will be placed upon it by the enactment of this motor bus legislation.

The pending bill, in so far as it places this additional work on the commission, authorizes the commission "to delegate to individual commissioners and employees of the commission the power to perform specific duties, and to consider and determine specified matters and subjects, subject to the general control and supervision of the commission" and the right of appeal to the commission, as the commission has indicated should be done in connection with its railroad work. This is a very desirable feature of the pending bill and if it works out well in the administration of this act there is no reason why it should not be made to apply in the administration of the transportation act in its application to railroads.

Another proposal frequently suggested for the relief of the commission is to divide the country into regions and to create regional boards to hear and determine cases in the first instance, with the right of appeal to the commission. Another proposal sometimes suggested has been to work out some way in which some of the work of the commission could be properly and constitutionally delegated or referred to State commissions.

This bill proposes to do that where two States only are involved. In so far as it goes, that, too, is a very desirable provision. It recognizes the policy of referring matters to the State commissions. If it is constitutional to refer cases where two States only are involved, of course, it is just as constitutional to refer them to State commissions where more than two States are involved.

Those of us who believe that the operations of motor vehicles should be referred to joint boards where more than two States are involved do not question the exclusive jurisdiction of Congress over the regulation of interstate commerce. Nor do we question that Congress can not require State agencies to act against their will in connection with the delegation of any of the regulatory provisions of this bill.

We do understand, however, it is perfectly legal to make use of State agencies in that connection if such State agencies are willing to act, and the State regulatory bodies are willing and anxious to act under this bill.

Mr. ARENTZ. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. ARENTZ. Does the gentleman propose to offer an amendment to authorize the Interstate Commerce Commission to delegate this authority to boards in more than two States?

Mr. MAPES. Where more than three States are involved.

Mr. ARENTZ. But delegation is made in the bill to two States.

Mr. MAPES. Delegation is made in the bill to two States, but we propose to offer an amendment to change that to three.

Mr. ARENTZ. Then you give authority to the Interstate Commerce Commission to delegate this authority to more than two States?

Mr. MAPES. I propose to offer an amendment to strike out the word "two" and insert the word "three," so that it will be obligatory to refer all matters, where three States only are involved, and leave it in the discretion of the commission to refer other matters where more than three States are involved.

Those of us who believe that the State regulatory bodies should be made use of to a greater extent than the bill permits approve of the set-up, as far as delegation of power is concerned, and recommendation of orders which shall become the orders of the Interstate Commerce Commission after the expiration of a certain period of time. We think that arrangement is a very happy one. It avoids any question as to its constitutional effect and accomplishes the purpose. Our only contention is that the reference to joint boards should include operations where more than two States are involved.

State rights and the tendency to centralize governmental authority here in Washington are popular subjects for academic discussion and debate. Here is an opportunity for those who sincerely believe in State rights and who feel that the tendency to centralize authority in the Federal Government should be resisted as much as possible to put their views into practical operation. [Applause.]

Mr. CLARK of Maryland. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. CLARK of Maryland. I would like to know whether the committee considered the question of authority in the commission to fix a minimum rate of charge?

Mr. MAPES. Yes; the committee gave a good deal of consideration to that question.

Mr. CLARK of Maryland. And finally decided not to give that authority to the commission?

Mr. MAPES. It gives the commission authority to determine whether or not a rate is just and reasonable, and if it finds that it is either unjust or unreasonable then it may set it aside and require the operator to submit a new schedule of rates.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. RAYBURN. I yield five minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, this is an excellent bill. Anyone who knows the personnel of the committee which considered it would have to agree that only a good bill could emanate from such a committee.

I am in favor of this bill, and I believe the country favors some method of regulation and control of this industry, but in reading the bill in an endeavor to find some paragraph or section worthy of criticism, I came upon section 5 (b), on page 11. I find that January 1, 1930, is the date set for operating companies to be in existence in order that they may receive a certificate of convenience and necessity.

If there is any weakness in the bill, it is in that section. If there is any unfairness in the bill, it is in that section. I would like to say to the members of the committee and to the Members of the House that I hope they will consider amending that section and changing that date to a later date, preferably the date when the bill becomes effective. No one knows whether the bill will become law in May or June or in the next session or in some subsequent session of Congress. Therefore I think a great deal of opposition, either in this Chamber or another, might be eliminated by changing the date on which the bill will affect existing lines.

May I say, by way of illustration, that some companies which have been operating prior to January 1, and since January 1 have seen fit to extend their lines and enlarge their service, will find this legislation confiscatory, because it may apply to the extensions and enlargements of their service. In that measure it injures those who have since January 1, 1930, invested their money in this method of transportation. They did so in order to improve the service, in order to give the public better service. I do not believe that Congress ought to enact legislation that would confiscate the legal property rights of these people.

I have been told that this date as set forth in the bill favors the largest operating bus company in the United States. I know the committee does not intend that this bill should savor of monopolistic control. I know the committee means to be fair, as was indicated in a question which I directed to the distinguished gentleman from Michigan [Mr. MAPES], who answered by explaining why the committee set this particular date. I am told, however, that the largest operating company in the United States, with close connection or control over 70 smaller bus lines, will be favored by this particular date, and that this company is closely allied with one of the large railroads of America. There could be no criticism or question of this section of the bill; there could be no possible confiscation of property if the date were changed to March 1, 1930, or the date when this bill becomes a law. Therefore my suggestion to the distinguished chairman of the committee and to his colleagues is that when we reach this section of the bill that the date be made March 1, or the later date when the bill becomes effective.

I say, in all fairness, Mr. Chairman, and I am for the bill because I believe the public demands such regulation, that this amendment should be considered. We now regulate the railroads, and we find the railroads of America caring for the traveling public in such a splendid way as to be almost free from criticism and censure. We find the employees of the railroads to be of the highest possible type of men. They are subject to investigation and examination for the protection of the traveling public and for shippers who use the railroads. The engineers, firemen, trainmen, conductors, switchmen, and other employees on our railroads are splendid men, members of splendid organizations, and through legislation and agreements with their employers have raised the dignity of their calling to a high level, indeed. No other competing industry should be permitted to develop and expand except by fair and reasonable means, which not only protect the public and the motorist but the railroader as well.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PARKER. I yield the gentleman two more minutes. I may state that any arbitrary date set is going to work a hardship on somebody. It is impossible to set any arbitrary date, be it the date of the enactment of the law, the 1st of January, or the 1st of March, that will not, theoretically at least, work a hardship on some particular individual. I am not opposing the gentleman's amendment. I am simply stating this as an abstract fact.

Mr. MEAD. Of course the chairman will agree there can be no suggestion of criticism and the property of anybody will be confiscated if the effective date be set when the bill itself becomes a law.

Mr. BURTNESS. Will the gentleman yield?

Mr. MEAD. Surely.

Mr. BURTNESS. The suggestion is made that the effective date of the grandfather clause be the date of the enactment of the law. Does not the gentleman realize that if the bill should pass the House in that form there would be a tremendous incentive on the part of a great number of people to rush in and establish new lines, and thus avoid the necessity of coming in and obtaining a certificate of convenience and necessity, and would not the result of that sort of action be that you would get a tremendous number of useless lines and further encumber the highways of this country with useless busses and perhaps irresponsible operators?

Mr. MEAD. Of course, the answer to that question lies in the fact that the State and Federal bodies have the authority or will have to eliminate worthless companies, companies that would prove injurious along the lines the gentleman has suggested. There is sufficient regulation in this bill and in our State regulatory laws to eliminate the danger of which the gentleman speaks.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. PARKER. Mr. Chairman, I yield 30 minutes to the gentleman from Oklahoma [Mr. GARBER].

Mr. GARBER of Oklahoma. Mr. Chairman and members of the committee, it is not my purpose to detain you at any length. The provisions of this bill have been thoroughly presented by those who have preceded me. I think it fair to state that the consideration of the bill thus far discloses two problems; one, the problem of administration. That was the most serious and complex problem confronting the committee. The second problem was one of regulation so as not to interfere with the full exercise of the police powers of the States.

What is the purpose of this legislation? What interest has Uncle Sam in this measure that he is now so strenuously presenting for your favorable consideration? Why absolutely nothing except the convenience and safety of the traveling public. He has turned all the revenue over to the States. All of the revenue is to be collected by the States.

I want to state very frankly to the members of this committee that when I first approached this question I was against any regulation. I was prejudiced against the proposition, and it was only after long study and a careful investigation and consideration of the law and the need, especially in the Eastern States, that I reached the conclusion that regulation was necessary.

I want to say to the Members here representing Eastern States that the need is not imperative in the Western States; that we are coming to you now giving you our support and

assistance because we recognize your need is greater than any such need in the States which we represent. In return we expect you gentlemen representing Eastern States to come with us at a later day and provide an administrative agency that will give reasonable regional administration of transportation for the convenience of all of the States of the Union. If we had such regional administration now, as I advocated over a year ago on this floor in support of a bill introduced by me, the problem of administration for the pending bill would be simplified. What did my bill provide? The commission, in conformity with the 1920 act, divided the United States into four rate-making districts for rate-making purposes. The commission took a valuation of the property in those respective districts and fixed the rates on that basis. My bill provided that a commissioner should reside in each one of those districts and exercise the power of the commission, sitting as the commission in three or four convenient places annually in each district, appeals on the record lying from his decision. If we had such regional administration now we could refer the administration of this act to the commissioner in each of the rate-making districts of the country.

Mr. HOCH. Will the gentleman yield?

Mr. GARBER of Oklahoma. I yield.

Mr. HOCH. I have been very much interested in the proposition which the gentleman is discussing. I am wondering whether he has given consideration to the possibility of drawing a line that would give final jurisdiction in any considerable body of cases to these regional commissioners? My thought in asking that question is that if you do not have a final jurisdiction may you not simply increase the delay? The gentleman realizes that the railroads are better able to take appeals than the ordinary shipper, particularly the small shipper. If they had an appeal in these cases might you not by that procedure simply interpose another body between the shipper and the ultimate decision by the general commission?

Mr. GARBER of Oklahoma. Well, I think not. While I have great respect for the gentleman from Kansas and recognize him as one of the most careful students of the question of transportation, yet may I ask the gentleman this question: Under the existing practice do not examiners go out and take testimony and make a decision which is called a report, and if that report is not appealed then does it not become operative and effective?

Mr. HOCH. My question is not in opposition to the gentleman's suggestion, but I gave considerable thought to that question several years ago in an effort to find some way of drawing a jurisdictional line, if I may call it that, so we would have final jurisdiction in a considerable number of cases in these regional boards. I came to the conclusion that you could not draw it on the basis of the amount of money involved, such as the line drawn in Federal practice, because there are many cases which involve only a small amount of money but nevertheless involve a very great principle of transportation.

I would be very much interested in getting some suggestion as to some way we might provide for final jurisdiction in the case of those regional boards. What the gentleman said about examiners, I think, is true, and for that reason I have opposed—and opposed in the preparation of this bill, as the gentleman knows—the making of a report by an examiner the final judgment of the matter, because I believe that final judgment should only be exercised by a more responsible body than an examiner. I do not say that to discredit the examiners. But the examiners are not subject to confirmation by the Senate and they do not occupy the same position of responsibility that the commission occupies. However, I agree with the gentleman that the examiners do exercise a great deal of power. I live as a neighbor of the gentleman, and I am quite sure that if we in the West had depended upon final determination by examiners of many of the great cases in which we are concerned, we would have been out of the picture.

Mr. GARBER of Oklahoma. Yes; we would have been out of the picture if we had depended upon the report of the examiner in this case. The examiner in the case of the legislation now being considered by the committee reported and recommended that motor-bus transportation be brought within the jurisdiction of the commission and within the provisions of section 15 (a).

Regional representation by a member of the commission sitting as the commission, in my judgment, would afford a hearing by a member of the commission direct and would relieve the commission of a vast number of cases coming up on appeal, because it would be a more satisfactory adjustment and determination of the matter in controversy at the time; certainly a hearing before a commissioner would be more satisfactory and decrease the number of appeals.

The present system is wrong. It is a makeshift. It is exercising legislative power never delegated by Congress. It is not giving the people the quality of service demanded. The examiners may be good fellows, all right, but there is a vast difference between good fellows and good judges.

The system is not representative, responsible, nor efficient in the public interest. It is too slow, tortuous, painful, costly, unwieldy, and cumbersome, trailing along too far behind in its administration to afford relief when needed anywhere, any time during this generation or the next. Its service is of value only to those interested in the preservation of existing conditions. It is doing that work well.

The power to fix rates is equivalent to the power to tax the rail commerce of the country. Rates on commerce determine its flow; they determine the amount of profit or loss to the producer, whether an industry or section of country shall flourish or languish, shall prosper or perish.

With a commission exercising the power to levy this tax, every section of the country is entitled to have its equal representation on its membership. The law should be amended so as—

(a) To require the President in all future appointments to fill vacancies on the commission with due regard for such representation.

(b) To effect a reorganization of the commission. Its administration should be decentralized. Its membership of 11 is to large to act collectively. The commission should redelegate its power to any individual member subject to review on appeal by a division of five members.

(c) To require the commission, through one of its members, to hold annual sessions at convenient places in each of the four group rate-making districts of the country.

With the power of the commission thus delegated and exercised by one of its members, the holding of such annual sessions would provide a convenient tribunal for the hearing of complaints and their prompt disposition for the people of every section of the country. Instead of compelling litigants to come to Washington, it would provide an agency in their midst for their convenience. Such procedure would require a commissioner to hear the evidence in person and supervise the proceedings so as to bring into the record all the evidence of which the case was susceptible. It would provide the process of the elimination of cases through appeal, the same as we now have in civil procedure, and relieve the congestion in the appellate division at Washington. It would more than double the efficiency of the commission. It would be representative and more satisfactory to the people. It would restore their confidence in its sincerity and efficiency. In time it would enable the appellate division to currently administer its duties as the Supreme Court now administers and enjoy in equal degree the confidence, the respect, and appreciation of the country.

This bill proposes to delegate the power of the commission to one member of it. Why? Because the need of regional administration is recognized as essential to its administration.

In addition to this, the bill delegates the power of the commission to an examiner to sit as a member of the commission, with power as a member of the commission, except in making a final order, and provides for joint boards, as has been so ably presented by the gentleman from Michigan [Mr. MAPES].

The great trouble in the administration of transportation is that your first requirement is one of uniformity, and you can not have uniformity of administration in a multiplicity of independent agencies. So in this case we were required to limit the jurisdiction of a member of the commission or an examiner or the joint board; we were required to limit their jurisdiction to a report or a decision or an order, subject to review by the commission, and effective only after a period of 10 days if unappealed from. This provides uniformity in administration, because it is always under the supervision of the commission and subject to readjustment by that body.

There are several subjects that might be taken up and considered here in view of what has been urged against the bill.

The main objection, as I gather from the various suggestions made, is that the bill does not cut loose, clearly and satisfactorily, from rail transportation and its influences; that it will be inferior and subject to rail and water transportation.

An examination of the provisions of this bill will disclose that motor-carrier transportation is placed upon the same independent plane of equality as rail and water transportation. If the railroads were writing this bill, they would not have written into the bill the section to which I refer, and I call your attention to this section very briefly, paragraph (c) on page 12:

Nothing contained in section 500 of the transportation act, 1920, shall be construed as expressing a preference by Congress for rail or water transportation over transportation by motor vehicle or to affect in any manner the issuance of a certificate of public convenience and necessity.

The section—section 500—referred to therein reads:

It is hereby declared to be the policy of Congress to promote, encourage, and develop water transportation, service, and facilities in connection with the commerce of the United States, and to foster and preserve in full vigor both rail and water transportation.

When you construe the two sections together you have a declaration by Congress of a policy whereby rail, water, and motor-carrier transportation are to be preserved and fostered with full vigor upon an equality one with the other. Did the railroads write that policy in the bill?

I have here an amendment which I think embodies the intent of the amendment suggested by the chairman of this committee. It answers the objections, fears, and suspicions of those who have suggested that a certain paragraph of a former bill has been omitted in this one. This amendment, briefly, is that all the existing powers of the State shall be preserved intact and that no section of the bill shall be construed as authorizing the Interstate Commerce Commission to exercise any authority or jurisdiction over intrastate commerce.

Mr. BURTNESS. Will the gentleman yield?

Mr. GARBER of Oklahoma. Yes.

Mr. BURTNESS. If the gentleman has his amendment there, I think it would be well to read the exact form of it so that it may appear in the RECORD. It is a substitute, as I understand, for section 14 of the original bill, but it is very much shorter and I think covers the situation admirably, and I think the membership of the House would be interested in reading the amendment in the RECORD.

Mr. GARBER of Oklahoma. This is the amendment referred to:

On page 22, after line 10, insert a new paragraph, as follows:

"(c) Nothing in this act contained shall be construed as in any wise limiting or restricting the powers of the several States as now existing to control and regulate intrastate transportation by motor vehicle; neither shall this act be construed so as to give the commission or any joint board any authority or jurisdiction whatsoever over such transportation, and the exercise of any such power by said commission or joint boards is expressly prohibited."

I do not think, speaking from a strictly legal standpoint, that the amendment is necessary for the preservation of the independence of the State authority under the terms of this bill.

Mr. BURTNESS. Will the gentleman yield there?

Mr. GARBER of Oklahoma. I yield.

Mr. BURTNESS. I am pleased to hear the gentleman make that statement, especially for this reason: In the event the House should not see fit to adopt such an amendment, it is true, is it not, that it was not the intent of the committee in any way to deprive State regulatory bodies of complete authority over intrastate regulation?

Mr. GARBER of Oklahoma. The gentleman is certainly correct in his statement as to the intention of the committee in every provision in this bill. The rights of the Federal States have been safeguarded in every particular that is commensurate with the minimum degree of regulation necessary to supply the existing needs.

The Supreme Court has frequently held that the several States in the exercise of their police powers could do almost all the essential regulating of interstate commerce, with one exception. The Supreme Court has held that the States can levy a tax; the Supreme Court has held that the States can require a license; it has held that the States can govern the weight and the construction of the equipment; it has held that they can, in the exercise of their police powers, regulate in every respect with the exception of one, and that is that they can not limit the number of carriers in interstate transportation.

Up to 1925, as frequently stated, it was the accepted general belief that under the doctrine of reasonable regulation in the absence of congressional action, the State could exercise full power of regulation of interstate motor-carrier transportation. And motor-carrier transportation accepted complete regulation up to that time. But when objection was made the decision was rendered that the commerce clause of the Constitution was self-executing; that while Congress had enacted no legislation prohibiting the State from regulating interstate commerce, yet the clause was self-executing, sufficiently to remove all obstruction to interstate commerce.

Following that decision violations of the interstate regulation immediately multiplied. The several States were helpless to impose any regulation as to the number of carriers in interstate transportation.

Mr. LANKFORD of Virginia. Will the gentleman yield?

Mr. GARBER of Oklahoma. I will.

Mr. LANKFORD of Virginia. Do I understand from your amendment that the State can fix the rates in intrastate transportation?

Mr. GARBER of Oklahoma. Under the decision these intrastate regulatory agencies have full power to fix rates. In this bill we do not propose to fix any rate; we do not confer that power on the commission. We simply confer the power of approval or disapproval in the matter of rates.

Now, that matter was discussed at some length by the gentleman from Mississippi [Mr. RANKIN], who was insisting that this bill gives the commission the power of fixing rates. This bill uses the language that was in the interstate commerce act, and that language was construed by the Supreme Court.

I am glad to see that the gentleman from Mississippi is now present. I was answering his contention, as I understood it, that this bill would give the commission power to fix rates. I have just stated that the language used in the present bill is that the rate shall be just and reasonable and was taken from the interstate commerce act, which has been frequently construed by the Supreme Court, and they construe the power conferred by that language as follows:

Congress has not conferred upon the Interstate Commerce Commission the legislative power of prescribing rates either maximum or minimum or absolute; and, as it did not give the express power to the commission, it did not intend to secure the same result indirectly by empowering that tribunal to determine what in reference to the past was reasonable and just, whether as maximum, minimum, or absolute, and then enable it to obtain from the courts a peremptory order that in the future the railroad companies should follow the rates thus determined to have been in the past reasonable and just. New Orleans & Texas Pacific Railway *v.* Interstate Commerce Commission (162 U. S. 184), affirmed and followed.

This construction left the roads—

Free to make special contracts looking to the increase of their business, to classify their traffic, to adjust and apportion their rates so as to meet the necessities of commerce, and, generally, to manage their important interests upon the same principles which are regarded as sound and adopted in other trades and pursuits.

Mr. RANKIN. Mr. Chairman, what is the date of that case?

Mr. GARBER of Oklahoma. It is in One hundred and sixty-second United States Reports, 184.

Mr. RANKIN. That is many, many years ago. Give the date of the decision.

Mr. GARBER of Oklahoma. Certainly. This is the language construing the interstate commerce act, which was enacted in 1887, with the identical phraseology that we use in this bill in limiting the power of the commission in the matter of fixing rates. The reason the fixing of a minimum or maximum rate in this transportation is unnecessary and does not apply, as in transportation by rail, is because rail transportation is monopolistic in its character. It was deemed essential there to fix a maximum and minimum rate, but in this bill the commission has been given no authority to fix rates.

Mr. MOORE of Virginia. Is not this the fact: That under this bill as drawn these motor-vehicle carriers will file their schedules with the Interstate Commerce Commission, and then those schedules, in general or in detail, are liable to complaint upon the ground that the rates are unreasonable? Then, the Interstate Commerce Commission proceeds to pass on such a complaint and determines whether or not it is well grounded, and if it is, declares what rates shall be charged in substitution for those rates contained in the schedule.

Mr. GARBER of Oklahoma. No; the commission makes no such finding. The commission was not permitted to make any such finding in the cases cited. The commission can only make the declaration that it approves or disapproves of the rates. The court holds such specifically, because if held as the gentleman states the law to be it would be permitting the commission to do indirectly what Congress did not permit it directly to do.

Mr. MOORE of Virginia. But the court in all those cases took cognizance of the orders of the commission in which the commission condemned certain cases and said the rates should not exceed a certain standard, which was practically fixing rates.

Mr. GARBER of Oklahoma. That is an entirely different statement. The commission can either approve or disapprove of the rates. In the first place, the tariff of rates that the gentleman from Virginia refers to is proposed by the applicant and not by the commission. The commission does not fix the rates in the tariff. The applicant presents the tariff to the commission. It is posted, it becomes the rate, and can not be deviated from without the consent of the com-

mission. That is to require a uniformity and to stabilize the condition of rates throughout the country to everybody alike.

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

Mr. GARBER of Oklahoma. For a question.

Mr. RANKIN. The gentleman was discussing me when I came into the Chamber.

Mr. GARBER of Oklahoma. I was discussing the statement of the gentleman to the extent of his contention that the commission fixed the rate.

Mr. RANKIN. That is what I want to ask the gentleman about. The gentleman must understand that nearly all the time on this bill has been taken by those who favor it, and that those who are opposed to it can get in apparently only by asking questions.

Mr. GARBER of Oklahoma. If I had known the gentleman desired time——

Mr. RANKIN. I do not care to use it now. The gentleman says the commission does not have the right to regulate rates under this bill.

Mr. GARBER of Oklahoma. No; I said the commission did not have the right to fix rates.

Mr. RANKIN. What does this mean? Under paragraph (d) on page 19 the following language is used:

> The rates, fares, and charges of such carriers for operations under any certificate of public convenience and necessity issued under this act shall be just and reasonable.

That means they shall not be too low or too high in the estimation of the Interstate Commerce Commission, does it not?

Mr. GARBER of Oklahoma. Why, no.

Mr. RANKIN. What does it mean?

Mr. GARBER of Oklahoma. In the first place anyone can make a complaint against the rate; and in the second place, if it is referable, the commission must refer it to the joint boards; and in the third place, if it is not referable, it must refer it to a member of the commission acting for the commission or an examiner acting as such, and then they hear the evidence as to whether the rate is just and reasonable.

Mr. RANKIN. Whether it is too low or too high?

Mr. GARBER of Oklahoma. Yes.

Mr. RANKIN. Does not the commission have the right to say what is just and reasonable and unfair and in that way fix the rates?

Mr. GARBER of Oklahoma. No; the commission can only approve or disapprove after hearing.

Mr. RANKIN. I understand. I have not denied that they have a right to hear the evidence.

Mr. DENISON. The commission does not do that at all. The commission does not say what is just and reasonable. It says whether or not the rate in effect is just and reasonable, and if they find——

Mr. HASTINGS. It has no power of substitution.

Mr. GARBER of Oklahoma. Yes. It has no power to fix the rates.

Mr. DENISON. If the commission finds the rate that is mentioned is unreasonable——

Mr. RANKIN. Is too low.

Mr. DENISON. Either too low or too high, and if too high it is unreasonable.

Mr. RANKIN. And if it is too low?

Mr. DENISON. They say it is unjust.

Mr. RANKIN. Unjust or unreasonable.

Mr. DENISON. And then when they make that finding it is up to the carriers to make another rate.

Mr. RANKIN. Or get out of business, and in that way they fix the rate.

Mr. DENISON. The gentleman from Mississippi is the only person I have ever heard of yet who says that that is fixing the rates.

Mr. RANKIN. I am glad that the gentleman has found one man who understands what this bill means in reading it in plain English.

Mr. DENISON. I have found at least one man who does not know what it means.

Mr. RANKIN. Oh, the gentleman found that man without leaving his seat.

Now, on page 20, let me call the attention of the gentleman from Oklahoma [Mr. GARBER] to this, because I have great respect for his judgment; otherwise I would not be asking this question.

Mr. GARBER of Oklahoma. I thank the gentleman for his compliment.

Mr. RANKIN. On page 20, to show what it means, I read:

> No such rate, fare, or charge shall be held to be unjust or unreasonable by the commission or by any joint board, under this act, on the ground that it is unjust to a competing carrier engaged in a different kind of transportation.

Now, no rate would ever be held to be unjust to a competing carrier unless it was too low. He would not kick if you were charging too much, because that would send the traffic to his line. I submit that under this bill the Interstate Commerce Commission has the power to fix the rates that these lines shall charge. The Supreme Court has held to the contrary.

Mr. GARBER of Oklahoma. I will read another extract from its decisions. I read:

> Cincinnati, New Orleans & Texas Pacific Railway Co. *v.* Interstate Commerce Commission. Interstate Commerce Commission *v.* Cincinnati, New Orleans & Texas Pacific Railway Co. Appeals from the Circuit Court of Appeals for the Fifth Circuit. (162 U. S. 184)
>
> The Interstate Commerce Commission is not empowered, either expressly or by implication, to fix rates in advance; but, subject to the prohibitions that their charges shall not be unjust or unreasonable, and that they shall not unjustly discriminate, so as to give undue preference or disadvantage to persons or traffic similarly circumstanced, the act to regulate commerce leaves common carriers as they were at the common law, free to make special contracts looking to the increase of their business, to classify their traffic, to adjust and apportion their rates so as to meet the necessities of commerce, and generally to manage their important interests, upon the same principles which are regarded as sound, and adopted in other trades and pursuits. (162 U. S. 184.)
>
> Interstate Commerce Commission *v.* Alabama Midland Railway Co. Appeal from the Circuit Court of Appeals for the Fifth Circuit. No. 203. Argued March 12, 15, 16, 1897
>
> Cincinnati, New Orleans & Texas Pacific Railway *v.* Interstate Commerce Commission (162 U. S. 184) and Interstate Commerce Commission *v.* Cincinnati, New Orleans & Texas Pacific Railway Co. (167 U. S. 479) adhered to, to the points that Congress has not conferred upon the Interstate Commerce Commission the legislative power of prescribing rates, either maximum or minimum or absolute; and that, as it did not give the express power to the commission, it did not intend to secure the same result indirectly by empowering that tribunal, after having determined what, in reference to the past, were reasonable and just rates, to obtain from the courts a peremptory order that in the future the railroad companies should follow the rates thus determined to have been in the past reasonable and just. (168 U. S. 144.)

These decisions effectively answer the gentleman's contention in the negative.

Mr. RANKIN. Now, if a bus line undertook to publish another schedule of rates—say they were charging $10 between two points and undertook to publish another schedule of rates reducing the charge to $8—any person or corporation could protest to the Interstate Commerce Commission, and if the commission found that rate was "unjust" because it was too low, they would refuse to approve that schedule of tariffs or rates.

Mr. GARBER of Oklahoma. In that case, the only complainant would be the people or competing motor-carrier lines, because the section that the gentleman has just read would preclude any railway transportation company from making such a complaint.

Now what is the object of this? Did the railroads write this provision?

Mr. RANKIN. It says:

> Any person, corporation, or State board may make complaint in writing to the commission that any such rate, fare, or charge, in effect or proposed to be put into effect, is or will be unjust or unreasonable.

Any human being on earth can raise the question, or any corporation; and then if the Interstate Commerce Commission decides that it is "unjust" if it is too low, or "unreasonable" if too high, the Interstate Commerce Commission would refuse to permit it to go into effect.

Mr. DENISON. The gentleman understands, of course, that the person making that complaint would have to show some particular interest. The gentleman can not say a rate is unjust in general terms. If a rate is so low as to be unjust to another carrier, that would not be justified.

Mr. RANKIN. I do not expect people in masses, who are riding in these busses, to complain that the rate was too low. But such complaint could come from any railroad or any human being in the United States who would contend that it was "unjust" because it was too low, and the Interstate Commerce Commission could arbitrarily refuse to approve such rates and could continue to refuse to approve them until one was made that suited them.

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

Mr. GARBER of Oklahoma. I have yielded a good deal of my time.

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

The CHAIRMAN. The gentleman from Oklahoma is recognized for five minutes more.

Mr. DENISON. Of course, the fundamental object of giving the commission control of that question is to prevent one carrier who may have been a little more fortunately situated than another from running another carrier out of business who was situated not so fortunately. This provision is to compel competition and prevent that.

Mr. RANKIN. I have been all day bringing members of the committee around to admit that this gives the Interstate Commerce Commission power to fix these rates.

Mr. GARBER of Oklahoma. And you have not yet succeeded? May I ask, Is the gentleman opposed to that part of the section which he has read? Is he opposed to that provision in the bill?

Mr. RANKIN. In its present form.

Mr. GARBER of Oklahoma. Are you opposed to this provision?

Mr. RANKIN. Yes.

Mr. GARBER of Oklahoma. This provision recites that—

No such rates, fare, or charge shall be held to be unjust or unreasonable by the commission or by any joint board, under this act, on the ground that it is unjust to a competing carrier engaged in a different kind of transportation.

It is for the very purpose of protecting motor-carrier transportation against rail or water competition, and to estop the rail and water carriers from complaining that the rates of motor carriers are too low.

Mr. O'CONNOR of Oklahoma. If somebody objected to this, what would happen?

Mr. GARBER of Oklahoma. It would be ruled out as immaterial. I think it is one of the most beneficial provisions in this bill to protect motor carriers engaged in transportation. And let me say in this connection that the commission has the power to issue a certificate to competing carriers whenever an existing carrier persists in charging unjust and unreasonable rates. The constant presence of that power is the suspended sword that hangs over the motor carrier refusing to comply with the requirement that rates must be just and reasonable.

Mr. RANKIN. Will the gentleman agree to an amendment on page 20, line 5, to strike out the words "a different" and insert the word "any," so as to give real competition under the bill?

Mr. GARBER of Oklahoma. "Different" includes "any" in this case. I will ask the gentleman this question, although I am not expecting a reply——

Mr. RANKIN. I yield to the gentleman from Oklahoma. [Laughter.]

Mr. GARBER of Oklahoma. Do you believe the railroads wrote the provision that the certificates should convey no vested right in a highway or no interest in a highway; that the certificate shall be subject to change, amendment, revocation, or cancellation whenever the commission finds it to be in the public interest?

Mr. RANKIN. I did not quite understand that.

Mr. GARBER of Oklahoma. Whenever the commission finds it to be in the public interest?

Mr. RANKIN. Does the gentleman ask me if I think the railroads wrote that?

Mr. GARBER of Oklahoma. Yes. Does the gentleman believe the railroads or railroad influences wrote that provision in this bill?

Mr. RANKIN. I asked this morning if the members of the committee wrote the bill, and one member got offended, so I withdrew the question. I am taking it for granted that the committee wrote this bill, although I think it would be to their credit if they could prove an alibi.

Mr. GARBER of Oklahoma. Absolutely; and frankly and thoroughly discussed every provision and feature in it for days and days, because they were conscientious and just as anxious as is the distinguished gentleman from Mississippi to safeguard every right and interest of the public. We have not been able to do it perfectly, but we have done the very best we possibly could with the agencies that we have had.

Mr. RANKIN. The statement was made yesterday that only representatives of the railroads and bus lines were heard. Is that correct?

Mr. GARBER of Oklahoma. Let me answer that. In the first place, I attended all the sessions of the committee in the hearings on this bill, and I do not recall a single representative of any railroad that ever appeared before the committee in the hearings on this bill.

Mr. RANKIN. Representatives of the bus lines were there, were they not?

Mr. GARBER of Oklahoma. Representatives of the bus lines were there; yes.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. RANKIN. But nobody representing the general public.

Mr. PARKER. I yield five additional minutes to the gentleman from Oklahoma.

Mr. O'CONNOR of Oklahoma. You did not call in these fellows on the little peanut and tamale wagons?

Mr. GARBER of Oklahoma. No; we called in the utility commissions of the various States.

Let me say this in regard to the personnel of the committee. I believe it is one of the most representative committees of the House; that is, to say, it represents 18 different States in the Union. It is composed of 21 members, and represents 18 different States. The majority of these States are what you would call Western agricultural States, whose Representatives, with those of the Eastern States, are equally concerned in safeguarding the public interests.

We put in this bill every provision that we thought was constitutional and workable to protect and safeguard the interests of the traveling public. Take the certificate itself. It provides that there must be continuing control after it has been issued. The commission does not simply issue a certificate of public convenience and necessity and give it no further consideration. The certificate provides for a continuing control; for adding new duties, requiring new service, and the cancellation of it for any violation of the orders of the commission. How much stronger could you make it?

This certificate of public convenience and necessity, and this control is only used to promote public interest. It is not used to promote a monopoly. I deny that. It conveys no interest and is subject to revocation, and hence is simply a revocable license. It seems to me that that provision ought to be satisfactory in every detail to the scrutiny and the discriminating mind of the gentleman from Mississippi

Mr. RANKIN. Will the gentleman yield?

Mr. GARBER of Oklahoma. I yield.

Mr. RANKIN. If I thought it was in the best interest of the public I would feel as the gentleman from Oklahoma feels. It seems to me that under the provisions of this bill you are going to put the independent bus operators out of business.

Mr. GARBER of Oklahoma. It is a device used by 41 States to eliminate wasteful competition, minimize the wear and tear on the highways, and provide dependable and substantial service for the people; also adequate insurance and indemnity bonds for the protection of the traveling public.

Objection has been made to the provision authorizing consolidation. That is a protective provision of the bill that prohibits monopolization of the lines. No control of the equipment of the company, no control of the stock of the company, no control of anything pertaining to a competing carrier is permitted under this section. It is absolutely and expressly prohibited under this section of the bill. Merger and consolidation are only permitted after a hearing and after approval by the commission, and the commission is empowered to impose such conditions as it may find to be in the public interest on any proposal for a consolidation or merger.

Mr. O'CONNOR of Oklahoma. Will the gentleman yield?

Mr. GARBER of Oklahoma. I yield.

Mr. O'CONNOR of Oklahoma. There is not anything wrong with mergers or consolidations or monopolies if they are used for the public interest?

Mr. GARBER of Oklahoma. Certainly not, and especially when accompanied with the regulatory provisions in this bill.

Consolidation and mergers in this bill would be for the purpose of improving the service to the public and for simplifying the administration. To-day there are over 699 companies operating interstate motor busses. The number may be materially increased within a few years. Consolidation will minimize the number to that necessary to preserve competition in the public interest and facilitate efficient administration of the act. [Applause.]

The general inquiry of western Representatives is: Has the transportation of passengers by motor bus now reached a stage in its development requiring regulation? A brief survey of its operations and growth during the last several years effectively answers the question in the affirmative.

In 1928, 92,325 busses were in operation as against 55,001 steam-railroad passenger cars and 80,014 electric passenger cars. This latter figure represents surface and rapid-transit cars.

During 1928 motor busses covered 710,250 miles, the steam-railroad passenger cars 249,308, and the electric passenger cars 39,090 miles.

During the year 1929, 92,500 busses carried 1,768,000,000 passengers over 10,835,000,000 passenger-miles.

Using an estimated population of 122,000,000, every person in the United States paid in bus fares an average of $2.66 each during the past year.

The total investment in rolling stock for this period was $450,000,000, and in terminals, garages, and so forth, $110,000,000.

The total revenue derived from interstate busses during 1929 amounted to $47,500,000. Carrying 38,000,000 passengers over a total of 2,160,000,000 passenger-miles, the average fare on these interstate busses was estimated at the rate of 2.2 cents per mile.

Out of a total estimated revenue of $310,000,000 derived from common carriers operating in city, intercity, and interstate service during 1929, 43 per cent of this amount was paid to manufacturers for materials and supplies for the upkeep, maintenance, and repair of 45,600 busses. Information upon which these figures are based was obtained from 26 companies operating 5,073 busses, representing all classes of service.

The Public Service Coordinated Transport of New Jersey, said to be the largest bus operators in the United States and probably in the world, outside of London, operate 2,500 busses in the carrying of passengers. Six hundred and fifty of these are operated in interstate commerce, the rest in intrastate. They carry over a million passengers per day, 70,000 of which are carried in interstate commerce. This business represents an investment of more than $45,000,000.

A further interesting fact, and one which indicates that the industry has become deeply rooted in solid ground, is the ever-increasing number of new terminals and garages that are being erected throughout the country, representing investments of no small amounts of money. These investments may be considered an expression of increasing confidence in the stability of the traffic and the continuous future growth of the industry.

In Kansas City the world's largest bus terminal is now being completed at a cost of $3,000,000. It is a project of the Pickwick-Greyhound Lines (Inc.), which established its headquarters in that city but six months ago. The building covers practically an entire block and is a combination of terminal and hotel. The terminal will handle the arrival and departure of 200 busses daily, requiring a staff of 35 employees. The hotel consists of 400 rooms with bath, and showers are provided for the traveler whether remaining overnight or not.

The following figures, taken from the February, 1930, issue of Bus Transportation, while not authenticated, are approximately correct as any given and may be of interest, showing the extent of the development of travel by motor bus:

Busses	1929
Number of operating companies	[1] 23,928
Motor carriers	[1] 6,000
Electric railways and subsidiaries	262
Steam railroads and subsidiaries	66
Schools	[1] 16,525
Sight-seers (included in motor carrier, electric railway, and steam railroad figures).	
Other users	[1] 1,075
Number of busses operated (total)	[1] 92,500
Motor carriers	[1] 35,640
Electric railways and subsidiaries	11,256
Steam railroads and subsidiaries	1,454
Schools	[1] 42,000
Sight-seers (included in motor carrier, electric railway, and steam railroad figures).	
Other users	2,150
Total investment in rolling stock	[1] $450,000,000
Total investment in terminals, garages, etc	[1] $110,000,000
Total gross revenue (revenue busses only)	[1] $322,000,000
City service	[1] $109,000,000
Intercity service	[1] $201,000,000
Sight-seeing and charter-hire revenue (does not include charter-hire revenue of common-carrier busses)	[1] 12,000,000
Passengers carried (revenue busses only)	[1] 1,768,000,000
City service (revenue only)	[1] 1,346,000,000
Intercity service	[1] 422,000,000
Passengers carried, school busses	[1] 400,000,000
Other noncommon carriers	[1] 18,800,000
Other highway transport	
Number motor trucks registered	[1] 3,370,000
Motor-vehicle license fees	$350,000,000
Gasoline-tax receipts	$415,000,000
Federal-aid highways:	
Total mileage improved and paid for	80,464
Disbursement (Federal)	$82,736,879
State expenditures	$112,561,289
Total cumulative cost	$1,529,173,445

[1] Estimated.

Business done by busses in revenue service during 1929

	Operating revenue	Passenger miles	Passengers (revenue only)	Average fare	
				Per passenger	Per passenger-mile
City busses	$109,000,000	4,038,000,000	1,346,000,000	$0.081	2.7
Intercity	153,500,000	4,637,000,000	384,000,000	.40	3.3
Interstate	47,500,000	2,160,000,000	38,000,000	1.25	2.2
Total and average, common carriers	310,000,000	10,835,000,000	1,768,000,000	.175	2.9
Sightseeing and for hire	12,000,000	150,000,000	6,000,000	2.00	8.0
Total and average revenue, busses	322,000,000	10,985,000,000	1,774,000,000	--------	3.0

NECESSITY FOR INTERSTATE REGULATION

Highway traffic is becoming more and more congested each year, and especially is this true in the States of New York, California, Ohio, Pennsylvania, Illinois, and New Jersey, in each of which there are in excess of a million private cars and from 175,000 to 300,000 private motor trucks, demanding a place and the unimpeded use of the public highway.

In all the large States of the East the ever-increasing number of interstate carriers by motor bus is adding to the increased congestion of the streets and public highways leading into and out of the great cities, making regulation and control essential to the protection and safety of life and property.

Private passenger cars and private motor trucks in the United States have reached the enormous total of 22,000,000, each of which contends that it is entitled to the use of the public highways, unhampered and unhindered by those who use them for private gain.

This represents the viewpoint of the private citizens of the United States, and in contending for the preservation of the highways for public use they logically insist that if their use for private gain is to be permitted, it shall be only under such rules and regulations as will fully compensate the States for the use of the roads and protect the traveling public from congestion and the hazards and risks incident to such operations.

Surely the size and extent of the industry, growing as it is by leaps and bounds and necessitating constant and more constant use of the public highways, is in itself strongly indicative of the need of regulation.

The necessity for regulation of transportation by interstate motor carriers is further well answered in the fact that 47 States out of 48 have regulatory laws governing motor-carrier intrastate transportation.

The States of the Union, with one exception, have found it necessary to enact laws regulating the operation of common-carrier busses. These regulatory laws universally require—

First. A certificate of public convenience and necessity for such operation to be issued only upon proof that the convenience and necessity of the public require such operation.

Second. Adequate insurance.

Third. Financial responsibility.

Fourth. Supervision of rates and service.

The public using busses operating solely in intrastate commerce is protected by State laws. Busses that transport passengers exclusively in the field of interstate operation are without supervision by public authority.

RESULTS OF STATE REGULATIONS

Substantial responsible companies have engaged in the business. Wise regulation has induced capital to invest, resulting in the employment of the latest and most highly improved equipment, trained and efficient operators, a marked decrease in accidents, insurance of passengers, indemnity bonds to protect the traveling public, operations over fixed and definite routes, dependable time schedules, adequate terminal facilities, and a minimization of the use of the highways and their congestion, wear, and tear by motor-carrier busses. All of which has resulted in a service so satisfactory to the traveling public that during the year 1929 1,768,000,000 passengers indirectly approved the State regulations by taking advantage of such service.

In the face of these results, who now would advocate the extinction of State regulation and a return to the chaotic conditions which existed prior to such regulation?

What State regulation has done to stabilize, build up, and improve the service of intrastate transportation so will the regu-

lation now proposed in the pending bill stabilize, build up, and improve the service in interstate travel.

In Buck *v.* Kuykendall (267 U. S. 307, 45 S. Ct. 324, 69 L. Ed. 623, 38 A. L. R. 286) it was held that a statute requiring a certificate of public convenience and necessity was unconstitutional as applied to one using Federal-aid highways as a common carrier purely in interstate commerce because in violation of the commerce clause of the Federal Constitution, and also as defeating the purpose of the Federal-aid statute. (23 U. S. C. A., secs. 1–53.) The statute (Laws Wash. 1921, 341, sec. 4) requiring the certificate applied to transportation "for compensation between fixed termini or over a regular route in this State." It did not exclude interstate carriers. In Bush *v.* Maloy (267 U. S. 317, 45 S. Ct. 326, 69 L. Ed. 627) it was held that a somewhat similar statute was unconstitutional as an interference with the interstate commerce when applied to a common carrier engaged exclusively in interstate commerce, irrespective of the fact that the highway over which it traveled was not a Federal-aid highway. * * *

In Frost *v.* Railroad Commission (271 U. S. 583, 46 S. Ct. 605, 79 L. Ed. 1101, 47 A. L. R. 457) it was held that an auto transportation statute, in so far as it prevented private carriers by auto from operating over the State highways between fixed termini without having first secured a certificate of public convenience and necessity, was unconstitutional.

That case does not affect the case before us because our statute applies exclusively to common carriers. The statute there defined a transportation company as one using motor vehicles "in the business of transportation of persons or property, or as a common carrier, for compensation, over any public highway in this State between fixed termini or over a regular route," and so forth. (Stat. Cal. 1919, p. 458, ch. 280, sec. 2c.) It was not limited to common carriers.

This legislature may not by its declaration make a carrier for hire a common carrier and so compel it to devote its property to a public use. (Producers Transp. Co. *v.* Railroad Co., 251 U. S. 228, 40 S. Ct. 131, 64 L. Ed. 239; Michigan Pub. Util. Com. *v.* Duke, 266 U. S. 570, 45 S. Ct. 191, 69 L. Ed. 445, 36 A. L. R. 1105; Frost *v.* Railroad Com., 271 U. S. 583, 46 S. Ct. 605, 70 L. Ed. 1101, 47 A. L. R. 457.) Doing so constitutes a taking of private property for public use without compensation and violates the fourteenth amendment.

STATES CAN NOT LIMIT NUMBER OF INTERSTATE CARRIERS

The foregoing citations settle the question of the regulation of at least the number of interstate carriers using the highways of the State. In other words, the Supreme Court in the decisions just cited has held that the denial by the State of the use of the highway by an interstate carrier in interstate transportation is an obstruction to interstate commerce and therefore violative of the commerce clause of the Constitution, so that the States can no longer regulate the number of interstate motor carrier busses running over their highways.

Seizing upon the opportunity thus afforded by this unregulated condition, 54 interstate carriers sprang into existence in the territory comprising New York City and the State of New Jersey. It is the loophole through which interstate motor bus carriers are finding their way, unhindered and unregulated to add to the use and congestion of the public highways, and through which incompetency and inefficiency enter and take possession of the highways to the disadvantage and ofttimes danger to the traveling public.

On page 741 the Flynn report states:

It does not seem consistent with sound public policy that the public, primarily entitled to use the highways, should be protected against undue and unnecessary use of such highways by common-carrier motor vehicles engaged in intrastate commerce, while unlimited and unrestricted use of them may be made by common-carrier motor vehicles operated in interstate commerce. Wear and damage to the highways and the hazards of transportation are the same whether a motor vehicle of a certain type is moving in interstate or in intrastate commerce.

With no law regulating interstate commerce carried over the public highways, such commerce can now be, and is, carried on by as many as desire regardless of financial responsibility and free from the slightest control or regulation as to routes, fares, schedules, public convenience and necessity, and comfort or safety of passengers. Operators engaged in such business are not required to report to any authority, and, save for the police regulations of States and municipalities, are subject to none. They may operate at their pleasure and may cease operation temporarily or permanently as they choose. There is nothing to prevent them from discriminating unduly and competing unfairly. The public using such lines have no governmental agency of any description to which they may appeal in the matter of rates, routes, schedules, or safety in the use of the public highways.

To weed out of the public service the reckless and incompetent operator, to eliminate useless and wasteful competition, to limit the number of motor carrier busses to the actual need and thus preserve the highways and lessen the hazards to the traveling public are the most essential and valuable purposes of regulation and constitute the protection which the general public is entitled to have and enjoy.

The futility of the continuation of attempted regulation of interstate transportation by motor bus in the twilight zone of State regulation becomes clearly apparent. The public is entitled to the enactment of law that will fully protect it in the preservation of its highways and from the hazards and risks of unregulated commerce. It should not be compelled to wander aimlessly around in the twilight zone of the police powers of the State, looking and groping for remedies under a misapprehension that protection is to be found therein.

FEDERAL LEGISLATION NECESSARY

No such remedy can be found in the police powers of the State. The remedy is in the Federal powers of Congress, exercised in the enactment of this bill to put a stop to the indiscriminate use of the public highway for private gain by inefficient and irresponsible operators, the very thing which the Supreme Court has said the States could not do.

Section 4 (a) provides that no corporation or person shall operate as a common carrier by motor vehicle in interstate or foreign commerce on any public highway unless there is in force with respect to such carrier a certificate of public convenience and necessity authorizing such operation.

Under this section denials of certificates are authorized and this authorization affords the remedy for the preservation of the highway and the rights of the public.

GENERAL DUTIES AND POWERS OF THE COMMISSION

SEC. 2 (a) It shall be the duty of the commission—

(1) To supervise and regulate common carriers by motor vehicle as provided in this act, and to that end the commission may establish reasonable requirements with respect to continuous and adequate service at just and reasonable rates, a uniform system of accounts and reports, qualifications and maximum hours of service of employees, safety of operation and equipment, comfort of passengers, and pick-up and delivery points, whether on regular routes or within defined localities or districts;

(2) To supervise and regulate charter carriers by motor vehicle as provided in this act, and to that end the commission may establish reasonable requirements with respect to qualifications and maximum hours of service of employees, safety of operation and equipment, and comfort of passengers; and

(3) To prescribe rules and regulations for the proper administration of this act.

Section 10 (a) provides that—

No certificate or charter carrier permit shall be issued to a motor carrier, or remain in force, unless such carrier complies with such rules and regulations as the commission shall adopt governing the filing and approval of surety bonds, policies of insurance, or other securities or agreements, in such form and adequate amount and conditioned as the commission may require, for the payment, within limits of liability fixed by the commission, of any final judgment recovered against such motor carrier on account of death of or injury to persons, or loss of or damage to property, resulting from the operation, maintenance, or use of motor vehicles under such certificate or permit.

Section 6 (a) authorizes the commission—

to attach to the exercise of the privileges granted by the certificate such reasonable terms and conditions as the public convenience and necessity may from time to time require, including terms and conditions as to the furnishing of additional service over the specified routes or between the specified termini, and the extension of the line or lines of the carrier, and such terms and conditions as are necessary to carry out, with respect to the operations of the carrier, the requirements established by the commission under section 2 (a) (1).

Under section 2 (a) it becomes the duty of the commission—

(1) To supervise and regulate common carriers by motor vehicle and to establish reasonable requirements with respect to continuous and adequate service at just and reasonable rates, a uniform system of accounts and reports, qualifications and maximum hours of service of employees, safety of operation and equipment, comfort of passengers, and pick-up and delivery points, whether on regular routes or within defined localities or districts.

The suspension or revocation of a certificate or permit is the effectual remedy provided for any failure to comply with the provisions of the act. Under section 8 (a) the commission is authorized to change or revoke, in whole or in part, any certificate for failure to comply with any provision of the act, or with any lawful order, rule, or regulation of the commis-

sion promulgated thereunder, or with any term or condition of the certificate or permit, or whenever the public interest shall so require.

The bill proposes to regulate and control the interstate transportation of passengers for compensation by motor vehicle. The carriers engaged in such transportation are divided into two classes, common carriers by motor vehicle and charter carriers by motor vehicle.

The common carrier by motor vehicle is required to operate over fixed routes and fixed termini. It must procure a certificate of public convenience and necessity and meet all the requirements of regulation, including the adoption of a uniform accounting system, the filing of reports, and furnishing of insurance and indemnity bonds, to be approved by the commission before beginning operations.

Common carriers operating on January 1, 1930, and having continued such operations since that date, will be granted certificates by the commission without hearing upon furnishing required evidence in the form of answers to a questionnaire to be submitted to them by the commission in regard to such operations and ability to comply with the rules and regulations of the commission. All other applications for a certificate must be filed with the commission, which applications must be referred by it to joint board, if referable, and if not to be heard by the commission through a member or an examiner empowered to act for it.

Charter carriers are required to file their applications with the commission and will be authorized to operate interstate by the issuance to them of a permit. The application must be verified and contain such information as the commission may require. The commission shall specify in the permit the operations covered thereby as near as practicable and shall attach to the permit such terms and conditions as the commission may deem necessary.

The commission may establish reasonable requirements with respect to qualifications and maximum hours of service of employees, safety of operation, equipment, and comfort of passengers. There is no regulation of the rates or of consolidations and mergers and acquisition of control relating to charter carriers.

Motor vehicles employed solely in transporting school children and teachers, taxicabs, or other vehicles performing a similar service, having a capacity of not more than six passengers and not operated on a regular route or between fixed termini, and motor vehicles owned or operated by or on behalf of hotels and used exclusively for the transportation of hotel patrons between hotels and local railroads or other common-carrier stations, are excluded from the regulatory provisions of the act.

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

The certificate of convenience and necessity is primarily the instrumentality through which the proposed regulation and control is to be effected. No interstate operation can be had without first obtaining such certificate, excepting during a period of 90 days when application for such is pending and undetermined.

The certificate conveys no vested right to the use of the highway. It is subject to change or revocation upon hearing by either the commission or joint boards having jurisdiction for violation of any orders of the commission or whenever the public interest may require. It can not be taken into consideration in the valuation of the company's property for rate-making purposes. It is to be used to limit the number of carriers on any given route when in the public interest and to be issued to competing carriers when the service requires. The constant threat of its issuance is an ever-deterrent influence against high rates.

RATES, FARES, AND CHARGES

During all the hearings held on the various kindred bills for the regulation and control provided for in this bill no complaint was made that the rates, fares, and charges were too high. In fact, the absence of such complaint was one of the conspicuous features of the hearings conducted over a period of many months. Yet this bill amply safeguards the interest of the public by requiring in paragraph (d) of section 11 that all rates, fares, and charges shall be just and reasonable and that no such rate, fare, or charge shall be held to be unjust or unreasonable by the commission or by any joint board under this act on the ground that it is unjust to a competing carrier engaged in a different kind of transportation. In determining the justness or reasonableness of any rate, fare, or charge under paragraph (e) of section 11 the good will, earning power, or the certificate under which such carrier is operating shall not be considered in the valuation of the carrier's property.

Under the above sections the certificate of public convenience and necessity can not be included in any valuation of carrier's property for rate-making purposes such as was done with the easements valued at $5,000,000 in the United Railways & Electric Co. of Baltimore against West and others, decided by the Supreme Court on the 6th day of January, 1930.

The certificate of public convenience and necessity being granted solely for the promotion of the public interest can not be subject to capitalization against the public in the fixing of rates.

Under the provisions of this bill the commission is not authorized to fix rates. It is only authorized to approve or disprove them after hearing. While the fixation of maximum and minimum rates in railway transportation became necessary because of their monopolistic character, yet such does not apply to motor-bus transportation because of the absence of any such monopoly by any motor carrier in the right to use the highway and because of the fact that the commission may at any time issue additional certificates and increase the number of competing carriers whenever such competition is found to be in the public interest. The constant threat of the issuance of an additional certificate to a competing carrier will be the effective instrumentality to keep the rates, fares, and charges within the requirements of being just and reasonable to the public.

RIGHT TO SELECT MODE OF TRAVEL

The highways of the country have been constructed at a cost of a billion and a half dollars. Two hundred and sixty-three thousand miles have already been completed. In this vast country of scenic beauty, industrial, and agricultural activity, the people should have the right to select their mode of travel, to use their highways as they may prefer—in the palatial Pullman motor bus, or otherwise, even though such bus may parallel railroad or electric lines.

This bill recognizes that right of selection in the requirement for a certificate of public convenience and necessity.

Section 5 (a) provides:

> Except as provided in subsection (b), a certificate of public convenience and necessity shall be issued to any applicant therefor, authorizing the whole or any part of the operations covered by the application, if it is found that the public convenience and necessity will be served by the operations authorized.

Upon a hearing to determine whether or not a certificate of public convenience and necessity shall issue, the question involved is not whether the commission should extend a favor to existing operators by refusing to permit another to enter the field of transportation, or whether it shall extend a favor to the applicant by permitting him to compete with existing companies. Neither the applicant nor the operators have any vested right in the use of the public highway for private gain. It is a matter of public concern whether the convenience and necessity of the general public will be promoted as distinguished from the private benefit or advantage that may accrue to any particular person.

PUBLIC CONVENIENCE AND NECESSITY—INTERPRETATION BY THE COURT

In Rock Island & Pacific Railroad Co. against Oklahoma, 1926, it was held that in granting a certificate the commission must be convinced that the proposed service will accommodate the public and that a reasonable public demand exists.

"Necessity does not mean essential or absolutely indispensable" but the resulting condition where the proposed service would be such an improvement in the existing mode of transportation as to justify the expense of making the improvement.

In 1917 the New York commission held that public convenience and necessity exists when the proposed facility will meet a reasonable want of the public and supply a need if the existing facilities, while in some sense sufficient, do not adequately supply that need.

Two conditions must be satisfied before the issuance of an order requiring the construction: First, that the extension is reasonably required in the interest of public convenience and necessity, and second that the expense involved will not impair the ability of the carrier or carriers involved to perform their duty to the public. (Construction of Lines in Eastern Oregon, 111 I. C. C. 3; Los Angeles Passenger Terminal Cases, 142 I. C. C. 489; Gunderson *v.* Chicago, M. & St. P. Ry. Co., 91 I. C. C. 702; Cooke *v.* Chicago, B & Q. R. Co., 66 I. C. C. 452; Ridge Coal Mining Co. *v.* Missouri Pac. R. Co., 62 I. C. C. 259.)

The public convenience and necessity is the only test.

Section 5 (c) provides that—

> Nothing contained in section 500 of the transportation act, 1920, shall be construed as expressing a preference by Congress for rail or water transportation over transportation by motor vehicle or to affect in any manner the issuance of a certificate of public convenience and necessity under the provisions of this act.

Section 500 of the transportation act of 1920, referred to in section 5 (c) just quoted, reads:

It is hereby declared to be the policy of Congress to promote, encourage, and develop water transportation service, and facilities in connection with the commerce of the United States, and to foster and preserve in full vigor both rail and water transportation.

When these sections are construed together it will be seen that it is equivalent to a declaration of Congress that its policy shall be to promote, encourage, and develop water, rail, and motor-bus transportation in connection with the commerce of the United States and to foster and preserve them in full vigor.

What is the legal effect of the certificate of public convenience and necessity authorized in section 5 (a)? Does it convey a vested right? Does it create a monopoly in the use of the public highways for motor-carrier transportation as charged in the minority report? Paragraphs (d) and (e) of section 5 provide:

(d) No certificate of public convenience and necessity issued under this act shall be construed as conferring any proprietary or exclusive rights in the public highways.

(e) In the administration of this act, the commission shall, so far as is consistent with the public interest, preserve competition in service.

The certificate conveys no vested interest, no exclusive right on the public highway. It is issued for the sole and only purpose of promoting the public convenience and necessity. It is simply a revocable license which confers no property rights upon the holder.

Any such certificate or permit may be suspended, changed, or revoked, in whole or in part, for failure to comply with any provision of the act, or with any lawful order, rule, or regulation of the commission promulgated thereunder, or with any term or condition of the certificate or permit, or whenever the public interest shall so require.

While the certificate aims to restrict the number of operators on the same route so as to limit the number to the convenience and necessity of the public, it does not create a monopoly. The public convenience and necessity is the only limit placed upon the number of certificates to be issued and that limit is to be in the public interest to restrict the number so as to produce as little inconvenience as possible to the public using the highway and protect the carrier against such competition as would render him unable to give the necessary service.

The certificate of convenience and necessity is simply used as an instrument of necessary control and regulation in the public interest and not as a device to create a monopoly or to convey a vested right.

Under the provisions cited it is declared to be the policy of Congress to promote, encourage, and develop rail, water, and motor-carrier transportation in connection with the commerce of the United States and to foster and preserve them in full vigor without preference to either. Thus, the traveling public is assured the right of selection of its mode of transportation wherever it is determined that the public convenience and necessity warrants, and that determination is not to be affected in any way by the existence of competing rail or water carriers.

Through the device of the certificate, revocable for violation, all are subject to such conditions as may be imposed from time to time, and, as a result, the efficiency of the service is under constant regulation, the wear and tear on the public highway minimized by restricting the number of operators compatible with the preservation of competition in the public interest, while the power of revocation of a certificate and the issuance of another to a competing carrier is the ever-present regulating power assuring just and reasonable rates to the public.

CONTROL AND CONSOLIDATIONS

Control of one carrier by another is prohibited unless authorized by the commission for the purposes of merging or consolidation. Mergers and consolidations are prohibited except upon the approval of the commission after hearing and upon such conditions as it may impose.

The bill will permit of the merger or consolidation of a common carrier by motor vehicle with that of any other carrier by rail or water.

ESTABLISHMENT OF JOINT BOARDS

Where any application requests authority for operation in two States, the commission is required to create a joint board to be composed of a member from each State in which the proposed operations are to be conducted, the member to be nominated from the board of such State from its own membership or otherwise. If there is no board, or in the event of its failure to act, then the governor of such State may nominate such member and the commission is authorized to appoint such nominees when approved by it.

The decisions and recommendations of the joint board are to be made by unanimous vote. In the event that the joint board fails or refuses to act, or is unable to agree upon any matter submitted, then the commission, itself, shall determine the matter.

In paragraph (d) of section 3, the commission is required to refer the following matters to a joint board for hearing, decision, and recommendation of appropriate order:

Applications for the issuance of certificates of public convenience and necessity (except in cases where applicants were in operation on January 31, 1930, and have maintained as such, and who are permitted to support their applications with answers to questionnaires).

The suspension, change, or revocation of such certificates; applications for the approval and authorization of consolidations, mergers and acquisitions of control; complaints as to violations by common carriers; complaints as to fares, rates, and charges of common carriers by motor vehicle; and the approval of surety bonds, policies of insurance, or other securities or agreements for the protection of the public, required on the issuance of a certificate.

In acting upon such matters the boards are vested with the same duties, powers, and jurisdiction as are vested in the members or examiners of the commission when acting under its orders in the administration of the act.

Orders recommended by joint boards are to be filed with the commission to become orders of the commission and effective, but subject to the review of the commission upon appeal or upon its own motion.

Joint boards when acting upon such matters are made agencies of the Federal Government.

In résumé, we find the essential provisions of the bill to be:

(a) The administration of the act is placed primarily in the Interstate Commerce Commission.

(b) The Interstate Commerce Commission is authorized to act through one of its members or examiners or joint boards.

(c) The decisions and orders of such agencies, if appeal is not taken, become final after 10 days unless stayed by the commission.

(d) Joint boards may be appointed where application for certificate shows operations to be limited to two States.

(e) The joint board is to be made up of one representative from each State in which operation is proposed, the representative to be nominated by the State utility board and appointed by the commission.

(f) With the exception of applications showing operations on January 1, 1930, and their continuation, all other applications must be referred to joint boards where referrable.

(g) No common carrier by motor vehicle can engage in interstate commerce without first obtaining a certificate, furnishing insurance, indemnity bond, and evidence of ability to comply with all the rules and regulations of the commission.

(h) Certificates of public convenience and necessity are subject to change and revocation for violation of any order or whenever found to be in the public interest.

(i) Certificates of public convenience and necessity convey no vested interest in highways and represent no value for rate-making purposes.

(j) Rates, fares, and charges must be just and reasonable.

(k) Refunds, rebates, and discriminations prohibited. Reduced fares and free transportation can only be extended to employees.

(l) Control and consolidation permitted only after hearing before the Interstate Commerce Commission, and then upon such conditions as it may impose.

(m) The bill does not impinge in any way upon the States' complete control and jurisdiction over intrastate transportation by motor carrier.

Such is a brief analysis of the regulatory and administrative provisions of the bill.

Its provisions for adequate notice, hearings, appeal, review, and appeal to the courts we believe meet all the constitutional requirements. Its penal and civil provisions, including those of extraordinary remedies, are adequate for the prompt and effective regulation and enforcement of its provisions.

This bill embodies needed constructive legislation.

Its enactment will safeguard the public interest.

It will encourage capital to invest, resulting in commodious terminal stations, substantial equipment, employment of skilled and dependable operators, and the carrying of sound insurance for the protection of passengers and indemnity for damages to the public.

It is impossible to adequately visualize the rapid growth and development of this mode of transportation during the next five years. It will surpass that of any other period in its history.

During this period connection of lines through consolidation will have been effected, regular coast-to-coast schedules will have been established, motor-carrier transportation will have been securely founded upon a financial basis which will enable it to grow and expand to meet the ever-increasing demands of the traveling public.

Mr. PARKER. I yield 15 minutes to the gentleman from North Dakota [Mr. BURTNESS].

Mr. BURTNESS. Mr. Chairman and gentlemen of the committee, I had not intended to speak on this bill in general debate, or until it reaches the amendment stage, but in view of some of the questions which have been suggested and some of the objections that have been raised by some of the Members, particularly in colloquies, I felt it proper for me to express, as briefly as possible, just a few observations with reference to my views thereon.

If you will pardon a personal reference, I will say this: That when this question first came before our committee three or four years ago I was not particularly impressed with the necessity for legislation. I did know at the time that there were some evils; that there were a number of fly-by-night irresponsible operators that really ought not to be permitted to gather in the shekels of the public for any service they were pretending to give, because that service was most unsatisfactory indeed. Nevertheless I then joined with those who felt that the business had not progressed to the extent where it was possible for us to consider it carefully and fully and pass proper permanent legislation. At that time I did feel, however, that it would have been advisable to have provided for a sort of licensing system by which all interstate carriers would have been compelled to at least furnish public indemnity insurance and matters of that sort. But the fact is that Congress did not then legislate to that end.

We are now, several years later, confronted with the situation where this business has progressed until it has become one of the principal and important industries of our country. We find a good many evils. I will not take the time to relate them as they have already been referred to in this debate, but I do desire to emphasize one type of evil which may not have been emphasized sufficiently.

As has been stated time and again, 47 States have provided for bus regulation within their borders. It is done in my State and it is done in every State of this Union but one State.

Mr. HASTINGS. What State is that?

Mr. BURTNESS. I think it is Delaware. I happen to live on the border between Minnesota and North Dakota. A bus line, for instance, that wants to do business from my home at Grand Forks to Devils Lake or Minot would have to obtain a certificate of convenience and necessity for that purpose. It obtains that certificate and it goes into business. It renders good service, and then some irresponsible operator may see that that line is fairly successful. What can the latter do under the present law and under the present situation? All that irresponsible operator has to do is to establish a place of business just across the river, two or three blocks away, in East Grand Forks, Minn., and start out doing business upon that identical line.

There is not business enough for two lines, but there is ample business for one line. Who eventually suffers when that sort of competition arises? Not primarily the line that is in business, but the people along that route, who have become accustomed to depending upon the service of that line. They are the people who are the most injured. It was because of situations of that sort—not particularly situations with which I was personally familiar, but situations that were brought to the attention of the committee by competent and credible witnesses—that I reached the conclusion the time had come when we ought to legislate upon this subject in a fair, reasonable, and comprehensive way.

Without going into any detail as to the methods set up in this bill, I want to touch upon just two features which to my mind are of considerable importance in a sort of experimental way. Time and again Members have spoken about the tremendous work the Interstate Commerce Commission must do and have stated that it is an overworked commission, so that various suggestions have been made as to how the work of the individual commissioners might be lessened to some extent.

While this bus industry and regulation thereof is important, on the whole this legislation is not of as great importance as the regulation of the rates of rail carriers. So there are two provisions written into this bill which I think are of a great deal of importance if considered only from an experimental viewpoint.

One of those provisions gives to an examiner or to an individual member of the commission the power to go out and hold complete hearings and virtually render decisions upon the evidence taken. Of course the decisions, as a matter of form under this bill, take the form of recommendations; but it is contemplated that in 9 cases out of 10, if not in 99 cases out of 100, the decisions of individual commissioners or of examiners will become the decisions and the orders of the commission after the expiration of 10 days. I say it is of value to find out whether that sort of a method, whether making use of examiners or individual commissioners in cases of this sort could not later, after some experience in this line, be extended to some of the other work of the commission.

So, we are also setting up an experiment in this bill by the provisions for the use of joint boards. There has been much objection raised from time to time with reference to the work of the commission in other matters on the theory that sometimes they have not been fully informed as to the local situation and local conditions as well as the physical impossibility for them to become fully informed in all cases. The State commissions in every State of the Union seem not only ready and willing but anxious to use their ability and to use the information they obtain in the conduct of their work in their respective States in connection with the administration of some such law as this. I happen to be one of those who, with the gentleman from Michigan [Mr. MAPES], signed additional views. I feel we ought to use these State commissions more than is proposed by the bill in the form in which it has been recommended by the committee.

Mr. FULMER. Will the gentleman yield?

Mr. BURTNESS. Yes.

Mr. FULMER. Is it not a fact that under the bill State commissions do not take any part in this law except as to bus lines operating within two States?

Mr. BURTNESS. From the statement I just made, I believe the gentleman will understand that I feel it was a mistake for our committee to limit the jurisdiction of the State commissions to that extent, and I shall probably speak upon that feature more directly under the 5-minute rule, when I shall support an amendment which will make it mandatory to use these State commissions where three States are involved, and leave it in the discretion of the commission to refer questions to such joint boards where more than three States are involved. I think that will be a practical improvement in this bill.

Mr. FULMER. For the special reason that they would more nearly represent the interests of the public.

Mr. BURTNESS. I agree thoroughly with the gentleman, and I hope he will defend that amendment on the floor of the House when it comes up for consideration.

I know some question has been raised by constitutional lawyers and others to the effect that it is contrary to the letter of the Constitution, as some say, and to the spirit of it in the view of others, to make use of State agencies for any Federal purpose. To start with, in very specific language found in this bill the person selected by the State commission or by the governor, where there is no State commission, becomes a Federal agency by the terms of this bill. So I think that language at least meets the objection that it is contrary to the letter of the Constitution. They will act for the Federal and not for the State governments when serving on the joint boards.

Mr. GARBER of Oklahoma. Will the gentleman yield there for the interpolation of an authority supporting that view?

Mr. BURTNESS. Yes; gladly.

Mr. GARBER of Oklahoma. In Holmgren *v.* United States (217 U. S. 517) the Supreme Court of the United States said:

> It is undoubtedly true that the right to create courts for the States does not exist in Congress. The Constitution provides (Art. III, sec. 1) that the judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish.

Mr. BURTNESS. I take it the gentleman is quoting from the decision of the Supreme Court with reference to naturalization powers of State courts?

Mr. GARBER of Oklahoma. Yes.

> But it does not follow that Congress may not constitutionally authorize the magistrates or courts of a State to enforce a statute providing for a uniform system of naturalization, and defining certain proceedings which, when complied with, shall make the applicant a citizen of the United States.

Mr. BURTNESS. I am pleased to get the specific language in the Supreme Court decision. I was just going to give a couple of illustrations generally that have been used, that every Member of Congress is familiar with, and that ought to dispose of the entire question. The gentleman from Oklahoma has quoted from the decision of the Supreme Court with reference

to one of the illustrations I was going to give, namely, where the Congress of the United States has used the State courts for the purpose of passing upon the very important question of naturalization.

If you want another illustration which goes fully as far as that, I call your attention to what those of you who served here during the war did when you provided for draft boards throughout the country, and every one of you is familiar with the practice that existed in every county of the various States where local county officials were serving as members of the draft board. If I remember the situation correctly, I believe the President did, by general order, appoint these particular individuals, but that does not change the constitutional question one iota, because by this bill Congress itself, rather than the President, designates these agencies, if they are to be used, as Federal agencies, thus plainly obviating any constitutional question that may be involved.

Mr. GARBER of Oklahoma and Mr. HASTINGS rose.

Mr. GARBER of Oklahoma. My colleague from Oklahoma will add one additional authority supporting the gentleman's statement of the law, if the gentleman will permit.

Mr. BURTNESS. I will be pleased to have the citation.

Mr. HASTINGS. Parker against Richards, 250 United States at page 235, involving an act of Congress which created probate courts as Federal agencies in Oklahoma in the approval of deeds of restricted Indian heirs.

Mr. BURTNESS. Yes; that decision is identical in principle.

So this bill, on the whole, simply provides for regulation of interstate business which will dovetail with the regulation that you people from 47 States have already provided through your own State legislatures; supplement such legislation, in fact, provide legislation so that individuals or others can not simply come in and do away with what your people are trying to do in your own States. This is about all there is to the bill in so far as its practical, general purposes are concerned.

O, yes; I hear other objections raised with reference to the bill, and hear some say it will reduce competition, and so forth.

Well, I want to be perfectly frank and fair with you, and I want to admit very specifically that the result of this bill will be to reduce competition to a certain extent. You are here confronted, of course, fundamentally with the issue of whether you are going to permit unrestrained, expensive, destructive competition on the one hand or regulated monopoly on the other.

Mr. GARBER of Oklahoma. And if the gentleman will permit, that restriction of competition is always in the public interest.

Mr. BURTNESS. Oh, yes; I am coming to that. The gentleman is just anticipating me.

Perhaps a little history with respect to this legislation may not be amiss. When one of the first bills was introduced we found, upon examination, that the result thereof would tend toward the establishment of a monopoly, and in the first bills, upon examination, it was found that they overlooked what I think is vitally necessary whenever any monopoly is established; namely, a complete regulation and control of such monopoly.

This objection does not apply to the Parker bill, introduced at the beginning of this session. This bill does carry with it a complete, and, I think, a practical and a fair regulation of the monopoly that is established—a regulation in the public interest.

Oh, yes; it is true, as my good friend the gentleman from Mississippi [Mr. RANKIN] has stated in his colloquies from time to time, that now and then some person who might want to enter into the business will not be permitted to do so, and it is also true, as he has suggested, that bus operators who may want to put their rates to such a low basis as to be unfair and unreasonable and unjust to their competitors, will not be permitted to do so.

The CHAIRMAN (Mr. CULKIN). The time of the gentleman from North Dakota has expired.

Mr. PARKER. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. BURTNESS. It simply comes down to a question of whether you are going to permit some irresponsible operator, or some stronger operator, better financed, in a given case to come into a line that has been developed by an independent operator, put down the rates temporarily to such an extent as to drive out of business the man who has been operating and developed the business on that line, and then when he is driven out of business let the stronger operator raise the rates to whatever point he is able to keep them until some third operator, perhaps stronger than the one who did the mischief, comes in and, in turn, drives the second out of business.

It seems to me that to preserve and promote the public interest, it is necessary to maintain a continuous and an adequate service, and if you are going to do this, and if you are going to attempt any regulation whatsoever, it is absolutely vital that some authority must be given to some judicial body somewhere to say that a rate is too low, just as well as to give that tribunal the authority to say that a rate is too high.

Mr. BRIGGS. Will the gentleman yield?

Mr. BURTNESS. I will.

Mr. BRIGGS. From the study the committee has made of the question, has it reached any conclusion as to whether or not the regulation by the State service commissions have up to this time resulted in higher or lower rates to the public and a better or less desirable service?

Mr. BURTNESS. Of course, it was manifestly impossible to make a thorough study of that question. Generally speaking, all we had with reference to it was the viewpoint of various State commissions throughout the country, who very forcibly presented their views, both in the hearings two years ago and in the last hearings, and in letters and communications we have received, that the regulations in the States have been very satisfactory and in the public interest, both as to rates and service.

Mr. HASTINGS. Will the gentleman yield?

Mr. BURTNESS. Yes.

Mr. HASTINGS. If it is safe to permit the authority in North Dakota to regulate bus transportation within that State, and safe to lodge the authority in South Dakota to regulate bus transportation in that State, why would it not be safe without any control by the Interstate Commerce Commission to leave interstate transportation between North and South Dakota to a joint board created as a Federal agency for that purpose?

Mr. BURTNESS. That involves quite a number of questions. Those of us who signed the additional views have taken what we think is a practical viewpoint of the entire situation as a whole, taking into consideration the earnest views of those who object to giving any State regulatory body any part of the administration of the act. The gentleman and I might have no dispute if we were trying to decide the question, but I think it would be unwise to raise that issue here.

I do not think you could get a majority of the House with you. If you want to be practical, and yet follow the spirit of the Constitution, I hope that the gentleman will join with us who are attempting to amend the bill in the manner suggested this afternoon by the gentleman from Michigan [Mr. MAPES], and in the additional views signed by us in the report on the bill.

Mr. HASTINGS. I will go that far, but I was in hopes that we could go still further and that the gentleman from North Dakota would go as far as we want to go.

Mr. BURTNESS. I have occasionally found that it is not advisable to butt one's head against a stone wall.

Now, coming back to the matter of competition, I hope the gentleman from Mississippi will pay particular attention to paragraph (e), page 12, of the bill, where it says:

> In the administration of this act the commission shall, so far as is consistent with the public interests, preserve competition in service.

Of course, we can all imagine that it might be possible for a tribunal to act in such a way, if they started out with a fraudulent purpose, if they started out with a purpose in mind not to carry out the best interests of the public, to so administer this act, but I will not believe that with reference to the Interstate Commerce Commission. I would not believe it with reference to the State commissions. I have no doubt that there are viewpoints in various commissions that might tend further toward the establishment of monopolies more than some of us would like to have. I have one case in mind coming before our committee. I recall that between Boston and Worcester, Mass., there is only one organization permitted to do business and which is very extensive. The entire bus traffic between those two points is controlled by one operator.

I am not here to criticize the administration of the law in Massachusetts; not at all—they say they are obtaining good service—but I am here to say that I hope at least that under similar circumstances that exist up there the Interstate Commerce Commission will not leave all of the business to one concern, and I do not think it will do so when the Congress of the United States writes the mandate into the law which I have quoted that in the public interest competition shall be preserved. I think it will be preserved.

Then, again, several questions have been asked as to the rates. Just as we thought it advisable to let the country know, to let the Interstate Commerce Commission and everybody else interested know that we here in Congress look to it to preserve competition in connection with our transportation problems we also wrote into this bill another sentence which I think will mean a good deal to the country under the conditions as now exist.

That is when we wrote this clause into the bill:

(e) In any proceeding to determine the justness or reasonableness of any rate, fare, or charge of any such carrier there shall not be taken into consideration or allowed as evidence or elements of value of the property of such carrier either good will, earning power, or the certificate under which such carrier is operating; and in applying for and receiving a certificate under this act any such carrier shall be deemed to have agreed to the provisions of this subsection on its own behalf and on behalf of all transferees of such certificate.

Did the bus operators write that provision into the bill that we have reported? Did any vested interest such as the gentleman from Alabama [Mr. HUDDLESTON] yesterday charged is responsible for this bill write that provision into it? The question answers itself. The committee wrote this provision after long and mature consideration and in the public interest. What is the purpose of it? Of course, the protection of those using the service against unfair charges.

Is there any member of the general public who is not willing to pay a reasonable compensation for any transportation service? With a limitation of that sort, when it comes down to a question of passing on whether a rate is just or reasonable, can anyone conceive of a situation where a rate you or I would hold to be unjust or unreasonable would not be similarly held by the commission?

There has been a tendency in this country on the part of some public-utility corporations to insist upon large valuations for their franchises, for easements and rights they may have in the streets of the city, in the case of street-car franchises or something of that kind, and we have also seen some decisions of the courts touching such questions rather severely criticized. I am not here to-day analyzing or criticizing any of those decisions, but I am here to say that the country as a whole, the courts and commissions and Members of Congress and everyone else, might well take notice of the fact that Congress by a mandate here says that in so far as this industry at least is concerned, when it comes to a question of passing on rates, neither the commission nor any other body set up to administer this law can put a capitalized value on something which the people themselves have given to the licensee or permittee or whatever you desire to call him. [Applause.]

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

Mr. BURTNESS. Yes.

Mr. HARE. The gentleman intimates that it would be impossible under this bill to have anything but a just and reasonable passenger or freight rate. Does the gentleman believe that under existing law the rates of freight are now reasonable and just in all cases?

Mr. BURTNESS. I do not see what that has to do with this bill.

Mr. HARE. It will be under the same management and direction, under the same head, and under the same people, and if they are not willing to make a fair and just and reasonable rate under existing circumstances, would they be willing to do that under the circumstances which the gentleman has so lucidly set forth?

Mr. BURTNESS. The gentleman plainly overlooks the fact that the provision with reference to rates in this bill is wholly different from the mandate of Congress given to the Interstate Commerce Commission in the fixing of rates for rail carriers. You have a different legislative act and mandate. I am not so sure but that Congress would be acting quite wisely if it repealed the provisions of section 15a of the transportation act and adopted some such sort of mandate as is contained in this bill. I have not given enough consideration to the question to make that statement as an advised one, as a particularly intelligent or well-considered one, but I do think in its larger aspects it presents a question which deserves very serious consideration. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield five minutes to the gentleman from Louisiana [Mr. O'CONNOR].

Mr. O'CONNOR of Louisiana. Mr. Chairman and members of the committee, each and every member of the Louisiana delegation has received the following telegram from the Louisiana Public Service Commission:

BATON ROUGE, LA., *March 2, 1930.*

Hon. JAMES O'CONNOR, M. C.,
Washington, D. C.:

This commission is informed that H. R. 10202, commonly known as the Parker bus bill, will come up in the House for debate and action probably on March 4. In common with what we understand to be the unanimous conclusion of public-service commissions of the several States it is the belief of this commission that the provision that cases arising thereunder may come to joint boards created by the act only when two States are involved is entirely too narrow and restricted to permit of the effectual regulation of this fast-growing type of transportation and does not afford the States whose highways are being used an adequate voice in the regulation thereof. We are informed that amendments will be proposed from the floor by minority membership of Committee on Interstate and Foreign Commerce which will have the effect of broadening the scope of the joint-board provision, and we urgently request that you give these amendments your favorable action.

LOUISIANA PUBLIC SERVICE COMMISSION,
FRANCIS WILLIAMS, *Chairman.*

After consulting with my colleagues from the State of Louisiana with respect to this telegram, it seemed to us that the proper action to take would be to insert it in the RECORD and make it a part of these proceedings. The gentlemen who comprise that commission are, like the gentlemen who comprise all of the other State commissions, honorable, patriotic, and have the esteem and affection of the people of the State whose affairs in the field in which they are clothed with jurisdiction they try to regulate in accordance with the law of that State. In this connection it might not be amiss for me to say that I was disposed to vote against this bill when I first read it. I suppose I am like the fellow who "came to scoff and remained to pray." After having heard the distinguished gentleman from Alabama [Mr. HUDDLESTON], for whom I entertain the highest esteem, regard, and a very warm friendship, and the reply of the gentleman from Illinois [Mr. DENISON], I came to the conclusion that there is a principle now involved in the contemporaneous construction of the measure and that in the discussions which have revolved around this bill a principle which has been brought forcibly to the attention of the House, and which transcends in importance all that may be in the bill as a regulatory measure.

I am not disposed to acquiesce, either inferentially or otherwise, in the idea or suggestion that unrestricted and unlimited and unrestrained competition should be made an accepted policy in the United States of America, for the reason that I do not want it to apply to the toilers, the laboring people of his country or of any other country. The night was too long and too dark for them, and they have secured what they have secured from the thoughtful people of this country in way of legislation, that which protects their afteryears of effort, struggle, and moil and toil. And I do not want by any act of mine to endanger what has been won at such a cost by denying the worth or the virtue of the great policy for which labor advocates have fought through the years. It should not be forgotten that Woodrow Wilson was the great exemplar of that policy of collective bargaining, which is the very soul of organized labor and the antithesis of that unrestricted competition which constantly seeks to defeat the purpose of unionism. That great forerunner of President Wilson, President Roosevelt, proclaimed it and insisted upon it as a policy that would make America great, strong, and powerful. Gladstone gave it his support. And I need hardly say that he will be regarded as one of the great statesmen of all time.

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

Mr. RAYBURN. Mr. Chairman, I yield three minutes more to the gentleman.

The CHAIRMAN. The gentleman from Louisiana is recognized for three minutes more.

Mr. O'CONNOR of Louisiana. Leo XIII would have immortalized himself by his wisdom and writings on many other subjects, but his great work, the encyclical on the Condition of Labor, has secured for him a place in the niche of fame that time can not wither and no prejudice wane. And he gave his support to the policy of collective bargaining which is at eternal war with the destructive theory of free and unrestricted competition. When a proposition is so adroitly submitted as was submitted by my distinguished friend and our colleague from Alabama with a forensic force which could proceed from intellectual conviction only, I begin to apprehend that his conclusions concerning the advisability of unrestricted and unlimited competition which goes to the very heart of the legislation that we have built up in this country for many years may come to plague us if adopted as a new policy of the Congress. And I suggest at this time for the thoughtful consideration of the House the grave danger of setting the seal of our approval upon the theory of unlimited competition in the field of labor, in the operation of public utilities, such as gas, electric lights, telephones, railroads, and railways. Chain stores, which threaten the very life of our country and which present a problem that will have to receive the attention of every State legislature in America and be brought to this Congress for solution, are a terrible example of the destruction that may be done to

millions of independent men by the unrestricted competition of giant monster creations like the chain-store creation. Free and open competition may sound feelingly in the ears of those who are not by training accustomed to consider carefully the effect of appealing and seductive sentences that need strict analysis and construction and thoughtful consideration to expose their fallacy, all the more dangerous because uttered and proclaimed by honest and sincere men who are striving to express economic and governmental truth.

I am for regulation. The greatest ecclesiastical institution in the world has sustained itself through centuries by its ability to ascertain the ineradicable instincts and tendencies of humanity and then by wisely regulating and controlling them make them an asset instead of permitting them to grow and develop along distorted lines so as to become a curse to their unfortunate possessors and to mankind. And so should government endeavor to find the natural tendencies of people and their institutions and by wise regulatory measures and regulations make those tendencies an asset to the Nation instead of the terrible liability that uncontrolled inclinations may become. Legislation should be the highest wisdom of a State, and legislation which will promote the unification of railways, highways, and waterways will make for the advancement, the security, and the happiness of our country and fellow citizens. I am not meticulously concerned about the forms of securing the public welfare and the public convenience. I believe it was Pope who said:

> For forms of government let fools contest;
> That which is best administered is best.

That may not be a true statement when fundamentals are concerned, but in matters of detail it is common sense itself.

Of course, if we can promote the public welfare and advance the interests of all concerned in transportation, let us do it through this bill and not resort to measures that might make it so impracticable in its operation as to defeat the very purpose we have in view.

Before closing, Mr. Chairman, I can not but make reference to the splendid attitude of the trainmen and the workingmen of the railroads of this country who have given their approval and indorsement to this proposed legislation.

Recognizing the growing needs of the people of the United States and their right to a comprehensive transportation system, these great workers on the trains that are such a factor in civilization have cried out their approval, though it is a measure ostensibly to promote the interest of a rival transportation agency. I understand from my good friend Congressman JAMES MEAD, who is one of them, that the railroad employees and workers are for this bill. Apparently there is an antagonistic interest, but realizing the public necessity, I repeat, and the need for a proper and adequate transportation system that will promote the national welfare and its glory these unselfish toilers of the railroads say "amen." To them all the country may say: "Well done, good and faithful servants."

I repeat, "I came to scoff, but remained to pray." I will vote for the bill and hope it will pass. [Applause.]

My friend Congressman SAM RAYBURN has told me that the suggestions of the Louisiana Public Service Commission were considered and were determined, as has been frequently stated on the floor during this debate, to be absolutely impracticable. It has been said several times yesterday and today, as if it were something fearful to contemplate, that the railroads will soon acquire the bus lines. I hope they do—it will make for economy of operation, for efficiency of operation, and make for a responsibility to citizens and communities in the way of satisfying damages for negligence and carelessness that bus lines can not give or render as a result of financial inability. And who can operate bus lines more safely than old railroad employees, with their training and experience? And I hope the day may not be far distant when railroads will be permitted and encouraged to operate water craft. Why not? If waterways are, as their advocates contend, a more economical means of transportation, who can develop them and make them a national asset as well as the railroad companies? To say that the railroads would not operate water craft if it be more economical to do so than to run a train is to suggest that railroad executives should be in the insane asylum instead of managing great business enterprises.

Mr. PARKER. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. LETTS].

The CHAIRMAN. The gentleman from Iowa is recognized for 15 minutes.

Mr. LETTS. Mr. Chairman, ladies and gentlemen, I quite thoroughly approve of the purposes of this bill. Indeed, it seems to me it is quite necessary that we should provide by legislation such control and supervision over these common carriers as is necessary under the circumstances as we know them to-day. Yet the bill is so good that I dislike to see it made the vehicle of a purpose which is quite foreign to the objects of the bill and one which deserves the individual and collective care of the Members of the House if we are to embark on the policies announced.

I particularly call attention to subsection (e) of section 11 of the bill, found on page 20. The language found there provides:

> In any proceeding to determine the justness or reasonableness of any rate, fare, or charge of any such carrier, there shall not be taken into consideration or allowed, as evidence or elements of value of the property of such carrier, either good will, earning power, or the certificate under which such carrier is operating.

I submit for the consideration of the Members of the House that this presents a matter which is not inherently involved in the problem before us and one which would embark this Nation upon a new course. I am sure that it lays down a policy with respect to motor busses which is not applied to any other common carrier or to any public utility, or in other lines of business.

This committee has jurisdiction of all carriers and of the utilities, and if they feel this is a wholesome doctrine they should start out with the railroads or some other utility where it would mean something, and not start out with motor busses.

In my judgment we are treading upon dangerous ground when we attempt by legislation to say that the courts shall not be permitted to take into consideration all the elements of value which they have found, whether the issue be rates or something else.

Our court decisions have been built upon human experience; the experience, the care, and the reasoning of the best legal minds for many generations. Here, in a few moments time, without debate and without great concern, we would attempt, in a bill that is far removed from that subject, to dispose of a very important matter, and thus embark upon a new policy, contrary to the form and spirit of our National Government.

Mr. DENISON. Will the gentleman yield?

Mr. LETTS. I yield.

Mr. DENISON. When the operators of motor busses want to do business upon the public highways they get a certificate of public convenience and necessity, and the Government gives that to them for nothing. It is a franchise. Does the gentleman from Iowa think that in the fixing of rates to be charged the public for riding on their vehicles they should be allowed to place a valuation on that franchise for the purpose of raising the rates—valuation on a franchise which they receive absolutely free, such a gift carrying with it the splendid privilege of the use of the public highways? Does the gentleman think that they should be allowed to place a value on that franchise in order to raise their rates or to justify such rates?

Mr. LETTS. I do think that if a franchise of that kind has value, we can not take it away by legislation. If a franchise has value, if this certificate of public convenience and necessity has value, then why should not the courts deal with that element of value as they do with any other element of value?

Mr. HOCH. Will the gentleman yield?

Mr. LETTS. I yield.

Mr. HOCH. It seems to me the gentleman from Iowa confuses the question of values. The value of property for the purpose of sale is one thing. There is no attempt to interfere with that. We are talking about property value as a basis upon which earnings shall be required. That is an entirely different proposition. For instance, take the question of earning power, which is also excluded here: If this carrier is given a large earning power by virtue of the generous patronage of the public, and we are then compelled to capitalize that earning power, we have forced the public to pay for patronizing the carrier, and the more the public patronizes the carrier and the more earning power it has, the more the property value has increased, and we have compelled the public to pay an earning upon that property value.

Mr. LETTS. Does not the gentleman know that in almost every case where franchises have been granted, it has been for the purpose of encouraging men with financial ability and vision to render a service which the public demands?

Mr. HOCH. Certainly. But why should the public then be compelled to pay on a capital valuation for that thing which the public has granted to the carrier? The gentleman refers to the railroads and suggests, "Why do we not do this with the railroads?" We have done this with the railroads, and the transportation act provides that the return shall be based upon the aggregate value of the railway property held and used in the service of transportation. No property value is given by the Interstate Commerce Commission now to any franchise right or any easement right or any earning capacity. It is based solely upon the value of the property used in the transportation service.

Mr. LETTS. Does not the gentleman speak of the guaranty that we give to the railroads as to earnings? And is that not quite different from what we are talking about here, where definite restrictions are proposed?

Mr. HOCH. That is the purpose of this, that if in determining a rate on the question of whether a fair return has been made upon the rate base for rate-making purposes in the case of the transportation act the rate base does not include any element of franchise value or earning capacity or good will.

I do not always agree with the commission as to the particular property valuations that they give on the physical property. I am not attempting to defend the findings that are made as to property values. I am only calling attention to the fact that in the transportation act and in the regulation of railroads there is not included in the rate base any franchise value.

Mr. LETTS. All I can say in reply to the gentleman from Kansas is that I imagine he confuses the obligation which we have placed upon ourselves, to see that the railroads earn a stated per cent on the rate base, with the provision that we have here, which excludes from all consideration this element of value.

I would like to ask the gentleman from Kansas and the gentleman from Illinois if a franchise be taxed by a State or by a municipality, should it then be excluded as an element of value in establishing the rate base?

Mr. DENISON. I do not think it is taxed.

Mr. LETTS. I put that question to the gentlemen, because I have in my mind the great furor that arose about this matter and because of the debate which recently occurred in another body of this Congress with respect to the confirmation of a very high official of the Government. In the case that was there so freely debated, United Railways against West, the Baltimore rate case, Justice Brandeis in his dissenting opinion, which is the basis for all of the debate that I have referred to, states the fact that the easements in the streets of Baltimore were taxed.

Mr. DENISON. I think the gentleman will find, if he will read that case, as was referred to by the gentleman from Maryland [Mr. LINTHICUM], that the franchise in that case carried with it certain rights which did have a material and physical value, but, generally speaking, over the country, you will find that franchises are not taxed. But, let me say to the gentleman from Iowa, that when I drafted a general bridge bill during the last Congress, before this late discussion over the appointment of a Supreme Court justice arose, I placed a provision in that general bridge bill exactly similar to this; and in all of the bridge bills which we have passed in the last three or four years, where there is a recapture clause provided, we have provided in them that in fixing the value there shall not be taken into consideration earning power, going value, or prospective profits, and so forth. That has been in all of the privately owned bridge bills that have been passed by the Congress in the last four or five years.

Mr. LETTS. There is a distinction in that case, and the gentleman from Illinois has stated it. It lies in the fact that we have reserved the right of recapture.

Mr. BURTNESS. Will the gentleman yield?

Mr. LETTS. I yield.

Mr. BURTNESS. Is this not also true, that regardless of what may be said for or against the majority or minority decision in the Baltimore case, that in that case there was a specific easement and, as the gentleman has already suggested, an easement which was taxed by the State authorities of the State of Maryland, and does not that present a totally different situation from that which exists under this legislation, where a bus operator will simply use a highway that has been provided by the public for the general use of the public, and where we go on further and say that the operator obtains no proprietary interest in the highway as such, because he may obtain a certificate of convenience and necessity. Under such conditions is there not a much greater reason for such a provision as we have inserted here, that no right shall be given to the holder of the certificate to obtain a return upon any alleged value of the certificate itself, and which amounts simply to a license or franchise to conduct this business, and for which he has paid nothing either directly or indirectly.

Mr. LETTS. My particular concern about this matter is that it is an assault upon the principle that the three coordinate branches of our Government should be independent. The Executive has, and the legislative branches of the Government have in times past asked the Supreme Court to give advisory opinions, to analyze foreign treaties, and matters of that kind; but the Supreme Court has always kept its hands off, saying that there must be no interference with the rights or powers that belong to other departments of government. Yet here we are attempting to say to the Supreme Court, which is one of the guardians of our liberties, that we propose to say how it must function.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. PARKER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. LETTS. We are attempting to say how the courts must function in order to meet the will of the Members of Congress, whereas the issues before the courts are the human and property rights of persons, whether individual or corporate, who have their affairs before the court.

Mr. BURTNESS. Will the gentleman yield further?

Mr. LETTS. Yes.

Mr. BURTNESS. Primarily this provision is one that is binding upon the Interstate Commerce Commission and upon the examiners and joint boards, and will not the gentleman agree that the commission and the joint boards are agencies of Congress rather than a coordinate branch of the Government?

Mr. LETTS. However, it is an unwarranted interference in the free exercise of the functions of the courts. It provides that evidence shall not be introduced to show this element of value, and that no value shall be allowed for a franchise or good will in determining the rate base. I have faith in the courts. Our courts will take into account all proper elements of value in finding a rate base, whether it is physical property or whether it be intangible. It seems to me that is exactly what ought to be done, and certainly we believe in that great constitutional provision which provides that no individual shall be deprived of his property without due process of law.

Mr. BURTNESS. Will the gentleman yield again?

Mr. LETTS. Yes.

Mr. BURTNESS. How much value would the gentleman give, for rate-making purposes, to a certificate of convenience and necessity granted to a bus operator to run his busses over a highway furnished by the people?

Mr. LETTS. That is not the issue. I do not know that I would place any value on it, but if there is any value it should be considered. Would the gentleman say that it would be proper to say by legislative enactment that the street cars of a street-car company shall not be assessed for the purpose of finding the value upon which to base rates?

Mr. BURTNESS. We have not said that the busses of a bus company shall not be included for rate-making purposes.

Mr. LETTS. But suppose, instead of excluding an intangible value you exclude a physical value, would the gentleman then contend as he does now?

Mr. BURTNESS. Of course we would not contend that any physical property used in the conduct of the business should be eliminated for rate-making purposes, and no one has ever so suggested.

Mr. LETTS. But the courts will not grant a rate upon the assumption that there is a value; they must first find that there is value and appraise it.

Mr. BURTNESS. How can the gentleman assume a situation where there would actually be any value to a franchise of the sort that is involved in this legislation?

Mr. LETTS. Why can a public-service corporation go to a bank and borrow money? It is not only because of its physical assets and its intangible values but because of the franchise which permits it to do business upon the streets and to make an earning upon its capital. Take away the element of the franchise value and no company could borrow money from a bank.

Mr. BURTNESS. Does the gentleman contend that this provision in this bill will injure the company in that respect and in any way affect its permanency as a going concern when it comes to the question of using its credit or any purpose of that sort?

Is there not a great difference between the value of a certificate of convenience and necessity for that sort of a purpose, for the purpose of establishing its credit with people with which it does business, or even for the purpose of establishing a price at which the entire business may be sold to some one else? Is there not a great deal of difference between those aspects of the case and the aspect which deals solely with what the public shall pay for the service rendered by a public utility?

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. PARKER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. LETTS. I hear the gentleman then say that he would have value recognized for certain purposes, but when it comes to fixing the rate which passengers are to pay he would exclude it from consideration. That is just the point I am making, and the gentleman has admitted my contention. He would recognize that the franchise has value for sale purposes or as security

for a loan but would fly in the face of the fourteenth amendment when it comes to making rates.

Mr. DENISON. Will the gentleman from Iowa yield?

Mr. LETTS. Yes.

Mr. DENISON. The franchise which has to be obtained before a person can operate busses at a profit on the highways is a gratuity which the sovereign or the Government gives to him. Does not the gentleman think that when the Government gives a franchise to operate a business on a public highway that in making the grant it can attach to it a condition that for the purpose of fixing rates the licensee or grantee shall not place any value upon the franchise being granted?

Mr. LETTS. I fear the gentleman is making it a legal proposition, but I am questioning the wisdom of it. We are applying a different rule to this kind of a common carrier than we do to others.

Mr. DENISON. And I call the gentleman's attention to the further provision that when a person applies for a certificate to do business——

Mr. LETTS. He has got to surrender this contention.

Mr. DENISON. He has to agree to this provision in the bill.

Mr. LETTS. I understand that, but why should any American citizen to attain a franchise, be required to consent that his property has no value.

Let us turn from the consideration of franchise value to the element of good will in business.

Good will is that benefit which arises from the local position or general reputation of a particular establishment for fair dealing, skill, affluence, or punctuality, and peculiar to that particular establishment.

Clearly it is an asset, an intangible asset, and a productive one. It is that something which enables one individual with a reputation for skill and honesty to borrow; whereas another perhaps equally skillful and honest is refused. In short, it is the value, the benefit derived from a good reputation. As all businesses operate for profit, that benefit will be reflected in net income.

Webster defines good will as being—

> the advantage in trade which a business has beyond the mere value of what it sells.

Competition is a vital factor in determining whether or not the element of good will exists.

In the absence of competition, it is apparent that no value for good will should be included in invested capital. In such cases income may be attributed solely to commodities sold. Necessity may compel its use to the exclusion of all others and no other commodity may satisfy the economic desires of the customers.

Where monopoly exists, little consideration, if any, can be given to the skill or reputation of the corporate entity.

Good will, once established, is not easily destroyed. Temporary financial distress alone is generally insufficient. It is often during such periods of adversity that the value of good will asserts itself, just as the reputation of an individual is often the factor enabling him to overcome misfortune. The good character of one accused of crime may be, and often is, the best, if not the only, evidence by which he may defend himself.

Good will may be intangible, but nevertheless it is very real and has value. That value is difficult of ascertainment does not refute the idea of value, but only increases the problem of dealing with it.

The value of good will in business has long been recognized. Formulas have been universally resorted to by which good will is appraised. For income-tax purposes value is attributed to good will based on the capitalization of earnings not in excess of a fair return on the tangibles.

As applied to the value of corporate stocks, it is common knowledge that the price at which stock is sold is generally indicative, not only of the earning power of the stock, but also of the reputation of the concern itself.

The substance in part of my remarks concerning good will and some of my language on that subject is found in an article on good will as an element of value in administering the income tax law. I am not informed who wrote the article and can not give credit where credit is due.

You are setting up a common carrier in competition with other bus drivers, with the railroad that runs along the side of the road, and with the interurban. Is it not conceivable that a bus driver, because of his skill, because of his care, because of his punctuality, because of his fair dealing with the public, will get the trade on his line to the disadvantage of his competitors? Is not that good will worth something to him?

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

Mr. RAYBURN. I yield the gentleman two more minutes.

Mr. LETTS. It seems to me quite plain that where there is monopoly there can be no good will. There can be no good will value with monopoly, because whether you like the concern or not you may be required to ride on their busses or on their streets cars; but where there is competition, you make your choice and you make your choice because a particular driver has treated the public fairly and has won its esteem. In such a case there is good will, and it has a value.

Mr. DENISON. Of course, the gentleman will see at a glance that we could not make one rule applicable to one carrier and a different rule applicable to another. That is the answer to the gentleman's question. There will be cases, under the application of this law, where there will be monopolies, well regulated, and we could not make one rule for them and a different rule for others.

Mr. LETTS. There would be no purpose in taking away good will from a carrier that has a monopoly, for there is no good will in such cases.

Mr. LANKFORD of Georgia. Will the gentleman yield?

Mr. LETTS. I yield.

Mr. LANKFORD of Georgia. Could not a bus line build up a better good will over a good highway than over a poor one?

Mr. LETTS. Why, of course.

Mr. LANKFORD of Georgia. Would not the State and the Nation in helping to build up a good highway, help to build up the good will of the bus line and then the public be forced to pay a higher rate, because of the good will which it had helped to build up?

Mr. LETTS. Good will can only be acquired in competition with other carriers where the conditions and circumstances are alike for each of them.

Mr. LANKFORD of Georgia. But you have the Government building up the carriers' good will for them and then the people paying additional or increased fares.

Mr. LETTS. Incident to the matters which I have discussed, I may call attention to the fact that, on January 28, 1930, the Legislature of the State of New York, because of a situation with respect to telephone rates of the New York Telephone Co., passed a resolution memorializing Congress to enact legislation which will prevent action by the Federal courts in all cases in respect to public utilities in which local judicial authorities and local regulatory agencies are empowered to prevent the abuse of exorbitant or confiscatory rates by a local utility company until the highest court of the State has passed thereon.

Anticipating the suggestion contained in such resolution the gentleman from New York [Mr. LAGUARDIA], in April, 1929, introduced in the Seventy-first Congress, first session, H. R. 132 and H. R. 135; the gentleman from New York [Mr. DICKSTEIN] introduced in the Seventy-first Congress, second session, H. R. 9712, H. R. 9185, and H. R. 9225; the gentleman from New York [Mr. O'CONNELL] introduced in the Seventy-first Congress, first session, H. R. 161; the gentleman from New York [Mr. CULLEN] introduced H. R. 9484 in the Seventy-first Congress, second session; and the gentleman from New Jersey [Mr. BACHARACH] introduced H. R. 9330 in the Seventy-first Congress, second session.

All of these bills, or most of them, seek to amend the Judicial Code, limiting the jurisdiction of the district courts of the United States over suits brought by or against public-utility corporations.

All such legislative effort is directed to the purpose of destroying the independence of the judicial branch of the Government. It indicates a lack of confidence in that branch of the Government which facts do not justify. If it is proposed to legislate to that end, the legislative issue should be fairly and squarely presented to the Congress of the United States and it ought not to be found as a stray paragraph in a bill which has for its main purpose something quite foreign to this constitutional consideration. It is my purpose when the bill is read for amendment to present an amendment which will strike out the subsection of which I have complained. Let the committee bring out a bill to make the principle here advanced one for general application. It will challenge the best thought of the House.

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

Mr. RAYBURN. Mr. Chairman, I yield 15 minutes to the gentleman from Arkansas [Mr. GLOVER].

Mr. GLOVER. Mr. Chairman, ladies, and gentlemen of the House, I have given this bill a careful study which if enacted into law will put bus lines or busses doing an interstate business of carrying passengers under the control of the Interstate Commerce Commission and giving the commission the power to prescribe rules and regulations governing them, and the power of saying who shall and who shall not be authorized to do this

character of business, and it is my conclusion that the bill should not be passed, but that it should be defeated.

A careful study of this bill will convince anyone, it seems to me, that it is not a bill demanded by the traveling public, but it is a bill sponsored by the big bus lines and is for the purpose of cutting out any competition against them and building up a monopoly for them.

The States have gone to a heavy expense to build up fine roads in the States. In many of the States the property of the landowners and their homes have been bonded with a first-mortgage lien against them for the building of these great highways by a legislative enactment, and in many cases against their will, and in these acts passed there has been a legislative declaration that the lands would be bettered to an extent greater than the tax placed on them, and the supreme courts of the various States have sustained the acts by reason of this legislative declaration.

It was believed by the landowners that if their lands were to be taxed in this way to build highways, that the laws of the State where the lands were situated and taxed would exercise control over the highways and that they would be protected by their State laws, but now before the bonds are half paid out you come with this bill in case the line extends over a State line and give the full power of control over to the Federal Government, and take it away from the States.

The large bus lines are now principally owned by the railroad companies, and all of them will be owned by them if this bill passes. They have taken off many of their local trains and are using bus lines instead, and they now come and want you to give them a monopoly on it so as not to have any interference or competition by perchance some one of the landowners who has his farm mortgaged to help build the road and wants to operate a bus line, to help pay his taxes.

What was the attitude of the railroad corporations when they were building these highways? You know that many of them went into the court just as they did in my State and resisted the payment of taxes on their property to build roads and made the argument that the building of the roads paralleling their roads would be an injury to their business instead of being a benefit to it. In many cases they escaped taxation and in all cases they had it reduced to the lowest possible figure. Now, since the highways are built they want to discard their local trains and take charge of the passenger traffic on these same highways and that, too, before the bonded debt on the farmers' property is half paid off. Do you think that is right or fair? I do not, and I will not lend my support to such a bill.

These railroads are operating their bus lines now under States law and the laws of each State they run through decide their rights upon the highways, and it should forever be kept under this control. If this bill passes, if they run 10 feet out of one State into another they are taken out of the control of the States and they are licensed and controlled by the laws made by the Interstate Commerce Commission, or will be made by them if this bill passes. Do you know the kind of regulations they will make for the government of these lines? No, you do not know and you will not know until they make them, and then change them at their will.

I am sick and tired of commission government and government by bureaus. If you go now to try to find out what the law is in some department and inquire of the Department of Justice, you have to wait until that department can confer with some bureau or commission to find out what law they have made to govern it. This will soon be a bureaucratic Government unless this practice is stopped, and it is almost that now.

If these bus lines need regulation by Congress, why not pass a law prescribing what they shall and shall not do if engaged in interstate commerce, and not pass a law turning the whole thing over to a commission to fix and prescribe the law to govern them?

I say you do not need to do but one thing and that is let it alone and let the States make their own regulation and control their own highways that they have built with their own money, that many of their homes are mortgaged for to-day. I shall not vote to take this right away from the people of my State. I have confidence in my State and all the States in this Union, that they will be just and fair in dealing with this situation as they have been in all things in the past.

In this act you are going to double the cost of one of the costliest commissions that has been created, the Interstate Commerce Commission. You voted here a few days ago an appropriation to this commission, the Interstate Commerce Commission, the sum of more than $8,000,000. This bill authorizes an appropriation of just as much as they find will be needed to carry out this act, with no limit to it. I shall not be surprised if the cost of the enforcement of this act is not almost as great in a few years as the present cost of the Interstate Commerce Commission if this bill passes. You fellows that have been criticising the President for appointing so many commissions—and I think the criticism is well founded—will likely be met by this statement from him, that when one is created you keep enlarging its powers.

If this bill is passed you will find that the corporations operating the bus lines will be incorporated in some other State than the one they are operating in, and if one of you Congressmen should get killed by the negligence of the operator of one of the busses and your wife or estate should happen to think that your life was worth more than $3,000, she would not be permitted to try her case in the State court, but her case would be transferred to the Federal court for trial, because it would be a foreign corporation, engaged in interstate commerce.

Are you willing to say that your State courts are not capable of handling them and cede this power to the Federal Government? I am not. The Federal courts are now overburdened with cases and we are having to create more judges and more court districts and create more court costs to relieve them, and in this act you would place an additional burden on them.

I say let them incorporate in the State, get their right to use the highway from the State that built the roads and be subject to State regulation, and you will get much better service and preserve your State rights.

The law of the United States permits the running of interstate trains over our highway where the road crosses their tracks, and no State law can prevent it, because they are engaged in interstate commerce and interstate passenger service, and the courts have held that they have this right.

Many of the big bus lines are not now as considerate as they should be for the rights of other persons using the highways. If you have them under the control of the Interstate Commerce Commission and engaging in interstate business, many of them will monopolize the highways that the people have built for their own use. You will not have the protection under this proposed law as you now have.

The Interstate Commerce Commission will fix the fare to be charged and will do it as they have the freight rates, fix a definite charge to be made and provide a penalty to severely punish them if they should charge a higher or a lower rate than that fixed by this commission. By this act they would destroy competition in rates and the public will be at the mercy of another monopoly.

If this power is given this commission, as is provided for in this bill, there will be no competitive lines, as only one permit will be given to operate over a certain line of road that the State has built and will cut out competition.

You say they want to build up long lines for the operation of busses. If they desire to do that, let them incorporate in each State they operate in and subject themselves to the State law, and connect their State lines in this way.

If this bill should pass, the next Congress will be asked to amend the law and give them the exclusive right to handle interstate freight over the highways built by the States, with the taxpayers' money. I appeal to you who have been standing here and contending for State rights. Here is a time when you can assert your belief in State rights, by casting a ballot against this, another encroachment on this sacred privilege.

Mr. DENISON. Will the gentleman yield?

Mr. GLOVER. I yield.

Mr. DENISON. Why does the gentleman say that the Interstate Commerce Commission will do that when they never did it to the railroad?

Mr. GLOVER. I will say to the gentleman that I have had a great deal of experience in the practice of law with the Interstate Commerce Commission. It has been stated that in a very short time they would be back here asking for the control of interstate freight. Now, what did they do to the South? They practically ruined the South by fixing the rate that was absolutely prohibitive. We had some protection down there, we had rates fixed. Now they are fixed by the Interstate Commerce Commission, and the railroads and the express companies can not fix them. No one except the Interstate Commerce Commission can lower them or raise them.

Mr. DENISON. And that is done under the transportation act of 1920. This bill does not contain any of those provisions. This is done under the old interstate commerce act.

Mr. GLOVER. I know what the bill does, and I do not want the gentleman to take up my time.

Here is what is intended by this, and they want legal authority to do it. The railroad companies have taken over the bus lines that follow the lines of their railroads.

Mr. BURTNESS. Will the gentleman yield again?

Mr. GLOVER. I yield.

Mr. BURTNESS. Does not the gentleman think that section 14 under the original bill sufficiently safeguards the rights of the State?

Mr. GLOVER. I think it is a very fine provision and I hope it will be written into the bill.

Mr. BURTNESS. Does the gentleman think that the Interstate Commerce Commission ought to be abolished?

Mr. GLOVER. I would vote to-morrow to abolish the Interstate Commerce Commission, and I would stay here all summer to have the rates fixed by Congress, as ought to be done.

Mr. BURTNESS. The gentleman feels that Congress ought to legislate and determine what the rates should be?

Mr. GLOVER. I absolutely do, and I believe that when Congress delegates authority to a bureau or commission to do that thing you are going far afield.

There will be a great revenue from the privilege this bill gives and which will be given in many instances to foreign corporations and sent out of the State to the great money centers, which ought to be left in the State and given to its citizens to build homes, and to support churches and schools. We are told that there are now in the United States over 5,000,000 children under 10 years of age that can neither read nor write. Why this condition? It is easily answered. The great wealth of many States has been gathered in by the monopolies and trusts which should have been left in the States to build them up and support their schools and churches and community enterprises.

Let us now examine this bill by sections and see what it does. In the definition of terms the word "commission" is defined to mean the Interstate Commerce Commission. They have so many commissions the big bus men wanted to be sure that there was no mistake about them getting under the wing of the all-powerful Interstate Commerce Commission.

In defining what they mean by "public highway" it is defined as to include public roads, highways, streets, and ways in any State. I presume that when they put in this definition the word "ways" they wanted to be sure they could travel all roads, streets, alleys, and byways without interference from anyone.

Section 1, subdivision (b), states in this act that—

> Taxicabs or other motor vehicles performing a similar service having a capacity of not more than six passengers and not operated on a regular route or between fixed termini—

are excluded from the provisions under this act. Well, why not? But they are not permitted to operate on a regular route given to some one else and between fixed points.

Section 2, in defining the powers of the commission, states that it is—

> To supervise and regulate common carriers by motor vehicle as provided in this act, and to that end the commission may establish reasonable requirements with respect to continuous and adequate service at just and reasonable rates, a uniform system of accounts and reports, qualifications, and maximum hours of service of employees, safety of operation and equipment, comfort of passengers, and pick-up and delivery points, whether on regular routes or within defined localities or districts.

In short, it gives the Interstate Commerce Commission absolutely unlimited power to make such rules and regulations as they see fit and to cut out competition at their will.

Under section 3, of this act any particular matter or class of matter arising under the administration of this act may by the commission be referred to hearing to any member or examiner approved by the commission. So, hearings in these matters will not be before the entire commission, but will be before a single man who may hear the complaints and pass on them.

Subdivision (b) of section 3 says hearings by any member or examiner upon any matter referred to him may be heard at any point in the United States where the commissioner may direct, and may be at different places.

If some man down in the State of Arkansas should violate any of the rules, orders, or regulations that will be made by the Interstate Commerce Commission, his investigation may be conducted out of his own State and at some other point in the United States that will be exceedingly expensive to him and many injustices will be suffered and wrongs done because of this provision.

Each subsection under section 3 is exceedingly objectionable. But the venom and poison is largely centered in this section. This apparently shows that the effect of the bill will be to favor large bus lines and to exclude any competition. This section and the other sections following it set out a provision for mergers and combines on the part of these big bus lines so as to absolutely cut out any competition whatever and give them a monopoly on the passenger-service business when it passes out of one State into another.

In subdivision (a) of section 3 of this bill it is provided that the commissioner and the members and examiners thereof and joint boards shall have the power to administer oaths and require by subpœna the attendance and testimony of witnesses and production of books and papers, tariffs, contracts, agreements, and documents, and to take testimony by depositions, relating to any matter under investigation as though such matters arose under the interstate commerce act as amended and supplemented.

The application to the commission in this bill is designed as follows:

> Application for certificates of public convenience and necessity.

It ought to have gone further and said "application for certificate of public convenience and necessity for mergers of big bus lines hereafter to be formed and created."

Section 4 of this bill provides that no corporation or person shall operate as a common carrier by motor vehicle in interstate or foreign commerce on any public highway unless there is in force with respect to such carrier a certificate of public convenience and necessity authorizing such operation.

Section 5 provides, under subdivision (b), that the big boys now in business may continue on and within 45 days shall answer a little questionnaire, and of course will be authorized to continue and to merge and to monopolize as he has not been permitted to do heretofore.

Subdivision (d) under section 5 is certainly a very remarkable statement, and reads as follows:

> No certificate of public convenience and necessity issued under this act shall be construed as conferring any proprietary or exclusive rights in the public highways.

I guess they mean by this that the public will be permitted to pass one of these big busses without violating the law if he can do so. But the whole of this act is contradictory of this subdivision, because when he gets the permit it is exclusive to him and does vest him with certain rights that is not given to any one else who is denied this certificate of public convenience and necessity.

Section 9 provides that corporate consolidation or merger of two or more corporations, at least one of which is a common carrier by motor vehicle, and any acquisition of control of any common carrier by motor vehicle, shall be invalid and unlawful unless approved and authorized as hereinafter provided.

Under this provision one man having a right to operate on a permit from an Interstate Commerce Commission could not sell out or combine with anybody else unless authorized by the Interstate Commerce Commission. That is going some, is it not?

One of the most vicious provisions of this bill, as I see it, and it has many that are vicious, is under section 9, subdivision (b), and it reads as follows:

> Any such corporation or person, and any corporation or person to whom a certificate of public convenience and necessity is issued or transferred under this act, shall be relieved from the operation of the antitrust laws, as designated in section 1 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, and from all other restraints and prohibitions of Federal or State law in so far as may be necessary to enable such corporation or person to carry into effect the consolidation, merger, or acquisition as approved and to conduct the operations authorized by the certificate.

Not only our State laws under this provision governing antitrust agreements and punishing combines and trusts are denied the right of enforcement by this act but the act goes further than that and provides that the law that prevents the unlawful restraints and monopolies approved October 15, 1914, and from all other restraints and prohibitions of Federal or State law is set at naught under this bill.

Section 10 of the bill is not clear as to what it means. It provides for the filing of a surety bond, or policies of insurance, or other securities or agreements in such form and adequate amount and conditioned as the commission may require for the payment within limits of liability fixed by the commission of any final judgment recovered against such motor carrier on account of death or injury to persons. If it means to fix the amount that can be recovered for death, it is wrong, because every case should stand on its own merits. There will likely be nothing back of them to protect one who is killed, so any way you take it you are permitting them to fix the only amount that can be recovered and that will be the amount fixed in the bond.

Under subdivision (b), section 11, of this bill, it destroys competition by saying that no such carrier shall charge or demand or collect or receive a greater or less or different com-

pensation for the transportation of persons, or for any service in connection therewith, between the points named in such tariffs, than the rates, fares, or charges specified by the tariffs in effect at the time.

In other words, the Interstate Commerce Commission, under this provision and authorization, will make a rule and regulation like they have done in respect to freight rates, that a certain rate shall be charged for carrying the different character of freight from a point in one State to a given point in another, and no competing line of railroad is allowed to charge a greater or a less freight rate than that fixed by the commission, and if he does charge it he is brought in before the Interstate Commerce Commission and severely punished and denied the right to do business which competes with one of their commission-made laws.

Under subdivision (d) of this same section it is said that the charges shall be just and reasonable. But when they determine what is just and reasonable the public is not taken into account, but it is the showing made by the bus lines themselves, and they can always find an excuse for a high rate to be charged.

Section 13 of the act provides for a penalty of $100 for the first violation of any of these commission-made rules and regulations and $500 for any subsequent violation made of it.

If there is a violation under section 13 of any of the rules and regulations made by the commission, the exclusive jurisdiction is given to the United States district court to hear and determine all questions which take the jurisdiction away from the States.

The most important section of this bill is section 16, which gives the right to repeal this act if it should be passed.

I hope the Members of this Congress will not pass this bill.

Mr. BURTNESS. Does the gentleman think these operators as common carriers should be permitted to discriminate between the members of the public and charge different rates to different people?

Mr. GLOVER. I do not think one carrier ought to charge one man more than another, but if some man is operating over the same route and can do it for less, he should be permitted to do it, just as the gentleman, if somebody wanted to charge him $5 for a meal and he could get one as good for a dollar, would go and get the dollar meal.

Mr. BURTNESS. There is nothing in this bill to prevent a company from doing that.

Mr. GLOVER. I say there is.

Mr. BURTNESS. All you have to do is to file a tariff.

Mr. GLOVER. But when you have a bus line that operates in interstate commerce they will not allow you to operate another over the same line in competition, with less fares than are fixed in this tariff of rates, because it would be an interference with interstate commerce; and they would hale you into the Federal courts, and there you would be stopped.

Mr. BURTNESS. Does the gentleman argue seriously that if a bus carrier having a certificate takes the position that it is able to do business for a lower rate, and proves that fact to the commission, proves that it can do business for a lower rate than its competitor, that the commission will not permit it to put the lower rate into effect?

Mr. GLOVER. That is an argument that I do not want to get into, and I do not want to answer that.

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

Mr. PARKER. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. CLARK].

Mr. CLARK of Maryland. Mr. Chairman, ladies and gentlemen of the committee, we are here considering a bill which in its main provisions would put interstate motor-bus carriers under the jurisdiction of the Interstate Commerce Commission; compel such carriers to secure certificates of convenience and necessity before beginning operations; authorize transfer of such certificates; give preference to those in operation January 1, 1930; require surety bonds protecting the public against property damage and person injuries; permit consolidations and mergers with competing railroads; and limit such carriers to just and reasonable charges. The bill nowhere defines or designates the basis of just and reasonable charges, and makes no provision for supervision or control of capital issues, without which rate regulation is a mere gesture.

I regret that I can not follow the majority report of the committee on this bill. My nonconformity or disagreement with the majority of the committee is a matter of conviction growing out of some experience on this general subject.

I am opposed to the delegation by Congress, or any other legislative body, of its regulatory powers to effect results which can be obtained by direct legislative enactment.

The things which have brought the utility administrative commissions and boards into existence are conspicuously absent in the interstate motor-bus business—namely, rates, charges, valuation, and related questions, requiring constantly recurring investigations and checkings, which the legislative bodies are unable to make. The legislative body determines or declares the rule of law as to rates, charges, and service, and then delegates to the administrative commissions or boards the fact-finding and law-applying authority.

But in the interstate motor-bus business the question of rates, charges, and services have not yet become a matter of public concern and complaint, and probably never will so long as monopoly can be avoided, or competition can be continued.

It was unfair, unduly discriminatory, and preferential railroad rates and services that in 1887 brought the Interstate Commerce Commission into being; and the necessity of the State utility regulation as to rate charges and services, which in 1907 brought into existence the first State utility commission, and such commissions are now found in every State except, I think, Delaware. The committee hearings developed—and the committee now admits—that no such questions are important in this bill, as they are not arising. Then why delegate their regulation and require an army of rate clerks to handle thousands of changing rate schedules? Is it not to give the bill a good or reasonable face and thus to escape the charges of absurdity or perhaps design?

After the Buck and Bush cases of 1925 the States quickly adjusted themselves to these decisions, and by the exercise of their police powers have met every need of interstate bus regulation, except only two that are of any importance, that is, the issuance of certificates of convenience and necessity, and surety bonds assuring compensation for personal injuries and property losses or damages, resulting from negligence. These two needs can be met by direct congressional enactment. No delegation of regulatory power is needed. This bill should be recommitted, with directions that such a bill be reported—directory and not regulatory.

Another striking feature of this bill is that it clearly delegates the determination of an important policy. It gives to the commission the power to say whether the rail carrier can merge or consolidate with, or acquire control of, a competing interstate motor-bus carrier. This is not a matter of regulation, but of legislative policy. Why can not Congress meet its responsibility and determine whether such competition is to be preserved? Twelve years ago rail carriers were compelled to divest themselves of all interest in competing water carriers. This was then declared as a policy. Shall that policy now be reversed as to competing motor-bus carriers? If so, let us say so in so many words and not delegate this legislative power of determining policy to a commission. I question its constitutionality. This bill says the commission may wipe out such competition, if public convenience or necessity requires it. Why should we, the elected representatives of the people, delegate to any hand-picked commission of a few men the responsibility of determining what is necessary for the public? What were we sent here for? Already have we too much Government now by appointed boards feeling no responsibility to the public, and yet presuming to decide what is necessary for the people.

It is a serious question whether competition between two distinct systems or forms of transportation shall be eliminated. This bill is condemned in its merger, consolidation, and rail control provisions by our antitrust laws, and to get around this condemnation it contains a paragraph relieving such provisions from the operation of these antitrust laws.

This bill as reported, Mr. Speaker, is not in the interest of the general public. It is not conceived in public need or demand, but, rather, in corporate demand. This is not the time nor the occasion for the use of equivocal or doubtful language. No Federal or State regulatory law has attempted to go as far as this bill goes. It represents a reversal of present Federal policy and shows the extreme to which a well-identified school of industrial thought, chiefly in the utility field, is ready to go to graft upon our great competitive system a certain false doctrine of so-called destructive competition. Gentlemen, in its final analysis this bill represents a carefully planned attempt on the part of railroads to control now and forever the interstate motor-bus industry of this country, as I shall presently show. And not only to control it, but to control it without adequate or efficient regulation. If this is the purpose of the bill, why not say so and omit the many provisions not applying to busses between fixed termini which will almost certainly result in nuisance regulations and confusion?

In fact, the bill provides no plan of adequate regulation for public protection. Such plan as proposed is entirely in the interest of the corporation and against public interest.

I do not impugn the motives or purposes of the committee, but I am forced to question the philosophy and wisdom of their report and recommendation in this matter. I am not opposing legislation providing for necessary regulation and within proper limitations, but this bill is simply impossible as it now stands. The hearings show that it is sponsored chiefly by the railroads of the country, who desire to control and eventually destroy the motor-bus form of competition. It is also supported by the present motor-bus operators, who are preferred under the so-called grandfather clause of the bill, and who, in my judgment, naturally desire to unload on the railroads at a handsome profit. Nowhere in the hearings or in the report is there any denial of the railroad intent in this bill. In fact, it is admitted. Officials of the Pennsylvania Railroad Co., of the Baltimore & Ohio Railroad Co., the Association of Railway Executives, the American Electric Railway Association, all the railroad brotherhoods, the National Association of Motor Bus Operators, and the National Association of Railroad and Utilities Commissioners, and many others similarly identified are entered upon the record favoring this bill.

Mr. Speaker, let me make a prediction: Both the Federal and State Governments are going to be told by the public before long in no uncertain terms that legal protection of monopoly against open, free, and fair competition must stop. Most certainly the public will not stand for competing transportation systems, merged by law, and against public interest, such as proposed in this bill; not even in the utilities field, when there is no public reason or necessity for closing the door to competition.

I am not opposed to big business as such, but it must attain its growth, its size, its supremacy through merit, not special favors and privileges granted by law. It must win against fair competition; and then, although it should win its way to virtual or actual control and demonstrate its ability to remain there in spite of competition, no one could or would justly complain. During the period of rivalry and competition no greater protection should be asked than that furnished by the Federal Trade Commission.

Now, Mr. Speaker, while there are some who, with me, have no complaint even against the most exclusive industry which has earned its way fairly and in spite of competition, I can not believe this bill, which proposes to create by law a dangerous monopoly, should have the approval of any Member of this representative body. Such artificial restraint of trade should not be created or sanctioned by any form of legal subvention.

Exclusive corporate control should be tolerated only when it is the inevitable result of sound, irrevocable economic development, and this should be left open to the challenge of free and fair competition. It should never be created by law, as in this bill, nor even be permitted to exist by agreement, secret or open. If a corporation can not stand on its own merit, it should go down. Such is the penalty of progress. Legal protection has its limitations.

When and if the interstate motor-bus operator, by sound, economic processes through fair competition, wins the field over all competitors and the public has to purchase service from one line on each route, then would be the time for the Federal law to intervene for public protection. In the meantime State police powers can meet all protective requirements of the public. During the period of development repressive measures under congressional sanction, such as proposed in this bill, would destroy or retard progress. Competition is the best regulating force the economic world has ever discovered and is the surest means of business growth and development. The wisdom and philosophy of competition in the growth of business and the incidental development of the character of a people is an American discovery. Nowhere else in the world prior to our Republic was competition recognized as the secret or active force in the development of business and individual initiative. No other force or principle has meant so much to our development as a Nation or people.

And America should erect a monument to free business competition, to stand forever as a reminder to the people of its contribution to America's greatness, and of the false and specious deceptive doctrine that such competition is destructive. This is of greed and gouge. There is not a force in the economic world more potent for good or more constructive than fair competition.

The best and soundest thought of the world yields to exclusive business control only when it has won its way through competition, and in spite of competition to a place where it stands alone in its chosen field. Unfair competition should everywhere be condemned. Our law does condemn it. I will say this, however: In the transportation field no competition should be permitted which bids only for the cream of business on the heavy-traffic routes, upon which the competitor depends to offset losses from the nonpaying parts of the system. Such competition would be manifestly unfair, and unfairness should nowhere be encouraged or permitted.

There is a dangerous school of economic thought teaching that business rivalry is bad both for the public and for business. This is a deceptive and dangerous doctrine, which is contrary to all history and experience, as no principle is more clearly identified with the industrial growth of our country than that of open, free, and fair business rivalry.

In some places some lines of business are fully developed, such as gas, electric, water, telephone, and railroad transportation, and have outgrown or outstripped through the decades before commission regulation began all competition or rivalry and now occupy exclusive fields of operation. These respective fields are preempted by general consent. But this preemption does not extend to any new competitive product or service which science or progress has developed. Regulation follows monopoly. Law does not create monopoly and then use it as a reason for regulation.

No business can be protected by law against supercession. Such, as already said, is the penalty of progress. Such is the program of business and of all civilization. The benefits of new ways and new methods can not be denied to the public through ingenious circumventions. And I might add right here that the "certificate of public convenience and necessity" has been diverted from its original purpose and is to-day being used largely as a device against progress and in the interest of monopoly. Whenever this certificate is provided for it should be hedged with public-safety limitations.

In this bill we have an infant industry, which is growing rapidly, with more frequent service and better equipment practically every month. Its growth in one State is shown by a table taken from the hearings on this bill.

There has been a substantial increase in the operation of interstate buses in New Jersey, as is represented in the following:

	1928	1929	Per cent increase over 1928
Number of busses	668	1,250	87
Number of routes	106	122	15
Number of operators	70	69	
Seating capacity	18,704	37,500	100

The center of the development of busses as common carriers was the city of Newark, N. J. The actual facts are best illustrated by the following:

Year	Number of passengers carried	Percentage increase over 1920
		Per cent
1920	41,501,854	
1925	103,062,094	148
1929	135,689,542	226

All of this expansion has been under regulation. Following the city of Newark, the State of New Jersey developed its bus operations under State regulations, and this is well shown in the following:

Year	Number of routes	Per cent increase over 1922	Number of busses	Per cent increase over 1922	Number of passengers (approximate)	Per cent increase over 1922
1922	174		1,722		250,000,000	
1926	322	85	2,148	47	300,000,000	20
1929	423	143	3,330	93	450,000,000	80

The door of competition must not be closed to American initiative, ingenuity, and genius, as in effect this bill proposes, in an infant public service, which, if left alone subject to economic laws and proper State police restraints and requirements, will develop more in the next 5 years than in 10 or 15 years under railroad monopolization. Our present policy is to regulate after monopoly comes as an inevitable economic consequence, not to deliberately plan and bring about a monopoly by law as this bill would do.

Mr. Speaker, it is aggregated wealth and greed in certain kinds of big business to-day that is using every opportunity to get legislative sanction and judicial rulings to the effect that "rivalry in the business field is bad both for business and the

public." Their doctrine is the discouragement rather than encouragement of competition, and challenges some of the first postulates of economic science.

Mr. Speaker, this bill goes further than any Federal or State regulatory law. It means simply this: Is Congress going to reverse its present policy of encouraging competition? Is Congress going to create and protect monopolization by rail carriers of all forms of interstate transportation?

In the Sherman Act of 1890 Congress provided:

Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal. Every person who shall make any such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by fine not exceeding $5,000 or by imprisonment not exceeding one year, or by both said punishments in the discretion of the court. (U. S. C., title 15, sec. 1.)

In the Panama Canal act of 1913 Congress provided:

From and after the 1st day of July, 1914, it shall be unlawful for any railroad company or other common carrier subject to the act to regulate commerce to own, lease, operate, control, or have any interest whatsoever (by stock ownership or otherwise, either directly or indirectly, through any holding company or by stockholders or directors in common or in any other manner) in any common carrier by water operated through the Panama Canal or elsewhere with which said railroad or other carrier aforesaid does or may compete for traffic, or any vessel carrying freight or passengers upon said water route or elsewhere with which said railroad or other carrier aforesaid does or may compete for traffic; and in case of the violation of this provision each day in which such violation continues shall be deemed a separate offense. (Act of Mar. 4, 1913, 37 Stat. 560, sec. 11.)

As the result of this law our rail carriers had to divest themselves of all interests in competing water carriers in the Great Lakes, in the Chesapeake Bay, and everywhere else.

In the Clayton Act of 1914 Congress provided:

No corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce where the effect of such acquisition may be to substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce where the effect of such acquisition or the use of such stock by the voting or granting of proxies or otherwise may be to substantially lessen competition between such corporations or any of them whose stock or other share capital is so acquired, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition. Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to substantially lessen competition. (U. S. C., title 15, sec. 18; act 1914, ch. 323, sec. 7.)

In the Federal Trade Commission act of 1914 Congress, in pursuance of its policy of competitive business, and in its desire to protect and perpetuate fair competition, said:

That unfair methods of competition in commerce are hereby declared unlawful.

And to remove any doubt as to the effect of said trade commission act upon the antitrust acts, provided in section 11, as follows:

Nothing contained in this act shall be construed to prevent or interfere with the enforcement of the provisions of the antitrust acts or the acts to regulate commerce, nor shall anything in the act be construed to alter, modify, or repeal the said antitrust acts or the acts to regulate commerce or any part or parts thereof.

In the transportation act of 1920 Congress authorized the consolidation of a limited number of systems and relieved such consolidations from the operation of the antitrust acts, but took care to make it clear that such consolidations were not to include competing lines, but that such consolidations or systems were to compete with each other. The act in section 5 says:

The commission shall, as soon as practicable, prepare and adopt a plan for the consolidation of the railway properties of the continental United States into a limited number of systems. In the division of such railways into such systems under such plan, competition shall be preserved as fully as possible, and whenever practicable the existing routes and channels of trade and commerce shall be maintained.

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

Mr. PARKER. Mr. Chairman, I yield five minutes more to the gentleman from Maryland.

Mr. CLARK of Maryland. It has only been in recent years that we have heard so much of this principle that, wherever a company can do the work that is necessary to be done, another company should not be allowed in that field. That is the application that has practically been given to the certificate of convenience and necessity by commissions all over this country.

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

Mr. CLARK of Maryland. Yes.

Mr. PARKER. Does the gentleman believe that we should have two telephone systems?

Mr. CLARK of Maryland. No. As I have already stated, the fallacy of this particular bill is that it considers all utilities in the same class. When you speak of a utility that is serving the needs of a community, as in the case of a telephone or gas company, then to give a franchise to another company to come in and tear up all the streets would be wrong. That is the kind of case to which a certificate was originally meant to apply. I remember when I first started to practice law in Baltimore city I had three telephones on my desk owned by three companies. There was continual confusion and inconvenience. The certificate of convenience and necessity was originated to apply to a case of that kind, but what are you dealing with here? You are dealing with a great industry in its infancy, when it needs the impetus of rivalry, when it needs the benefits of competition.

Mr. Speaker, the public is not asking for this bill as reported. Why should Congress enter this field more for economic than for legislative reasons? The sooner Congress decides to limit its functions to legislation in governmental matters and refuses to be drawn into the field of complex economics as an adjuster and adjudicator of purely economic disputes between competitors the better it will be for Congress and the country. It is not the function of law to protect one competitor against another in the absence of unfairness. Where unfair competition or practices exist we have a fair trade law, which applies to all. One of the most dangerous tendencies of our times is the drawing of our Government into the controversial and complex economics of not only this country but internationally, where no real governmental question is involved. We must take our hands off the business affairs of the people until the need of protection against the invasion of rights is shown. Then, if there is no law to cover the case, make one and enforce it. We could almost stop enacting police legislation for the next five years and more profitably spend our time properly enforcing what laws we already have.

Now I shall take up some of the minor and yet important questions raised by the bill, which, not yet touched upon, show that its real purpose is to accommodate the interests and not meet any real bona fide public demand. I refer to the absence of any provisions for control over capital issues or for determining the just and reasonable rate base, the fixing of a minimum rate, and, most of all, the tremendous additional cost of administering this act.

As to control over capital issues, it is a matter of common knowledge that through a manipulation of capital issues by even the most reputable bankers and fiscal agents a large portion of the revenues that would otherwise turn up in the fair return figures find their way into the hands of the parent or holding company or the banker or fiscal agent. The public in the end pays the bill.

As to the determination of the rate base, I presume that the sponsors of the bill would say that the decisions of the courts have settled that question for us. But some corporations have a habit of putting their own construction or interpretation upon court decisions. In fact, they seems always to know how to get what they want in some other way apparently not found in the decisions. Some rate-base rule with definite and lawful limitations should be put into this bill.

As to a provision authorizing the commission to fix a minimum rate, its absence in this bill would enable any railroad to eliminate any motor-bus line competing with its own line or lines. This minimum-rate authority should be given to the commission. Undercutting in fares, which the commission is not given authority to prevent in this bill, is still the prevailing

but expensive method adopted by ambitious corporations to get rid of competitors. Again, in the end, the public pays the bill.

But, Mr. Chairman, we must not overlook the broad field covered by this bill and the tremendous additional expense it would entail upon the commission, under the joint board plan provided in the bill, extending over all the 48 States in the Union, which would mean hundreds of boards with from 2 to 20 members, in addition to examiners, floating around the country practically all the time. The commission, or Federal Government, pays all expenses. And all these boards under the bill would be reporting their findings and recommendations to the commission, which would require a large additional force in Washington and a corresponding increase in the expenses of the commission. Mr. Chairman, we had better look into this bill carefully and be sure of the demand and need for it as it is reported before we put the Government to this large added expense and further add to our Federal bureaucracy.

Mr. Speaker, it is sought to justify this bill upon the decision of the Supreme Court in the Buck case (1925) (267 U. S. Repts. 307) and the Bush case (1925) (267 U. S. Repts. 307), but these cases do not show any need of or demand for legislation in this bill. As already stated, the States have practically adjusted themselves to these decisions and through their police powers are meeting all present legislative or protective needs, with two or three exceptions, which alone this bill should provide for.

In conclusion, Mr. Speaker, permit me to make one other observation: Because of the bulk of money already invested in railroads, if these railroads controlled the interstate motor-bus business, the bus operations would be pushed only to the point to which the railroads were compelled to push them. If interstate bus lines remain independent they will grow in accordance with the wishes and demands of the public and they should be given this chance regardless of the effect upon other competing lines and forms of traffic.

Unless this bill shall be amended to meet these views, which I vigorously urge, I shall have to oppose it on the final vote. If this bill should be passed in its present form, I feel sure the Senate would amend it to preserve to the people the benefits of competition between rail and motor-bus carriers.

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

Mr. PARKER. Mr. Chairman, I yield five minutes more to the gentleman from Maryland.

Mr. CLARK of Maryland. It has only been in recent years that we have heard so much of this principle that wherever a company can do the work that is necessary to be done another company should not be allowed in that field. That is the application that has practically been given to the certificate of convenience and necessity by commissions all over this country.

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

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Mr. CLARK of Maryland. As I have already stated, the fallacy of this particular bill is that we are considering all utilities in the same class. When you speak of a utility that is serving the needs of a community, as in the case of gas companies in a city, then to give a franchise to another company to come in and tear up all the streets would be wrong. That is the kind of a case that a certificate was originally meant to apply to. Take also the telephone. I remember when I first started to practice law in Baltimore City I had three telephones on my desk owned by three companies. There were all sorts of confusion as to telephone calls and so on. The certificate of convenience and necessity was originated to apply to a case of this kind, but what are you dealing with here? You are dealing with a great industry in its infancy, when it needs the impetus of competition, when it needs the benefits of competition.

Mr. Chairman, the public is not asking for this bill as reported. Why should Congress enter this field more for economic than for legislative reasons? The sooner Congress decides to limit its functions to legislation in governmental matters and refuses to be drawn into the field of complex economics as an adjuster and adjudicator of purely economic disputes between competitors the better it will be for Congress and the country. It is not the function of law to protect one competitor against another in the absence of unfairness. Where unfair competition or practices exist we have a fair trade law, which applies to all. One of the most dangerous tendencies of our times is the drawing of our Government into the controversial and complex economics of not only this country, but internationally, where no real governmental question is involved. We must take our hands off the business affairs of the people until the need of protection against the invasion of rights is shown. Then, if there is no law to cover the case, make one and enforce it. We could almost stop enacting police laws for the next 10 years and more profitably spend our time properly enforcing what we already have.

Now, I shall take up some of the minor and yet important questions raised by the bill, which, not yet touched upon, show that its real purpose is to accommodate the interests, and not meet any real bona fide public demand. I refer to the absence of any provisions for control over capital issues, or for determining the "just and reasonable" rate base, the fixing of a minimum rate, and most of all, the tremendous additional cost of administering this act.

As to control over capital issues, it is a matter of common knowledge that through a manipulation of capital issues by even the most reputable bankers and fiscal agents, a large portion of the revenues that would otherwise turn up in the fair return figures, find their way into the hands of the parent or holding company or the banker or fiscal agent. The public in the end pays the bill.

As to the determination of the rate base, I presume that the sponsors of the bill would say that the decisions of the courts have settled that question for us. But some corporations have a habit of putting their own construction or interpretation upon court decisions. In fact, they seem always to know how to get what they want in some other way not apparently found in the decisions. Some rate base rule with definite and lawful limitations should be put into this bill.

As to a provision authorizing the commission to fix a minimum rate, its absence in this bill would enable any railroad to eliminate any motor-bus line competing with its own line or lines. This minimum-rate authority should be given to the commission. Why is it not in the bill? Could it be for any other reason than to enable any company to quickly dispose of competitors that can not be shaken off in any other way? Undercutting in fares, which the commission is not given authority to prevent in this bill, is still the prevailing but expensive method adopted by ambitious corporations to get rid of competitors. Again in the end the public pays the bill.

But, Mr. Chairman, we must not overlook the broad field covered by this bill and the tremendous additional expense it would entail upon the commission. Under the joint board plan provided in the bill, extending over all the 48 States in the Union, which would mean hundreds of boards with from 2 to 20 members, in addition to examiners, floating around the country practically all the time. The commission, or Federal Government, pays all expenses. And all these boards under the bill would be reporting their findings and recommendations to the commission, which would require a large additional force in Washington and a corresponding increase in the expenses of the commission. Mr. Chairman, we had better look into this bill carefully and be sure of the demand and need for it as it is reported before we put the Government to this large added expense and further add to our Federal bureaucracy.

Mr. Chairman, it is sought to justify this bill upon the decision of the Supreme Court in the Buck case (1925), Two hundred and sixty-seventh United States Reports, 307, and the Bush case (1925), Two hundred and sixty-seventh United States Reports, 307, but these cases do not show any need of or demand for the legislation in this bill. The States have practically adjusted themselves to these decisions and through their police powers are meeting all present legislative or protective needs, with two or three exceptions, which alone this bill should provide for.

In conclusion, Mr. Chairman, permit me to make one other observation. Because of the bulk of money already invested in railroads, if these railroads controlled the interstate motor-bus business, the bus operations would be pushed only to the point to which the railroads were compelled to push them. If interstate bus lines remain independent they will grow in accordance with the wishes and demands of the public, and should be given this chance regardless of the effect upon other lines of traffic.

Mr. PARKER. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. LEHLBACH, Chairman of the Committee of the Whole House on the state of the Union, having had under consideration the bill (H. R. 10288) to regulate the transportation of persons in interstate and foreign commerce by motor carriers operating on the public highways, reported that that committee had come to no resolution thereon.

ENROLLED BILLS SIGNED

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of

the following titles, which were thereupon signed by the Speaker:

H. R. 4767. An act to authorize sale of iron pier in Delaware Bay near Lewes, Del.;

H. R. 7971. An act to extend the times for commencing and completing the construction of a bridge across the French Broad River on Tennessee Highway No. 9, near the town of Bridgeport, in Cocke County, Tenn.;

H. R. 8287. An act granting the consent of Congress to the State Highway Commission of Virginia to maintain a bridge already constructed across the Shenandoah River in Clarke County, Va., United States Route No. 50;

H. R. 9180. An act to legalize a bridge across the Roanoke River at or near Weldon, N. C.; and

H. J. Res. 223. Joint resolution to provide for the expenses of participation by the United States in the International Conference for the Codification of International Law in 1930.

ADJOURNMENT

Mr. PARKER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p. m.) the House adjourned until to-morrow, Friday, March 14, 1930, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Friday, March 14, 1930, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Navy Department appropriation bill.

COMMITTEE ON THE LIBRARY

(10.30 a. m.)

To provide for medal of honor and awards to Government employees for distinguished work in science (H. R. 9755) and also proposals for the erection of monuments.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To consider private bills.

COMMITTEE ON ELECTION OF PRESIDENT, VICE PRESIDENT, AND REPRESENTATIVES IN CONGRESS

(10.30 a. m.)

Proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress (H. J. Res. 9 and 25).

Proposing an amendment to the Constitution of the United States with reference to the election of the President and Vice President (H. J. Res. 216).

COMMITTEE ON THE JUDICIARY

(10 a. m.)

Proposing an amendment to the Constitution of the United States (H. J. Res. 114, H. J. Res. 11, H. J. Res. 38).

Proposing an amendment to the eighteenth amendment of the Constitution (H. J. Res. 99).

Proposing an amendment to the Constitution of the United States providing for a referendum on the eighteenth amendment thereof (H. J. Res. 219).

Proposing an amendment to the eighteenth amendment of the Constitution of the United States (H. J. Res. 246).

COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

To consider branch, chain, and group banking as provided in House Resolution 141.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WILLIAMSON: Committee on Indian Affairs. H. J. Res. 188. A joint resolution authorizing the use of tribal funds belonging to the Yankton Sioux Tribe of Indians in South Dakota to pay expenses and compensation of the members of the tribal business committee for services in connection with their pipestone claim; with amendment (Rept. No. 892). Referred to the House Calendar.

Mr. CLARK of North Carolina: Committee on Claims. H. R. 8583. A bill for the relief of the State of Maine; with amendment (Rept. No. 893). Referred to the Committee of the Whole House on the state of the Union.

Mr. REID of Illinois: Committee on Flood Control. H. R. 8799. A bill to provide for a survey of the Choctawhatchee River, Fla. and Ala., with a view to the prevention and control of its floods; without amendment (Rept. No. 894). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOCH: Committee on Interstate and Foreign Commerce. H. R. 10583. A bill to provide for the method of measurement of vessels using the Panama Canal; without amendment (Rept. No. 895). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 10627. A bill to amend the act of February 14, 1920, authorizing and directing the collection of fees for work done for the benefit of Indians; without amendment (Rept. No. 897). Referred to the Committee of the Whole House on the state of the Union.

Mr. JOHNSON of Washington: Committee on Immigration and Naturalization. H. R. 10343. A bill to provide quota limitations for certain countries of the Western Hemisphere, and for other purposes; without amendment (Rept. No. 898). Referred to the House Calendar.

Mr. BRITTEN: Committee on Naval Affairs. H. R. 10296. A bill to provide for the use of the U. S. S. *Olympia* as a memorial to the men and women who served the United States in the war with Spain; without amendment (Rept. No. 900). Referred to the Committee of the Whole House on the state of the Union.

Mr. GAMBRILL: Committee on Naval Affairs. H. R. 10380. A bill adjusting the salaries of the Naval Academy Band; with amendment (Rept. No. 901). 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. CLARK of North Carolina: Committee on Claims. H. R. 768. A bill for the relief of Anna Lohbeck; with amendment (Rept. No. 888). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 1063. A bill for the relief of Alice Hipkins; with amendment (Rept. No. 889). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 1313. A bill for the relief of estate of Katherine Heinrich (Charles Grieser and others, executors); without amendment (Rept. No. 890). Referred to the Committee of the Whole House.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 10117. A bill authorizing the payment of grazing fees to E. P. McManigal; without amendment (Rept. No. 891). Referred to the Committee of the Whole House.

Mr. SCHAFER of Wisconsin: Committee on Claims. H. R. 1135. A bill for the relief of Lieut. S. Jacobs, United States Navy; with amendment (Rept. 896). Referred to the Committee of the Whole House.

Mr. SMITH of Idaho: Committee on Irrigation and Reclamation. H. R. 9987. A bill to provide for the relinquishment by the United States of certain lands to the city of Rupert in the county of Minidoka, in the State of Idaho; with amendment (Rept. No. 899). 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. MOORE of Ohio: A bill (H. R. 10738) authorizing the examination of persons insured by United States Government life insurance; to the Committee on World War Veterans' Legislation.

By Mr. SCHAFER of Wisconsin: A bill (H. R. 10739) to provide the American Legion, department of Wisconsin, with a building site for Legion purposes at the Northwestern Branch of the National Home for Disabled Volunteer Soldiers; to the Committee on Military Affairs.

By Mr. SUTHERLAND: A bill (H. R. 10740) to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishments; to the Committee on the Merchant Marine and Fisheries.

By Mr. WELSH of Pennsylvania: A bill (H. R. 10741) to amend the World War veterans' act of 1924; to the Committee on World War Veterans' Legislation.

By Mr. McLEOD: A bill (H. R. 10742) to amend section 8 of the act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913; to the Committee on the District of Columbia.

By Mr. WAINWRIGHT: A bill (H. R. 10743) to amend the naturalization laws and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. WOLVERTON of New Jersey: A bill (H. R. 10744) to repeal part of section 4813 of the Revised Statutes, as amended; to the Committee on Naval Affairs.

By Mr. REED of New York: Joint resolution (H. J. Res. 265) to authorize the return of flying pay drawn by certain officers; to the Committee on Military Affairs.

By Mr. TAYLOR of Colorado: Joint resolution (H. J. Res. 266) to authorize the Secretary of the Interior to deliver water during the irrigation season of 1930 on the Uncompahgre project, Colorado; to the Committee on Irrigation and Reclamation.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. AUF DER HEIDE: A bill (H. R. 10745) granting an increase of pension to James J. Kadien; to the Committee on Pensions.

By Mr. BLOOM: A bill (H. R. 10746) granting a pension to Eliza Davis; to the Committee on Pensions.

Also, a bill (H. R. 10747) for the relief of Laura Goldwater; to the Committee on Claims.

By Mr. BOWMAN: A bill (H. R. 10748) granting an increase of pension to Mary E. Robinson; to the Committee on Invalid Pensions.

By Mr. BRAND of Ohio: A bill (H. R. 10749) granting an increase of pension to Sarah V. Stokes; to the Committee on Invalid Pensions.

By Mr. COOPER of Wisconsin: A bill (H. R. 10750) granting a pension to Cecil R. Fulghum; to the Committee on Pensions.

By Mr. CULKIN: A bill (H. R. 10751) granting an increase of pension to Lizzie Green; to the Committee on Invalid Pensions.

By Mr. FITZGERALD: A bill (H. R. 10752) for the relief of Noah M. Banks; to the Committee on Military Affairs.

By Mr. HAWLEY: A bill (H. R. 10753) granting an increase of pension to Katie Sparks; to the Committee on Pensions.

By Mr. HOCH: A bill (H. R. 10754) granting a pension to Henry Aughinbaugh; to the Committee on Invalid Pensions.

By Mr. HOPKINS: A bill (H. R. 10755) granting an increase of pension to Rachael Bledsoe; to the Committee on Pensions.

By Mr. KINZER: A bill (H. R. 10756) granting an increase of pension to Sarah J. Lafferty; to the Committee on Invalid Pensions.

By Mrs. LANGLEY: A bill (H. R. 10757) granting a pension to Emily Jane Poe; to the Committee on Invalid Pensions.

By Mr. LINTHICUM: A bill (H. R. 10758) for the relief of Alice May Rochow; to the Committee on Claims.

By Mr. LOZIER: A bill (H. R. 10759) granting an increase of pension to America E. Walton; to the Committee on Invalid Pensions.

By Mr. MARTIN: A bill (H. R. 10760) for the relief of certain officers and employees of the Foreign Service of the United States, and of Elise Steiniger, housekeeper for Consul R. A. Wallace Treat at the Smyrna consulate, who, while in the course of their respective duties, suffered losses of Government funds and/or personal property by reason of theft, warlike conditions, catastrophes of nature, shipwreck, or other causes; to the Committee on Foreign Affairs.

By Mr. MOORE of Ohio: A bill (H. R. 10761) for the relief of Julia Kerr O'Bleness; to the Committee on Claims.

Also, a bill (H. R. 10762) granting a pension to Elizabeth Crawford; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 10763) granting an increase of pension to Sarah E. Richardson; to the Committee on Invalid Pensions.

By Mrs. OLDFIELD: A bill (H. R. 10764) for the relief of Charles O. Teter; to the Committee on Claims.

Also, a bill (H. R. 10765) for the relief of Bert Moore; to the Committee on Claims.

By Mr. SIMMS: A bill (H. R. 10766) granting a pension to Andrew M. Hall; to the Committee on Pensions.

By Mr. STALKER: A bill (H. R. 10767) granting an increase of pension to Emma R. Northup; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10768) granting an increase of pension to Michael H. Daly; to the Committee on Pensions.

Also, a bill (H. R. 10769) granting an increase of pension to Clara Beach; to the Committee on Invalid Pensions.

By Mr. SWICK: A bill (H. R. 10770) granting an increase of pension to Louisa Stevens; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 10771) for the relief of John Gray; to the Committee on Military Affairs.

By Mr. VINSON of Georgia: A bill (H. R. 10772) for the relief of Albrecht Nest, apothecary of the Navy; to the Committee on Naval Affairs.

By Mr. WOODRUFF: A bill (H. R. 10773) granting a pension to Mary Ellen Gardner Owens; 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:

5592. Petition of Kinnear & Falconer, Stonehaven, Scotland, relative to bonds issued by the State of Mississippi in the year 1838; to the Committee on the Judiciary.

5593. Petition of the board of aldermen of the city of New York, opposing the two proposed registration bills known as House bills 9147 and 9101 as un-American, reactionary, and injurious to the process of Americanization; to the Committee on Immigration and Naturalization.

5594. By Mr. BLOOM: Petition of citizens of New York (not members of the United Spanish War Veterans or allied organizations) to grant increase of pension as provided in House bill 2562 to veterans who fought against Spain in 1898 and to those who engaged in the Philippine insurrection and the China relief expedition in 1900; to the Committee on Pensions.

5595. By Mr. BOYLAN: Letter from the Merchants' Association of New York, urging the passage of the tariff bill in order that business may know the conditions to which it must adjust itself and be enabled to pursue its normal course of development; to the Committee on Ways and Means.

5596. Also, letter from Brown, Lent & Pett (Inc.), manufacturing stationers of New York City, urging the passage of the Capper-Kelly fair trade bill, H. R. 11; to the Committee on Interstate and Foreign Commerce.

5597. Also, letter from New York State Pharmaceutical Association, urging the passage of the Capper-Kelly resale price measure; to the Committee on Interstate and Foreign Commerce.

5598. Also, resolution adopted at meeting of the New York State Chamber of Commerce, urging the passage of Senate bill 2627 and House bill 6803, providing nominal passport fees; to the Committee on Foreign Affairs.

5599. Also, resolution adopted by Chamber of Commerce of the State of New York, opposing the Philippine independence bills now before Congress; to the Committee on Insular Affairs.

5600. By Mr. CABLE: Petition of citizens of Piqua, Miami County, Ohio, urging the passage of House bill 2562, granting an increase of pensions to Spanish-American War veterans; to the Committee on Pensions.

5601. By Mr. CARTER of California: Petition signed by W. P. Hodgkins and many others, of Hayward, Calif., urging the passage of House bill 2562, increasing pension of veterans of the Spanish war; to the Committee on Pensions.

5602. Also, petition signed by Mrs. E. C. Webber, Mrs. Hope M. Moore, and 16 others, of Berkeley, Calif., urging the passage of House bill 2562, granting increased pension to veterans of the Spanish War; to the Committee on Pensions.

5603. Also, petition signed by John Behrsin, George W. Anderson, and others, of Alameda, Calif., urging the passage of House bill 2562, granting increase of pension to veterans of the Spanish War; to the Committee on Pensions.

5604. By Mr. COLLIER: Petition of the residents of Yazoo County, Miss., urging speedy consideration and passage of House bill 2562 and Senate bill 476, providing for increase in pensions to Spanish-American War veterans; to the Committee on Pensions.

5605. Also, petition of the residents of Warren County, Miss., urging speedy consideration and passage of House bill 2562 and Senate bill 476, providing for increase in pensions to Spanish-American War veterans; to the Committee on Pensions.

5606. By Mr. CULLEN: Petition of the citizens of the fourth congressional district of New York, requesting Congress to bring about the early passage of Senate bill 476 and House bill 2562, which provide for increased pensions for men who served in the armed forces of the United States during the Spanish War; to the Committee on Pensions.

5607. Also, petition of citizens of Brooklyn, N. Y., urging Congress to bring about the early passage of House bill 2562, which provides for an increase in pension for men who served in the armed forces of the United States during the Spanish-American War period; to the Committee on Pensions.

5608. Also, resolution of the trustees of the New York Public Library protesting against the provisions of section 305 of House bill 2667, which will prohibit importation of printed matter

advocating treason as abstract conceptions; to the Committee on Ways and Means.

5609. By Mr. DALLINGER: Petition of certain citizens of California praying for the enactment of House bill 7979; to the Committee on the Civil Service.

5610. By Mr. DOWELL: Petition of citizens of Polk County, Iowa, urging the passage of House bill 2562 granting an increase of pension to Spanish-American War veterans; to the Committee on Pensions.

5611. By Mr. DOYLE: Petition memoralizing Congress to enact House Joint Resolution 167, directing the President of the United States to proclaim October 11 of each year a General Pulaski memorial day; to the Committee on the Judiciary.

5612. By Mr. FENN: Petition of 10 residents of East Hartford, Conn., and 17 residents of Burnside, Hartford, and East Hartford, Conn., favoring the so-called Robsion-Capper school bill; to the Committee on Education.

5613. By Mr. FITZPATRICK: Petition of the New York State Ladies Auxiliary to the New York State Association of Letter Carriers, urging the passage of House bill 6603 providing for a short Saturday workday for letter carriers in the postal service; to the Committee on the Post Office and Post Roads.

5614. By Mr. HALL of North Dakota: Petition of the Albert Block Post, No. 56, of the American Legion, of Goodrich, N. Dak., that amendment be made to the gold-star pilgrimage act so that mothers and widows of soldiers buried at sea or in unknown graves may make the pilgrimage to Europe; to the Committee on Military Affairs.

5615. By Mr. HALSEY: Petition of Bruce O. Floyd and others, of Cass County, Mo., urging speedy consideration and passage of Senate Bill 476 and House bill 2562, providing for increased rates of pension for Spanish-American War veterans; to the Committee on Pensions.

5616. By Mr. JOHNSON of Texas: Petition of 60 citizens of Mexia, Tex., favoring House bill 2562 and Senate bill 476, providing for increased rates of pension to Spanish-American War veterans; to the Committee on Pensions.

5617. By Mrs. LANGLEY: Petition of Harling W. Reed, H. H. Ramey, Myrtle Cooper, and 55 other citizens of Magoffin County, Ky., urging the 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 War period; to the Committee on Pensions.

5618. By Mr. LANKFORD of Georgia: Petition of 20 citizens of Lowndes County, urging the passage of House bill 2562 and Senate bill 476 increasing the pensions of Spanish War veterans; to the Committee on Pensions.

5619. By Mr. LOZIER: Petition of numerous citizens of Galt, Grundy County, Mo., urging the enactment of Senate bill 476 and House bill 2562, providing for increased rates of pension to men who served in the Spanish-American War period; to the Committee on Pensions.

5620. By Mr. MAPES: Petition of 43 residents of Grand Rapids, Mich., recommending the early consideration and passage of Senate bill 476 and House bill 2562, proposing increased rates of pension to veterans of the war with Spain; to the Committee on Pensions.

5621. Also, petition of members of Bowne Center Grange, No. 219, Alto, Mich., urging the retention of the export debenture amendment in the tariff bill; to the Committee on Ways and Means.

5622. By Mr. O'CONNELL of New York: Petition of Priscilla Council, No. 43, Sons and Daughters of Liberty, favoring further restriction of immigration of the Western Hemisphere; to the Committee on Immigration and Naturalization.

5623. By Mr. O'CONNOR of Oklahoma: Petition of P. P. Barlow and 65 other citizens of Shidler, Okla., requesting early and favorable action on the measure providing for further relief of the Spanish-American War veterans; to the Committee on Pensions.

5624. Also, petition of Percy Crandall and 41 other citizens of Salain, Okla., requesting early and favorable action on the measure providing further relief of Spanish-American War veterans; to the Committee on Pensions.

5625. By Mr. FRANK M. RAMEY: Petition of Aerie No. 2023, Fraternal Order of Eagles, Nokomis, Montgomery County, Ill., urging passage of Senate bill 3257, regarding old age pension law; to the Committee on Pensions.

5626. By Mr. REED of New York: Petition of the so-called Six Nations of Indians of Iroquois Confederacy, protesting against House bill 9720; to the Committee on Indian Affairs.

5627. By Mr. SELVIG: Petition of Mrs. Elmer Rosendahl, president, and Mrs. V. E. Holmgren, secretary, Legion Auxiliary, Warren, Minn., unanimously in favor of Federal supervision of motion pictures to establish higher standards; to the Committee on Interstate and Foreign Commerce.

5628: Also, petition of Maude Zuerold, president Rebekah Lodge, Warren, Minn., unanimously urging Federal supervision of motion pictures to establish higher standards; to the Committee on Interstate and Foreign Commerce.

5629. By Mr. SMITH of West Virginia: Petition of citizens of Rupert, Greenbrier County, W. Va., urging the passage of House bill 2562 and Senate bill 476 providing for increased rates of pension to the men who served in the armed forces of the United States during the war with Spain; to the Committee on Pensions.

5630. By Mr. SPEAKS: Petition signed by 43 citizens of Columbus, Ohio, urging passage of House bill 2562 proposing increased pension allowances for veterans of the Spanish War; to the Committee on Pensions.

5631. By Mr. STALKER: Petition of the citizens of Peruville, Tompkins County, N. Y., urging Congress for the 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 War period; to the Committee on Pensions.

5632. Also, petition of the citizens of Chemung County, N. Y., urging Congress for the 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 War; to the Committee on Pensions.

5633. By Mr. STONE: Petition of 200 or more residents of the State of Oklahoma, asking Congress to pass favorably on House bill 9233, to prescribe a certain prohibition oath; to the Committee on the Judiciary.

5634. By Mr. TAYLOR of Colorado: Petition of citizens of Fairplay, Colo., urging favorable action on House bill 2562 for increase of pension of Spanish-American War veterans; to the Committee on Pensions.

5635. Also, petition of citizens of Gunnison, Colo., urging the enactment into law of House bill 2562 for increase of pensions for Spanish-American War veterans; to the Committee on Pensions.

5636. By Mr. WALKER: Petition of leading tobacco growers of central Kentucky, urging Congress to reduce the tax on tobacco one-third of the present rate; to the Committee on Ways and Means.

SENATE

FRIDAY, *March 14, 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. Mr. President, I suggest the absence of a quorum.

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

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

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

Mr. SHEPPARD. 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 London Naval Conference.

Mr. SCHALL. My colleague [Mr. SHIPSTEAD] is unavoidably absent. I ask that this announcement may stand for the day.

Mr. McKELLAR. I wish to announce that my colleague the junior Senator from Tennessee [Mr. BROCK] is necessarily detained from the Senate by illness. I ask that this announcement may stand for the day.