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.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The PRESIDENT pro tempore. Eighty-two Senators having answered to their names, a quorum is present.

SUPPLEMENTAL ESTIMATE—BUREAU OF CUSTOMS (S. DOC. NO. 113)

The PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department—Quarters allowance, United States Customs Agency Service, 1931—amounting to $50,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

VESSEL AND TENDER, COAST AND GEODETIC SURVEY (S. DOC. NO. 112)

The PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Commerce for the completion of a vessel and tender for the Coast and Geodetic Survey, fiscal year 1931, amounting to $106,500, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

Mr. OVERMAN presented a memorial of sundry citizens of Old Fort, N. C., 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. ALLEN presented a memorial of sundry citizens of Barton County, Kans., remonstrating against the passage of the so-called Capper-Robsion bill, to create a Federal department of education, which was referred to the Committee on Education and Labor.

Mr. McCULLOCH presented a petition numerously signed by sundry citizens, being retail druggists and their customers, of Cleveland, Ohio, praying for the passage of the so-called Capper-Kelly fair trade bill, to protect trade-mark owners, distributors, and the public against injurious and uneconomic practices in the distribution of articles of standard quality under a distinguishing trade-mark, brand, or name, which was referred to the Committee on Interstate Commerce.

Mr. DILL presented a petition of sundry citizens of Spokane, Wash., 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. CAPPER presented a petition of sundry citizens of Eureka, Kans., praying for the passage of legislation granting increased pensions to veterans of the war with Spain, which was ordered to lie on the table.

He also presented a resolution adopted by Sunflower Aerie, No. 123, Fraternal Order of Eagles, of Pittsburg, Kans., favoring the passage of legislation granting increased pensions to veterans of the war with Spain, which was ordered to lie on the table.

Mr. HOWELL presented a memorial of sundry citizens of the State of Nebraska, remonstrating against any revision of the existing calendar unless a provision 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.

REPORTS OF NOMINATIONS

As in open executive session,

Mr. HALE, from the Committee on Naval Affairs, reported the nomination of Capt. Walter R. Sexton to be a rear admiral in the Navy from the 31st day of March, 1930, which was placed on the Executive Calendar.

Mr. GREENE, from the Committee on Military Affairs, reported the nominations of sundry officers of the Army, which were placed on the Executive Calendar.

Mr. JOHNSON, from the Committee on Commerce, reported the nomination of Edward M. Kent to be a constructor in the Coast Guard of the United States, to rank as such from March 3, 1928, which was placed on the Executive Calendar.

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

Mr. HEBERT, from the Committee on Post Offices and Post Roads, reported the nomination of Ralph H. Chapman to be postmaster at Esmond, R. I., in place of R. H. Chapman, 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. MOSES:

A bill (S. 3894) to correct the military record of J. F. Johnston; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 3895) to authorize the Commissioners of the District of Columbia to widen Wisconsin Avenue abutting squares 1299, 1300, and 1935; to the Committee on the District of Columbia.

A bill (S. 3896) granting an increase of pension to Tirzah Z. Ingersoll (with accompanying papers); to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 3897) to provide for the disposition of certain revested Oregon & California Railroad Co. and Coos Bay Military Wagon Road Co. grant lands; to the Committee on Public Lands and Surveys.

A bill (S. 3898) granting the consent of Congress to the Mill Four Drainage District, in Lincoln County, Oreg., to construct, maintain, and operate dams and dikes to prevent the flow of waters of Yaquina Bay and River into Nutes Slough, Boones Slough, and sloughs connected therewith; to the Committee on Commerce.

By Mr. BROOKHART:

A bill (S. 3899) to amend section 23 (c) (3) of the revenue act of 1928, as amended; to the Committee on Finance.

By Mr. McCULLOCH:

A bill (S. 3900) granting an increase of pension to William L. Schulz (with accompanying papers); to the Committee on Pensions.

By Mr. BINGHAM:

A bill (S. 3901) to establish a commercial airport for the District of Columbia; to the Committee on the District of Columbia.

By Mr. HALE:

A bill (S. 3902) granting a pension to Lottie A. Crouch (with accompanying papers); to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 3903) granting a pension to Anna Haag; to the Committee on Pensions.

By Mr. DILL:

A bill (S. 3904) granting a pension to Horace Willie Howard; to the Committee on Pensions.

A bill (S. 3905) for the relief of Oscar J. Conners; to the Committee on Claims.

By Mr. ROBINSON of Indiana:

A bill (S. 3906) granting a pension to Reuben Samson;

A bill (S. 3907) granting an increase of pension to Cad W. Savage (with accompanying papers); and

A bill (S. 3908) granting an increase of pension to Rebecca J. Wright (with accompanying papers); to the Committee on Pensions.

By Mr. PINE:

A bill (S. 3909) granting a pension to Wilson H. Spangenberg (with accompanying papers); to the Committee on Pensions.

By Mr. HOWELL:

A bill (S. 3910) to authorize the President to appoint Capt. Charles H. Harlow a commodore on the retired list; to the Committee on Naval Affairs.

By Mr. NORBECK:

A bill (S. 3911) granting a pension to Denny Moran; to the Committee on Pensions.

AMENDMENT TO THE TARIFF BILL

Mr. GOLDSBOROUGH submitted an amendment proposing to increase the duty on mustard, ground or prepared, in bottles or otherwise, from 8 cents per pound to 10 cents per pound, 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.

RETIREMENT OF CLERKS OF COURTS

Mr. McNARY submitted an amendment intended to be proposed by him to the bill (S. 3418) to establish a retirement and disability service for clerks, deputy clerks, and clerical assistants of the United States circuit courts of appeals, and clerks, deputy clerks, and clerical assistants of the district courts of the United States, which was referred to the Committee on Civil Service and ordered to be printed.

HANNAH F. PARKER

Mr. HALE submitted the following resolution (S. Res. 236), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Hannah F. Parker, widow of Ferd W. Parker, late the keeper of stationery of the Senate, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

LITERARY DIGEST PROHIBITION POLL

Mr. DILL. Mr. President, I ask unanimous consent to have inserted in the RECORD a statement regarding the Literary Digest prohibition poll, being an article printed in the American Issue. It contains some very interesting facts regarding the last poll conducted by the literary Digest on the subject.

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

REASONS WHY DRYS SHOULD NOT VOTE IN THE LITERARY DIGEST POLL

Friends of the eighteenth amendment to the Federal Constitution and of the national prohibitory law should refuse to take any part in the Literary Digest poll on the three proposals which that magazine is submitting to 20,000,000 people; and for the following reasons:

NOT RELIABLE INDEX OF PUBLIC SENTIMENT

First. Whatever the results of this poll, they can not in any sense assume to be the consensus of the opinion of the people of the United States—not even the opinion of the 20,000,000 who received the ballots mailed from the Digest office.

There will be hundreds of thousands of drys who of their own accord will refuse to participate. They have no incentive to do so. On the other hand, most of the wets receiving these ballots will vote. They have nothing to lose. The small fraction of drys who are inclined to vote should not do so, for by so doing they will merely give a semblance of a real contest to the poll. They should not fall into this trap. But on the other hand, they should not leave their ballots where a wet may pick them up and vote them. They should destroy them.

INDIRECT METHOD VERSUS DIRECT

Second. The enemies of prohibition are seeking to do by a straw vote what they have failed to accomplish by direct, orderly, and legal process. The eighteenth amendment was adopted by the regular process, the same process as that used for every other amendment to the Constitution. The vote was overwhelming; larger than any other vote for any other amendment or for the original Constitution itself.

The minority opposed to prohibition, disregarding all rules of sportsmanship, have defied the law, advocated nullification, and are now determined by some process or other to compel the dry majority to accede to the demands and threats of the wet minority.

Ten years ago their first step to this end was an effort to defeat the dry Congressmen and elect wet Congressmen. That failed, with the result that the drys in Congress have increased in number while the number of wets has steadily decreased.

The wets' next step was the demand for a referendum to the voters of the Nation, with the idea that the wet cities and the wet States could possibly muster a majority of the total votes cast, it being understood by those who were proposing a national referendum that New York State, for instance, in a general election, casts as many votes as are cast in the aggregate by more than 20 States that could be named. When it became apparent that this was an insidious move to deprive the smaller States of their part and voice in government and was the first step toward the elimination of real State representation on national issues, this project failed.

The next movement was an appeal to the States to call State referendums. Referendums were held in some four or five States with but partial success for the wets. This wet hope has now exploded and the possibility of a referendum by States has vanished.

The next move was to have some sort of unofficial referendum taken by some individual or some group or by some journal. Mr. Du Pont started the proposition by furnishing the money and having ballots sent to all the voters in the entire State of Delaware. And now comes the Literary Digest with its project of a nation-wide prohibition poll.

Evidently those who are responsible for the Literary Digest poll are against prohibition. On the face of it, the literature sent out, the letters mailed to 20,000,000 persons, the cost of returning these marked ballots, which is part of the expense of the poll, and other necessary clerical work connected with the enterprise, will cost at the very minimum at least three-quarters of a million dollars. Of course, this money is being furnished by those who are particularly interested in the outcome, and it is not being furnished by those who, like Mr. Hoover, "wish prohibition to succeed." It can hardly, therefore, be suggested that this attempted poll is of a disinterested character.

This sort of poll would be open to the same general objection if it were being conducted, for instance, by the American Issue at Westerville, Ohio, and it would be open to the same general objection were it on any other question upon which there are radical differences of opinion.

IGNORES MAJORITY OF VOTERS

Third. Approximately 36,000,000 of the 56,000,000 qualified voters registered their convictions on prohibition in the presidential election of 1928. The Digest arbitrarily selects 20,000,000 persons to vote in its poll, a number equivalent to but 55 per cent of those who voted for President in 1928 and less than 36 per cent of all the qualified voters. To get a real index of the sentiment on prohibition every legal voter should be given an opportunity to vote. Regardless of the good intention of those back of the poll, it is giving too much power into the hands of any man or group to select the millions who are to be ignored on so important an issue as this. Furthermore, if the same proportion is maintained in this poll as that which prevailed in the Literary Digest poll in 1922 on these three identical propositions, only a decided minority will record its convictions.

UNFAIR WORDING OF BALLOT

Fourth. There are three propositions submitted—one dry and two wet. Everyone who is not for both the amendment and the Volstead law as is, has an opportunity to make a choice of two, but whatever the choice, it will count against prohibition.

NO SAFEGUARDING BALLOTS

Fifth. There is no possible way of checking up to find whether the person who marks any of these ballots is an alien, a citizen, a voter, a repeater, a child under age, or some one who has been disfranchised.

PREVIOUS POLL FAILURE AS INDEX

Much is being made of the accuracy of forecast of Literary Digest polls. The Literary Digest points with pride to the fact that it forecast the Harding landslide in 1920, a 99 per cent accuracy of the Coolidge election in 1924, and the prediction in 1928 of Hoover's overwhelming victory and the Southern States which he carried. On this ground the Digest is assuming that its present poll on the three proposals submitted will be an accurate forecast.

With no desire to detract from the Digest's glory in predicting these presidential elections, but in order to get it into the record, we submit the results of the Digest poll on these three identical propositions submitted by the Digest in 1922. It is significant that the Digest in its letter accompanying the ballots mentioned the accuracy of the poll of sentiment in presidential elections, but was silent on the accuracy of the wet and dry poll of 1922 on the prohibition issue.

The total votes cast in that poll are as follows: For enforcement, 306,255; for modification, 325,549; for repeal, 164,453. This gives a total vote of 490,002 wet as against 306,255 for retention of the law and its enforcement.

How far this poll was off in recording the sentiment of the people is shown in the congressional and presidential elections which followed. Each succeeding Congress since that 1922 Digest poll has been drier than its predecessor. But a more striking evidence is found in the direct vote of the people on the prohibition question in three States—California, Massachusetts, and Ohio—in each of which States there was a legal direct vote of the people upon the State's attitude toward the liquor question. In California and Massachusetts the vote was on the adoption of a State enforcement code. In Ohio the vote was on an amendment to the Constitution to permit the manufacture and sale of 2.75 per cent beer. What were the results in these legal referenda in these States two months after the poll of the Literary Digest in the same States?

The Literary Digest poll in Massachusetts was: For enforcement, 13,029; for modification, 13,927; for repeal, 8,260; or a total antienforcement vote of 22,187 against 13,029 for enforcement. At the election that same year the enforcement code was defeated by a wet majority of 103,876. In both election and the poll the result was wet, but in the poll the wet-dry vote was in the ratio of 22 to 13, whereas in the election vote the ratio was 4 to 3.

GLARING INSTANCES OF FAILURE

California, according to the Literary Digest poll of 1922, voted as follows: For enforcement, 15,565; for modification, 20,479; for repeal, 8,418; almost two to one against strict enforcement. This poll was taken in September. Two months later at the November election California voters participated in a real referendum on a State enforcement code, which is a duplicate of the Volstead law, and adopted this law by 33,943 majority. And four years later on a vote to repeal the State enforcement code gave a majority to retain the code of 63,617.

In Ohio the Digest poll missed the mark even farther in registering the sentiment of the State on these three proposals. The Digest poll showed for enforcement, 20,285; for modification, 17,169; for repeal, 8,342; or a combined antienforcement vote of 25,511 against 20,285 for. But two months later Ohio on an amendment to the State constitution to legalize 2.75 per cent beer rolled up a majority of 189,472 against beer.

In the light of these figures might not the question reasonably be asked, Is the effort worth the large expenditure involved? Certainly it is not worth a thin dime as furnishing a true indication of the sentiment on the wet-and-dry issues. As a publicity stunt or a subscription campaign effort the Literary Digest may consider the money well spent. Accompanying each ballot is another returnable postcard offering a reduction on a short-term subscription to the Literary Digest.

It is easy to estimate a portion of the enormous cost involved. Twenty million ballots mailed under 1-cent postage is $200,000 for postage; another 1 cent each for 20,000,000 ballots, cost of printing (a conservative estimate) is another $200,000, a total of $400,000. This does not take into account the tremendous expense of clerical hire, addressing the envelopes, making the inclosures, assorting the lists, etc., which would add perhaps another $200,000, or a total of $600,000.

Assuming that the Digest receive in return 10 per cent of the number sent out, or 2,000,000, requiring 2-cent postage to be paid on receipt by the Digest, this would add another $40,000, to which must be added the cost of tabulating, counting, etc. It is not an extravagant estimate to say that this futile effort to obtain the sentiment on the repeal or modification of the prohibition law represents an expenditure of three quarters of a million dollars.

Is it worth it? Certainly not to either wets or drys. Its result is not binding, nor does it even remotely indicate the sentiment of the people on this issue.

Moreover, it is significant that in the Literary Digest prohibition poll of 1922 an analysis of that poll clearly shows that a disproportionate part of it came from the 15 former wet States which had not adopted state-wide prohibition before national prohibition became a fact. These 15 States had 47 per cent of the population of the Nation, but they cast 53 per cent of the total vote in the poll. They cast 55 per cent of the beer and wine votes and 63 per cent of the repeal votes.

Twenty-seven States containing 57 per cent of the population each gave a plurality for strict enforcement. Twenty-three of these 27 States had enacted state-wide prohibition before the eighteenth amendment became effective.

Fifty-five per cent of the beer and wine vote came from 12 States which had large financial beer and wine interests, which formerly manufactured 93 per cent of the beer and most of the wine produced in the United States. Moreover, these 12 States contain 72 per cent of the foreign-born population of the United States.

The sum total of the 1922 poll is that the longer a State is dry the drier it is.

WHENCE COMES THE DEMAND?

The significant thing about the organized efforts now being made against prohibition is that a comparatively few men with vast amounts of money are so determined to defeat prohibition either by securing its nullification, encouraging its violation, or securing its repeal, that they are willing to use their money to promote objects which in the end will tend to undermine not only the laws but the Constitution itself and the very form of government under which we live. They are not willing to take the constitutional methods. They are not willing that those methods of measuring public sentiment shall prevail. They are determined to get some method that in some way or other will indicate a public sentiment against prohibition, and if they can not get it in one way they are bound to get it some other way, by means constitutional or otherwise, and by methods fair or foul.

Can it be that this demand for the Literary Digest poll comes from the same element that is demanding, and in some States securing, meaningless straw votes in state-wide elections, and from the same element that is making such a noisy demand in Congress for a referendum?

There is just one way to get rid of national prohibition, and that is to repeal the eighteenth amendment, and that can't be done by straw votes or mere noise.

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.

Mr. SMOOT. Mr. President, on March 4 I offered two amendments on page 170, in lines 14 to 16, relating to a definition of wool in the grease. Inadvertently the words "shall have been" were not stricken out in line 14. I now ask unanimous consent for a reconsideration of the votes by which those two amendments were agreed to.

The PRESIDENT pro tempore. Is there objection?

Mr. GEORGE. Mr. President, there is no objection to a reconsideration of the votes as requested by the Senator from Utah.

The PRESIDENT pro tempore. Without objection, the votes are reconsidered.

Mr. SMOOT. In lieu of the amendments previously offered, I offer the following in the form of one amendment, being identically the same as those intended to be offered the other day and carrying out exactly the same purpose as explained at the time:

On page 170, line 14, strike out all after "as" down to and including the word "condition" in line 16 and insert in lieu thereof "are in their natural condition as shorn from the animal, and not cleansed otherwise than by shaking, willowing, or burr picking."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. SMOOT. On page 45, in line 17, in the amendment agreed to on March 7, after the word "glass," I move to insert the words "including cased glass." It is necessary that those words be inserted on account of similar words having been inserted in line 13 in accordance with the amendment offered by the Senator from New York [Mr. COPELAND].

The PRESIDENT pro tempore. Without objection, the vote by which the amendment was agreed to is reconsidered; and without objection, the amendment proposed by the Senator from Utah is agreed to.

Mr. BINGHAM. Mr. President, I desire to move a reconsideration of the action taken by the Senate on March 12, as set forth on RECORD page 5092, whereby the duty on wrapper tobacco was reduced from $2.50 to $2.10, the Senate at that time concurring in the amendment made as in Committee of the Whole. I also desire to move to reconsider the vote by which the duty was reduced from $3.15 to $2.75. I ask unanimous consent that the motions to reconsider both votes may be taken at once, in order to avoid two votes on the matter.

Mr. OVERMAN. Mr. President, I suggest the absence of a quorum, in order that Senators may be brought into the Chamber to know what is taking place. This is to be an important vote.

The PRESIDENT pro tempore. Business having been transacted since the previous quorum call, 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	

The PRESIDENT pro tempore. Eighty-two Senators having answered to their names, a quorum is present. The Senator from Connecticut moves a reconsideration of the vote affecting paragraph 601, page 123, line 7; and in the event that the vote is favorable on that motion, he asks unanimous consent that both amendments may be voted upon at the same time. The question is on agreeing to the motion of the Senator from Connecticut.

Mr. BINGHAM. Mr. President, I desire to take but a very few moments in order to explain the reason for this motion. Last summer in the Connecticut Valley there was a very severe storm, which destroyed a large part of the tobacco crop. It is estimated that the farmers of the Connecticut Valley suffered to the extent of nearly $4,000,000. At the time it was thought that the only thing to do was to ask the Federal Government for aid in their distress, as has been done so frequently by many other States, and also by some of our insular possessions. After giving the matter careful consideration, however, it was decided that the farmers would struggle along as best they could in the hope that Congress might give them aid of a different sort; and so no aid of the Federal Government was asked with regard to the loss of nearly $4,000,000 which the tobacco growers of Connecticut suffered at that time.

There is a slight division of opinion among the farmers as to the question of the increase in the duty on wrapper tobacco, but the New England Tobacco Association has gone on record in favor of the increase, and the farmers who have suffered the most are of the opinion that the increased duty which was granted by the House of Representatives, if agreed to, will bring them relief and will restore their business.

I may say, Mr. President, that there are two other States that are affected seriously by this item, the States of Georgia and of Florida, where wrapper tobacco is grown. Unfortunately, some of the States which do not grow wrapper tobacco, notably the States of Kentucky, Ohio, and Wisconsin, feel that it would hurt their business, as the producers of a different type of tobacco, if the increase on wrapper tobacco were granted as proposed by the bill as it came from the House of Representatives.

Mr. HASTINGS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Delaware?

Mr. BINGHAM. I yield.

Mr. HASTINGS. I should like to inquire whether this matter has not been fully considered twice in the Senate?

Mr. BINGHAM. I do not think it has been considered twice, Mr. President. It was considered when it was before the Senate as in Committee of the Whole.

Mr. HASTINGS. And was then considered again by the Senate.

Mr. BINGHAM. It came up the other night at a night session, when I was not present, and it was not considered at all but was merely voted on by a viva voce vote. It was because it was not considered the other night, and I did not know that it was coming up, and because no record vote was had at that time, that I am now moving to reconsider.

As I have stated, Mr. President, I shall take only a few moments to give the reasons why I hope that the vote on this amendment may be reconsidered. It is one of the very few items in the entire bill in which the farmers of New England are particularly interested. They ask for additional protection; and I hope that they may be granted this relief. It will help their business; it will help their morale; and they believe it will help the whole industry of the manufacture of cheap American cigars.

There are some of the cigar manufacturers, notably the larger ones, who are opposed to this increase of duty, but many of the independent cigar manufacturers, notably in the State of Pennsylvania, have put themselves on record as being in favor of it. They believe it will not hurt their business. There is a difference of opinion as to the sale of the 5-cent cigar when the American wrapper is used, but the greater weight of opinion is that it will not hurt that sale, but will encourage the farmers who engage in the growing of wrapper tobacco. I therefore hope that the vote may be reconsidered.

Mr. SMOOT. Mr. President, I am not going to go over this subject again. There is a difference of opinion as to what effect the proposed increase in the duty on wrapper tobacco would have. After the most thorough investigation that I could give to the subject, it is my opinion that if the proposed increase shall be granted the manufacture of the 5-cent cigar will be a thing of the past. If the manufacture of that cigar shall be destroyed, how in the world are the growers of wrapper tobacco to get any advantage from the duty? That is the whole proposition.

In 1922 this same question arose. Most of the witnesses who appeared before the committee at that time were against the increase in the duty on wrapper tobacco. Now, they claim, in view of the price of tobacco, that, if this increased duty shall be granted, the manufacture of the 5-cent cigar will be entirely destroyed. In that event the tobacco grower must know what is going to happen to him. That is all there is to it.

Mr. SIMMONS. Mr. President, I think this is the second time this question has been threshed out in the Senate. The last time it was considered the debate was very exhaustive, and my recollection is that the vote in favor of reduction of the House rate was a very decided one.

A rate of $3.15 a pound on wrapper tobacco would not seem to be justified, when there is little high-grade wrapper tobacco grown in this country except, possibly, in Connecticut——

Mr. SMOOT. And in Georgia.

Mr. SIMMONS. And in Georgia; and when that which is grown here does not sell in the open market and has not sold in the open market at any time for as much or anything like as much as $3.15 a pound; in fact, Mr. President, domestic wrapper tobacco grown outside of Connecticut is not to-day selling for as much as $1 a pound, and, of course, it does not come in competition with the higher grade of foreign wrapper upon which it is proposed to place a duty of $2.50 or $3.15, depending upon whether stemmed or unstemmed.

Mr. President, if we should impose this duty it would be merely a revenue measure. The finer grade wrapper would be imported, although it costs twice as much as the domestic wrapper, because of its superior quality and because it is necessary to produce high-priced cigars. While the higher duty would be a very good revenue producer, as the present rate has been and will continue to be, if retained, so as long as fine cigars are made in this country, it would place an additional burden upon the tobacco industry already loaded down and overburdened with excessive internal-revenue taxation.

Furthermore, Mr. President, it would probably not result in the curtailment of importations, but in a reduction of our production of moderate and high-class cigars. I think probably the latter would be the effect. As a consequence, we would produce less in this country of the moderate and high-grade cigars, but would import them from abroad. So, instead of foreign importations of the raw material we would have increased importations of the finished cigars.

What the Senator from Utah [Mr. SMOOT] says is absolutely true. The adoption of the amendment proposing the increased rate would probably put an end to the high-grade 5-cent cigar in this country; that is, the long-filler 5-cent cigar; such a 5-cent cigar as the American people demand.

I do not wish to detain the Senate further than to say that I see in the higher rate of duty not only an increased burden upon the tobacco industry, without any resulting benefit to the people of this country or to the producers of the so-called wrapper tobacco; but I see the destruction of the manufacturers of a cigar which has been recently welcomed by the smokers of this country and which has resulted in largely increasing the uses of tobacco, especially of wrapper tobacco. That cigar can not be made for 5 cents and be smokable unless it has an attractive wrapper around it, and the foreign wrapper is used to save it from the condition of undesirability in which it was plunged by the internal-revenue tax rates, which we placed upon it during the war.

I trust, Mr. President, that we may dispose of this item speedily and that we may be done with it until the conference report shall have been submitted on the bill. It does seem to me that we are trifling with a situation when every day or two we have to have a new vote upon nearly every material question of controversy in this bill.

Mr. GEORGE. Mr. President, I desire that the Senate know exactly what this case is.

There was a discussion of this question when the provision was first reached in the Senate. Last night, or the night before, I believe, the vote upon the amendment was reached, and without any discussion whatever it was passed over, because I happened to be out of the Chamber at the time; the Senator from Connecticut [Mr. BINGHAM] happened to be out; and, indeed, the Senator from North Carolina [Mr. SIMMONS], whom I knew to be interested in the matter, does not generally attend the night sessions of the Senate.

There is a dispute about this matter. Wrapper tobacco is a farm product. It is exclusively a farm product. It goes directly from the farmer to the manufacturer, and it is used by the manufacturer in the condition in which the farmer places it. Therefore this is one of the farm products, distinctly a farm product under the terms of this bill and in fact.

When we considered the duty upon wrapper tobacco there were those of us who thought that the duty ought to be increased. We made an earnest fight for the increase in this duty; but this wrapper tobacco is grown only in the State of Georgia, the State of Florida, and the State of Connecticut. It is used in the other States. The manufacturers of cigars—some of them, at least—have contended——

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from North Carolina?

Mr. GEORGE. Yes; I yield.

Mr. SIMMONS. I wish to ask the Senator from Georgia if I did not correctly state the fact when I said that wrapper tobacco grown in this country outside of Connecticut sold for less than a dollar a pound.

Mr. GEORGE. Oh, yes; I do not want to discuss the merits of the matter now, but I will do so.

Mr. SIMMONS. And that is about one-third of the duty proposed to be imposed upon this wrapper tobacco.

Mr. GEORGE. No; I think the Senator is mistaken.

Mr. SIMMONS. One dollar a pound is somewhere about one-third of $3.15 and $2.75.

Mr. GEORGE. Yes; it is about one-half. I shall be glad to discuss the merits of it, but I did not want to go into the merits of the matter.

Mr. SIMMONS. I simply wanted to verify that statement.

Mr. GEORGE. Yes; that is correct.

Mr. SIMMONS. The Senator lives in a State where this wrapper tobacco is produced, and I wanted to verify that statement.

Mr. GEORGE. Yes, Mr. President; and peanuts are selling for around $60 a ton, although the actual duty is $85 a ton. There are many worthless farm tariffs in the bill.

Mr. THOMAS of Idaho. Mr. President——

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

Mr. GEORGE. I yield to the Senator.

Mr. THOMAS of Idaho. I merely desire to call the attention of the Senator to the fact that when we were discussing the wool schedule I made the remark that I had voted for the high rate on every agricultural product, and he stated that I had voted against the high rate on wrapper tobacco. At this time I want to say to the Senator that the RECORD shows that I voted for the high rate, and I am going to vote for his reconsideration to-day.

Mr. GEORGE. The Senator is quite right. I had confused the Senator with some others who did vote for all other farm products, but voted against this one.

It is true that domestically grown wrapper tobacco does not sell for as much as the duty. It is also true that peanuts do not sell for as much as the duty; but the Senator from North Carolina, and all the other southern Senators favored that duty. I have said frankly on this floor that the duty was not effective, and it is not effective on numbers of farm products—not at all effective. I know that; but the fact that the duty on wrapper tobacco is not effective, or at least the reason why the price does not advance to the height of the duty, is due to this reason:

Domestically grown wrapper tobacco practically has only one-half of the wrapping capacity per pound of the imported tobacco. I am speaking in round terms, of course. Therefore it takes approximately 2 pounds of domestically grown wrapper tobacco to cover or wrap as many cigars as 1 pound of the imported tobacco. That is the principal reason why there is a difference between the imported and the domestic wrapper tobacco.

This is a farm product. It is grown only by farmers. It goes to the factory in the form in which the farmer himself processes it; and these farmers believe that an increase in this duty will be of substantial and material help to them.

The manufacturers are opposed to an increase, because they buy; but when the matter was under discussion in the Senate before the able Senator from Kentucky, Mr. Sackett, who sat on the committee, and who himself came from a tobacco-growing State, stated—and the RECORD will bear me out—that the duty asked would not increase the cost of the 5-cent cigar. He stated deliberately, and after a complete review of the facts, that the increase would be too small to be passed on to the consumer, and that it would be absorbed by the manufacturer.

Mr. DILL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Washington?

Mr. GEORGE. I do.

Mr. DILL. I am very much interested in that statement, because, as I understood the statement of the Senator from Utah, it was to the effect that if this tariff was increased it marked the end of the 5-cent cigar.

Mr. GEORGE. Yes.

Mr. DILL. The Senator disagrees with that?

Mr. GEORGE. Oh, entirely. That is what the manufacturers say.

Mr. DILL. I should not be willing to vote for a tariff that would drive the 5-cent cigar off the cigar counter.

Mr. BINGHAM. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Connecticut?

Mr. GEORGE. I yield.

Mr. BINGHAM. I should like to ask the Senator whether it is not true that the General Cigar Co., which is the largest concern manufacturing cigars, and one of the largest importers of Sumatra wrappers, has been carrying on a propaganda throughout the United States against this tariff with a view to trying to frighten people away from it by the very statement which was disproved by the Senator from Kentucky, Mr. Sackett, that it would drive out the 5-cent cigar.

Mr. GEORGE. Oh, yes; that is entirely true. As a matter of fact, about half of the 5-cent cigars are to-day wrapped by the domestically grown wrapper. Therefore, it can be used; it is being used; and the propaganda against the duty comes from the manufacturers.

I do not know that I particularly censure the manufacturers. They do not want to pay any more for their wrappers, and they believe that they will have to pay a slightly increased price for their wrappers; but the point is that we have given in this bill, time after time, increases on farm products which would not be effective.

I voted for the duty on long-staple cotton. I must say I do not believe that duty will do the cotton producers any good. I do not believe it will; but I voted for it, nevertheless, because I am willing to give to the farmer the benefit of the doubt upon that proposition. Yet when the tobacco growers who are producing about one-half of the wrappers used in this country for 5-cent cigars come before the Congress and ask to be classed as all other farmers have been classed, and ask to be treated as all other farmers have been treated, the manufacturers say that we are going to drive off the market the 5-cent cigar, and that it is not going to do the farmer, the producer of wrapper tobacco, any good.

The manufacturers have said that about long-staple cotton, and about every other farm product. Only yesterday the Senator from New York [Mr. COPELAND] pointed out that an increase of 100 per cent on mustard seed would do nobody in this country any good, because we were producing something like four or five hundred thousand pounds, as I recollect the Senator's statement, and actually using some 19,000,000 pounds, or some other large amount. So here is a case where the farmer is producing wrappers to wrap one-half of the 5-cent cigars to-day, and the users of the domestic wrapper favor this duty, but the manufacturers who use the imported wrapper oppose this duty. That is the case in a nutshell.

It may be that the duty would not benefit the farmer, but he thinks it would; and he thinks so upon just as substantial grounds as every other farmer who has asked for and received an increase in the duty for the protection of his product in the consideration of this bill.

Mr. COPELAND and Mr. BINGHAM addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Georgia yield; and if so, to whom?

Mr. GEORGE. I yield to the Senator from New York.

Mr. COPELAND. The Senator is interested not alone in the wrapper but in the binder; is he not?

Mr. GEORGE. Oh, yes.

Mr. COPELAND. If this wrapper rate is materially increased, so that the manufacture of the 5-cent cigar is impossible, is not that going to have an adverse effect upon the sale of binder tobacco?

Mr. GEORGE. It is not going to be increased so that the manufacture of the 5-cent cigar is impossible I will say to the Senator.

Mr. COPELAND. That is the testimony of every cigar maker that I know anything about.

Mr. GEORGE. Oh, no; that is the testimony of the cigar manufacturers who use the imported wrapper. The testimony of the cigar manufacturers who use the domestic wrapper is directly to the contrary.

If the issue must be drawn, this issue is squarely between the great Tobacco Trust and the farmer. I said it before, and I repeat it now, that is what it is. The trust is probably stronger than the farmer when the product is grown in only two or three States.

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

Mr. GEORGE. I yield.

Mr. COPELAND. Is it not true that the wrapper is produced by two great corporations?

Mr. GEORGE. The wrapper is grown by any number of very humble farmers in the Connecticut Valley and in Georgia and in Florida.

Mr. COPELAND. All under the control of two great corporations?

Mr. GEORGE. Oh, no; not at all; individual farmers, personally known to me, who would not know a corporation if they met it.

Mr. President, my State grows other tobacco. My State grows cigarette tobacco, bright-leaf tobacco; but it also grows wrapper tobacco. The production of wrapper tobacco is less than the production of the bright-leaf flue-cured tobacco, so far as that is concerned; but I know that this issue is simply one between the manufacturer who desires to bring in the imported wrapper as cheaply as he can—without any duty if he could—and the farmers who produce this wrapper.

Mr. BINGHAM. Mr. President——

Mr. GEORGE. I yield to the Senator from Connecticut.

Mr. BINGHAM. Did I understand the Senator to say that binder tobacco also is grown in Georgia?

Mr. GEORGE. No; I said I was also interested in binder tobacco.

Mr. BINGHAM. Binder tobacco also is grown in the Connecticut Valley. In fact, the larger part of the tobacco grown in the Connecticut Valley is binder tobacco. When the Senator spoke of the manufacturers opposing this tariff he did not, when he first spoke of it, qualify the statement as he did later on. A large number—in fact, a majority—of the smaller manufacturers who have communicated with us about the matter are in favor of the tariff which the Senator from Georgia is in favor of, because they are at present using American wrapper tobacco and desire to continue to use it. It is only the very largest manufacturers who are opposing it.

The General Cigar Co., I think the Senator will agree, has been carrying on propaganda to try to teach those who grow fillers in the Mississippi and Ohio Valleys that this increase would hurt their business by killing the 5-cent cigar, whereas the manufacturers who are now using American wrapper—and about half of the 5-cent cigars are at present wrapped with American wrappers—are of the opinion that it will not hurt their business, but will benefit it. Therefore the propaganda which has been carried on by the Tobacco Trust is directly at variance with the beliefs and wishes of the small manufacturers. Is not that the case?

Mr. GEORGE. Mr. President, the Senator from Connecticut has made an entirely accurate statement of the case. The only conflict of interest here is between the big manufacturer and the grower. It is not between the smaller manufacturers, it is not between the most numerous class of manufacturers, because the larger number of manufacturers are small manufacturers; that is, the manufacturers of the 5-cent cigar are small manufacturers.

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

Mr. GEORGE. I yield.

Mr. COPELAND. How does the Senator account for the fact that these great cooperatives, real dirt farmers, in Ohio and Pennsylvania are in opposition to this proposal to increase the rate on wrappers? They state as the reason that they are satisfied that if the rate is increased there will be less demand for the binder which they supply, and they are on record absolutely as opposed to this increase.

Mr. GEORGE. Some of them may have been misled by the same propaganda which seems to have misled the Senator from New York and other Senators in this body. But the farm organizations, so far as I know, are in favor of it, and at the time the debate was had in the Senate certainly I had in my possession the indorsement of this duty from practically all of the farm organizations of the country.

Mr. COPELAND. Mr. President, I want the Senator to recall that when we had the debate on the 18th of November it was shown conclusively that the farm cooperatives, leaf growers in Wisconsin and Ohio and Pennsylvania, representing 85 per cent of the growers of tobacco of this type, were in bitter opposition to the increased rate upon wrapper tobacco.

Mr. GEORGE. I think the Senator is wrong about that. But I have said they could easily be misled by the propaganda of the big manufacturers if Senators can be, and I want to repeat that the propaganda did mislead some of the growers of other kinds of tobacco. But there is no conflict here in interest between any people except the manufacturer, who would, of course, be called upon to pay a slightly increased price for his wrappers, and the growers of wrapper tobacco.

Mr. President, I called attention to this situation when the matter was up in the Senate before. I think it is one of the most striking evidences of the power of the big man as against the little man to be found in the act, the fight and the propaganda which has misled many open-minded men against a reasonable duty upon this one farm product, when we have practically closed our eyes and given to all farm products very high rates, in many instances extremely high rates. It has been said in many quarters that the duties would do the farmer no good. Many men have believed that the duties would not benefit the farmer, although they voted for them. But in this instance they deny one class of farmers a reasonable increase in the duty upon a product of the soil.

I do not see how Senators who have voted consistently for all of the increases asked on farm products can harmonize a vote against this particular farm product.

I want to assert it as a fact again that all of the smaller manufacturers, practically without exception, who use the domestic wrapper, have joined with the growers and said they were entitled to this duty, but that the large manufacturers, few in number, relatively, have opposed it, and although the distinguished Senator from Kentucky comes from a State where none of the wrapper tobacco is grown, and himself doubted whether the duty would be of any benefit to the farmers, he admitted upon this floor that the increased cost to the 5-cent cigar maker would not drive the 5-cent cigar out of the market and would not be passed on to the consumer of the 5-cent cigar, but would be absorbed, because it would be so infinitesimal upon every cigar, or even box of cigars, as to make it imperative that the manufacturer himself absorb that loss.

That is all I have to say about the matter, but I do want the Senate to understand that this matter has been before the Senate but one time. It came informally before the Senate night before last, when neither of the Senators who were directly interested in wrapper tobacco happened to be upon the floor.

Mr. HEFLIN. Mr. President, may we have the amendment reported?

The VICE PRESIDENT. The pending question is on the motion of the Senator from Connecticut to reconsider the votes on the amendments which will be stated by the clerk.

The CHIEF CLERK. On page 123, line 7, the Senate, as in Committee of the Whole, struck out "$2.50" and inserted "$2.10," and on the same line struck out "$3.15" and inserted "$2.75."

Mr. FLETCHER. Mr. President, it will be recalled that the Finance Committee reported an amendment to this paragraph 601, and embodied in their report a recommendation to strike out the House provision in 601 and to insert a new paragraph 601, with subdivisions (a), (b), and (c).

The subject was quite fully discussed when the Senate, in Committee of the Whole, had the matter under consideration, and the conclusion was finally reached to disagree to the Senate Finance Committee proposed amendment, and also to disagree to the House provision in paragraph 601, and change in line 7 the figures "$2.50" to "$2.10" and the figures "$3.15 to "$2.75," the $2.10 referring to unstemmed wrapper tobacco and the $2.75 referring to stemmed wrapper tobacco. In other words, the action of the Senate at the time was to return to the existing law, to stand on the provision of the present law as the best solution of this matter.

I happen to come from a State where wrapper tobacco is grown, grown under shade, and a very fine kind of tobacco is produced. It is of the type known as Sumatra tobacco. It is an important industry, particularly in Madison, Leon, and Gadsden Counties, and they must have a high duty on wrapper tobacco to survive in the face of the competition of imported Sumatra wrappers.

The Sumatra wrapper is one thing, and the Havana wrapper is another thing. We have growers producing wrapper known as the Sumatra wrapper, and I am in favor of their having as high a rate of duty as the industry warrants, as high as they wish. I have no objection to the rates proposed so far as Sumatra tobacco wrapper is concerned. On the other hand, the large manufacturers of cigars in Tampa and Key West, and other points in the State, and in other parts of the country, are importing Havana wrapper; not Sumatra, but Havana wrapper.

There is no distinction made in the provisions of the bill between Sumatra wrapper and Havana wrapper. It seems to be impossible to designate one country as against another country, or to name the product so that the provision would apply to one country and not to another. Therefore the language is general and broad, "wrapper tobacco." That means any kind of wrapper tobacco, Sumatra wrapper or Havana wrapper or any other kind of wrapper, just so it is a wrapper tobacco. That is the provision in the law.

The Senate Finance Committee, in proposing their amendment, while they did not specify Sumatra or Havana, subdivided the paragraph in a way that would have taken care of that situation, and would have enabled a classification that would have provided for a duty on Sumatra at one rate and a duty on Havana at another by subdivisions (b) and (c). In other words, they provided that wrapper in mixed bales would be classified in a certain way, and the duty would be paid in a certain way on mixed bales.

The Havana wrapper does come into the country in mixed bales. The manufacturer imports tobacco from Habana, and a portion of the bale may be classified as wrapper and another portion of it as filler. The Havana wrapper tobacco is usually imported in mixed bales. The committee subdivided this paragraph, and included a reference to mixed bales. That would have applied to Havana wrapper; it would not have applied to Sumatra wrapper at all, because the Sumatra wrapper does not come in in mixed bales. It is all in bales, unmixed. There was a chance to make a distinction.

I think the committee rate in subdivision (b) was too high. They had the rate 87½ cents a pound on filler tobacco mixed or packed with more than 5 per cent of wrapper but not more than 35 per cent, whereas it ought to have been about 40 cents a pound, and I am perfectly willing to accept the committee amendment provided they change the 87½ cents to 40 cents. That would have been taxing the manufacturer using Havana wrapper just about what he is taxed under the present law.

After a thorough discussion of the whole subject, however, the Senate rejected the committee amendment, and then reduced the rates as specified in the House text from $2.50 to $2.10 on unstemmed wrapper and from $3.15 to $2.75 on stemmed wrapper. Those are the rates in the present law. It was concluded finally by the Senate, when we discussed the subject fully, that that was the best solution of the problem. We could not agree on the committee amendment and could not agree on the House rate, so we agreed on continuing the existing law.

So far as the interests of Florida are concerned, with respect to the Sumatra wrapper, we have no objection to increasing the rates, provided they can be applied to the Sumatra wrapper. We favor all the duty the producers in this country want, but we do object to increasing the rates on wrappers generally, because that would apply to Havana as well as to Sumatra, more especially as it would apply to Havana wrapper. There seems to be no way of separating these wrappers under the law. The duty on Havana wrappers ought not to be increased. The producers of Sumatra wrapper do not want that. The manufacturers who use Havana wrappers do not oppose a duty on Sumatra.

Our manufacturers can not afford to pay more duty on the Havana wrapper than they are paying at the present time. The manufacturers are having quite a struggle to maintain their in-

dustry, and it is an important industry. We can not ignore it. One manufacturer in Tampa, for instance, pays to the Government of the United States every year $460,000 in customs duties, in stamp taxes, and similar charges. Another manufacturer pays pretty nearly as much. It is a very important industry and those engaged in it are taxed to the limit in the way of internal-revenue taxes. The Government derives revenue from manufacturers in Tampa using Havana wrappers of some $3,000,000 per annum. They are taxed to the limit. They can not stand any more, and it is on their account that we feel that the duty on Havana wrappers ought not to be increased. If there is any way of separating the Havana from the Sumatra they have not any objection to the highest duty desired on Sumatra so far as that is concerned, because we are very much interested in the industry, the production of shade-grown tobacco making the finest kind of wrappers.

Mr. GEORGE. Mr. President, I hope the Senator will not take offense, but I wish to ask if he favors an increased duty on the wrapper tobacco grown in Florida, Georgia, and Connecticut?

Mr. FLETCHER. That is, what we call Sumatra wrapper?

Mr. GEORGE. Yes.

Mr. FLETCHER. That is my understanding. I have no objection; on the contrary, I favor all the duty they ask on Sumatra tobacco. The manufacturers I speak of are concerned with Havana wrappers, not Sumatra. The committee tried to separate them by provisions with reference to mixed bales, but the Senate rejected the committee amendment. The Sumatra wrapper does not come in mixed bales, but the Havana wrapper does.

Mr. GEORGE. It does, indeed. I do not think there would be the slightest actual difficulty in separating the two. One comes in as a pure wrapper and the other mixed.

Mr. FLETCHER. I have reference to the Havana wrapper tobacco, and the language in the bill refers to Havana wrapper as well as Sumatra or any other kind of wrapper tobacco. The question is whether we shall reconsider that vote and go back to the House rate, it seems.

Mr. GEORGE. I do not know what the amendment of the Senator from Connecticut will be.

Mr. FLETCHER. He has not yet offered any amendment.

Mr. GEORGE. No. He has asked only to reconsider the vote, and if it is reconsidered and if the duty on wrapper tobacco is increased, does not the Senator think a provision should be made for the Havana wrapper that comes in in mixed bales always?

Mr. FLETCHER. Under paragraph (b), if the rate be made 40 cents instead of 87½ cents a pound, I would not object to the committee amendment at all, but it seems that we could not agree on that. The 87½-cent rate on mixed bales is a tremendous increase on Havana wrapper that is imported into the country to-day. It is a complicated situation. It seems to me the best we can do is to stand on the present law. The rate of $2.10 a pound is a pretty considerable rate. I am rather inclined to think that the growers are not getting the benefit of the present rate, so how would it benefit them to increase the rate? They sell their product now at something like $2.50 a pound and the duty is $2.10. Suppose we raise the duty to $4 a pound? If they do not get the benefit of the present rate, as it seems to me they do not, how can they expect to get the benefit of a higher rate? They think they can, and I accept their view, but I can not understand why they only get—and often they get less—$2.50 when the duty is now $2.10? I am inclined to think that perhaps the best we can do is to let the matter go to conference under the present arrangement and as we have determined it heretofore. There are those who believe the duty should be reduced. I do not share in that view. The Senate considering the subject in Committee of the Whole and again in the Senate decided to abide by and stand on the present existing law, $2.10 and $2.50 per pound. This modifies the House provision and the subject will go to conference. If the conferees can devise a method of separating Sumatra from Havana wrappers and agree that the duty on Havana wrappers shall not be increased over existing rates, I hope they will. There is no need of any conflict. The rates can be made satisfactory to the growers of wrappers and to the manufacturers using Havana wrapper, and I would like to see this done.

Mr. SIMMONS. Mr. President, the Senator from Georgia [Mr. GEORGE] brought out the fact—for it is a fact—that it takes about 2 pounds of the Georgia wrapper tobacco to wrap as many cigars as 1 pound of Havana or Sumatra wrapper tobacco wraps. That is true, but their tobacco sells at much less than $1 a pound, and allowing 2 pounds of it to equal 1 pound of the other wrapper tobacco, it would be $2 a pound, or much less than $2 a pound, and still only about two-thirds of the amount of the duty proposed.

I simply wanted to make that statement and to ask that there be printed in the RECORD at the end of my remarks some data upon the subject which I am presenting without reading to the Senate.

The PRESIDENT pro tempore. Without objection, permission is granted.

(See Exhibit A at the end of Mr. SIMMONS's speech.)

Mr. SIMMONS. I do want to say further that it is the consensus of opinion among tobacco manufacturers that these duties very materially affect the continuance of the production in this country of the high-class 5-cent cigar that we have now. I have abundant evidence as to that fact in the data which I have submitted. There are only 11,800 acres cultivated in wrapper tobacco in this country. The production, not all used as wrapper, amounts to a very small percentage of the amount of wrapper tobacco that is used in making cigars. It is estimated that the reduction made in the internal-revenue tax on 5-cent cigars from $4 to $2 per thousand resulted in an increased output from 1925 to 1928 of over 600,000,000 cigars. This reduction was $2 per thousand and resulted favorably in the prices paid for tobacco to the 40,000 farmers producing filler and binder tobacco. The increase in value of production in wrappers from 1925 to 1928 was some $3,000,000, or over 50 per cent.

The interest of the farmer in this country is in production of the filler and binder tobacco, and not in the Sumatra tobacco. Millions of acres are planted in the filler and binder tobacco and only 11,800 acres planted in wrapper tobacco. It is not a controversy between the Tobacco Trust and the farmer. It is a controversy between the seekers of an unnecessary and excessive duty and the farmers of the country. In my State the tobacco farmers have finally realized that these excessive taxes, both tariff and internal revenue, upon the finished product for which they produce the raw material, have become a burden upon the industry and that the farmer has to bear a large part of that burden; that it is not true, as has been commonly supposed, that that burden is passed on to the consumer. A part of it is passed on to the consumer in the higher price of the finished product, and a part of it is passed back to the farmer in the lower price of his product.

In my State the demand that I am voicing here comes from the farmers. In their organizations and in their meetings they have expressed a will that their representatives in Congress shall exercise such influence as they might have toward bringing about the lower taxation of the products of their industry, and it is as representing that voice that I appear here to-day. The trust, so far as I know, is not particularly concerned about this matter, but all of the producers and manufacturers of tobacco in the country are not in the trust. So far as I know, the demand comes not only from the manufacturers but from the producers of the raw material for the manufactured product that these excessive duties should be greatly abated or removed.

EXHIBIT A

TOBACCO—SCHEDULE 6

Page 123, committee print.

Paragraph 601, relating to wrapper tobacco, was the only paragraph changed by the House.

The Senate committee struck out the House increases, but, in turn, increased the rates on certain leaf tobacco. This increase would apply to all leaf tobacco packed with in excess of 5 per cent, and not of 35 per cent, of wrapper, an increase of 150 per cent, or from 35 cents per pound to 87 cents per pound.

The reduction of internal-revenue duty upon the 5-cent cigar of $2 per thousand resulted in an increased output in 1928 over 1925 of over 600,000,000 cigars, while the amount paid for tobacco to the 40,000 farms producing fillers and binders was increased during the same period over 50 per cent or some $3,000,000.

The $2.10 per pound tax on Sumatra wrapper now is about $4.20 per 1,000 cigars. If this is increased as proposed by the House, the present long-filler 5-cent cigar will be driven from the market.

The average farm price of domestic wrapper tobacco for the last three years has been:

	1926	1927	1928
	Cents	*Cents*	*Cents*
Connecticut Valley shade ..... per pound	97.7	105.5	100.0
Georgia-Florida shade ..... do	65.0	65.0	55.5

Or less than one-half of the present duty of $2.10 per pound.

BENEFIT OF CUBAN TOBACCO

The imported leaf tobacco, almost all from Cuba, creates an additional market for the domestic leaf, as a little Cuban leaf blended with domestic filler and binder results in an improvement in flavor and aroma, increasing the salability of the product. The use of Sumatra wrapper yields a smoother, better-looking cigar.

Production of wrapper tobacco in the United States

Year	Acreage	Crop in pounds	Value	Value per pound
1925	6,480	6,832,000	$6,127,000	$0.896
1927	9,900	9,768,000	8,905,000	.912
1928	11,800	11,166,000	9,262,000	.829

United States imports (unstemmed)

Year	Pounds	Value	Value per pound	Stemmed
1925	5,868,385	$14,160,320	$2.41	
1927	6,058,314	13,387,768	2.21	[1] $354.00
1928	5,879,104	12,515,302	2.13	

[1] 196 pounds.

This indicates that the imported tobacco is much higher in price than the domestic.

United States production of filler and binder tobacco

	1925		1928	
	Pounds	Farm value	Pounds	Farm value
Filler	67,210,000	$6,610,000	69,252,000	$10,355,000
Binder	69,487,000	13,709,000	84,361,000	16,782,000

United States imports: Leaf for cigar filler. From Cuba, 98 per cent of total imports.

UNSTEMMED

	Pounds	Value	Value per pound
1925	7,813,793	$7,461,735	$0.955
1927	8,389,241	7,086,655	.845
1928	7,683,879	6,069,444	.790

STEMMED

	Pounds	Value	Value per pound
1925	11,826,547	$13,555,164	$1.146
1927	14,935,832	13,808,177	.924
1928	14,560,500	13,714,620	.942

The Cuban leaf is supplementary and necessary to the domestic leaf. If the Senate committee rate upon leaf packed with an excess of 5 per cent of wrapper is adopted, much of the above will pay 70 cents per pound instead of 28 cents, an increase of 150 per cent.

The proposed increase of the duty on wrapper tobacco will drive out of existence the present long filler 5-cent cigar. Only the scrap 5-cent cigar can then be made. This will materially reduce the number of cigars consumed, and consequently the pounds of wrapper used, thus nullifying any advantage obtained by increased duty on such wrapper. The reduction made in the internal revenue duty on the 5-cent cigar from $4 to $2 per thousand resulted in an increased output, 1925 to 1928, of over 600,000,000 cigars. This reduction was $2 per thousand, and resulted favorably in prices paid for tobacco to the 40,000 farmers producing fillers and binders and in a superior 5-cent cigar. The increase in value of the production in wrapper, 1925 to 1928, was some $3,000,000, or over 50 per cent.

Mr. COPELAND. Mr. President, I can not see why the Senator from Connecticut [Mr. BINGHAM] should be unduly distressed over this matter. The wrapper tobacco produced in his State is used largely for covering expensive Havana cigars.

As a matter of fact, the tobacco farmers interested in raising the binder or filler are in opposition to the increased rate, and why? Because if, as the Senator from Georgia said, the 5-cent cigar should continue to be a 5-cent cigar, it follows naturally that the filling of that wrapper must be reduced in price, otherwise the 5-cent cigar can not be made and sold at a profit at 5 cents.

The cooperatives of Connecticut—I mean the actual raisers of tobacco—the tobacco farmers of Connecticut, New York, Pennsylvania, Ohio, and Wisconsin, are in bitter opposition to the increase.

As a matter of fact, the amount of wrapper tobacco raised in this country is infinitesimal compared to the total amount consumed. I can see no reason in the world why a total production of 11,000,000 pounds should offset about 200,000,000 pounds brought into the country. It is exactly like putting a 2-cent rate on mustard seed, to tax the consumer a large sum to benefit a few persons a mere trifle. I hope the Senate will not concur in the request of the Senator from Connecticut.

POLITICAL PATRONAGE IN SOUTH CAROLINA

Mr. BLEASE. Mr. President, I desire the attention of the Senator from Iowa [Mr. BROOKHART], the Senator from Tennessee [Mr. MCKELLAR], and the Senator from Georgia [Mr. GEORGE]. Some time ago, I do not exactly remember the date, the Senate passed a resolution to investigate patronage in South Carolina.

Mr. BROOKHART. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Iowa?

Mr. BLEASE. I yield.

Mr. BROOKHART. A full report of that investigation was signed this morning and has gone to the printer and will be presented to the Senate upon convening to-morrow.

Mr. BLEASE. I want to add something to it that I think will be very interesting. Some time after the resolution was passed the Senator from Iowa [Mr. BROOKHART] went off of the Committee on Post Offices and Post Roads. The Senator from Georgia [Mr. GEORGE] requested that the subcommittee be continued as it was notwithstanding that fact, and it was so continued. The Senator from Iowa has just stated that the report will be here to-morrow. In view of that fact, I shall withhold certain criticisms which I had proposed to make in reference to the matter. But I now want to call the attention of the Senate to a letter which I ask the clerk to read, an original letter from the chairman of the Republican State Advisory Committee of South Carolina. I ask the clerk also to read the names on the left-hand side of the letter, showing who composed the committee.

The PRESIDENT pro tempore. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

James C. Hambright, chairman; W. R. Hale, vice chairman; C. F. Anderson, treasurer; A. B. Kale, secretary; at large, James C. Hambright, Rock Hill; congressional district No. 1, G. J. Cherry, Charleston; L. C. Fischer, Charleston; congressional district No. 2, George W. Beckett, Beaufort; R. B. Vance, Allendale; congressional district No. 3, A. McD. Singleton, Greenwood; J. Duncan Adams, Walhalla; congressional district No. 4, W. R. Hale, Greenville; J. T. Robinson, Spartanburg; congressional district No. 5, Dr. R. E. Sumner, Rock Hill; C. F. Pendleton, Cheraw; congressional district No. 6, A. B. Kale, Hartsville; C. F. Anderson, Marion; congressional district No. 7, George D. Shore, Sumter; Fred Wannamaker, Orangeburg

REPUBLICAN STATE ADVISORY COMMITTEE FOR SOUTH CAROLINA,
Rock Hill, S. C., December 19, 1929.

Mr. J. T. ROBINSON,
Spartanburg, S. C.

DEAR MR. ROBINSON: Upon my instructions and guaranty, my company has financed the operation of this headquarters office since the organization of your committee. This account covers a cash outlay for stenographic services, printing, postage, and stationery, telephone, telegraph, and traveling expenses. The exact amount of same can not be determined until all December bills are in, but it will be quite a little over $2,000. It includes nothing for any of my time nor for my expenses in making almost innumerable visits throughout this particular congressional district. If my company is willing to contribute one-half to two-thirds of my time and I am willing to absorb my expenses within my own district, this should be as much, if not more, than could be rightly expected by your committee and the account, therefore, liquidated promptly.

In addition to the above, arrangements must be made whereby sufficient funds will be available in the treasury at all times to take care of the future operation of your committee. This can be expected to run from $300 to $500 monthly. If this is not done there is no alternative but that your headquarters here and my acting as chairman will cease January 1, 1930. From this you will observe the treasurer must receive around $175 through each of you committeemen at once so as to clean the slate on January 1, and each of you must obligate yourself for at least $50 monthly in the future if it is your wishes to continue operating as at present.

These are the cold facts, and am putting them squarely up to you now in order that you might know what to expect, and giving you time to act in the matter prior to the date mentioned above. Please give same your personal attention and advise promptly.

Faithfuly yours,

J. C. HAMBRIGHT.

Mr. BLEASE. Mr. President, the letter just read at the desk is an original letter from the chairman of the Republican State advisory committee for South Carolina. January 1, 1930, has passed, but the headquarters have not closed. I suppose he got the money asked for in the letter.

I have this morning a letter from Joseph W. Tolbert, chairman of the South Carolina Republican committee and member of the Republican National Committee for South Carolina, which is written under the following letterhead:

THE REPUBLICAN NATIONAL COMMITTEE

Chairman, Claudius H. Huston; vice chairmen, Ralph E. Williams, Mrs. Alvin T. Hert (women's division), Daniel E. Pomeroy; Franklin W. Fort, secretary; J. R. Nutt, treasurer; Joseph W. Tolbert, member for South Carolina

GREENWOOD, S. C.

DEAR SENATOR—

Omitting some personal matters—

You see that this letter applies to all 14 members of this committee, each one being required to raise stated amounts of money at regular intervals, this being collected from postmasters and rural carriers by the use of printed pledge cards, all against the rules and regulations of the department.

Yours respectfully,

JOSEPH W. TOLBERT.

As I have said, Mr. Tolbert is the Republican national committeeman for South Carolina; he is chairman of the Republican Party of South Carolina. I am reliably informed that he has placed in the hands of the Postmaster General one of the pledge cards referred to and a receipt for $300 paid by a man for a position as rural carrier.

I am further informed that every postmaster, with few exceptions, in that State who is being appointed to-day is being made to pay for his appointment; that rural carriers are being made to pay for their appointments.

I have also a letter from Spartanburg, S. C., addressed to me, and reading as follows:

507 NORWOOD STREET,
Spartanburg, S. C., March 12, 1930.

Hon. COLE L. BLEASE,
Washington.

DEAR SIR: I have been asked to contribute. I can't contribute. I have had two deaths in family, and if the census supervisor of the third district of South Carolina, Mr. Henry W. Moore, still insists on me paying money—

To Robinson, who is a member of the committee in the fourth congressional district—

then I will have to let some other more fortunate man have the enumerator place. My rating on his register for the examination is 83 plus.

Assuring you of a whole heart full of gratitude for past favors, I remain,

Yours truly,

ANDREW F. MCKNIGHT.

What proof does the Republican Party want? The national Republican committeeman from South Carolina, Joseph W. Tolbert, makes the direct absolute charge that men are paying for positions; he has furnished the evidence to the Postmaster General; but, in the face of that, the Postmaster General has sent recommendations to the Committee on Post Offices and Post Roads while charges of bribery were being made.

Here is a man who simply wanted a job as census enumerator, but, in order to raise money for J. C. Hambright, chairman of the Republican State advisory committee, Henry W. Moore advises this man if he does not pay the money he can not be appointed to the position.

Senators, I want to know what the subcommittee of the Committee on Post Offices and Post Roads has been doing. I am glad it is going to submit a report. I also want to know why the Post Office Department, in the face of the facts, continues to send to the Senate the names of nominees for postmasters in South Carolina, when the direct charge is made to the Postmaster General that particular nominees for postmasters have paid the representative of the Republican Party in the respective districts for such appointments.

Mr. President, this is not a charge made by me. I am a Democrat. I do not propose to try to help the Republican Party build up a respectable party in South Carolina; I want that understood; I want South Carolina to be let alone and to remain politically as it is. I do not think the Republican Party wants to build up a respectable party there. If it did, it would not put the kind of men in charge of its affairs to try to build it up who are going around and charging for Government appointments.

Certain nominations are soon to come before the Senate for confirmation. That is why I call particular attention to this matter this morning. Remember, I am not charging the national committee with anything; Tolbert used their letterhead, as he had a right to do; I am not charging any Senator on this floor with anything improper; but I am charging—and furnishing the proof to the world—that those seeking Government positions in South Carolina have been made to pay for them; and I am calling upon Postmaster General Brown and President Hoover, regardless of the action of the committee of the Senate, to have the conditions investigated and to stop such practices.

I do not believe all those who have been appointed have paid for their offices, because I believe some men have been appointed as a blind, as a bluff; but here is the proof, that some have paid.

Postmaster General Brown has got the card as a receipt for the money. I think it is time for the Republican Party at least to step in and say that post offices shall not be sold in the manner charged by the Republican national committeeman in South Carolina, who in point of service is the oldest member of the Republican National Executive Committee.

I am not defending him; I have been told that he collected money; he told me so himself; but he said he collected that money to go into the treasury of the Republican National Committee, and he said that every dollar he had ever collected went there. I do not know whether that is true or not; but the charge here is that Hambright has received money for himself and for the committee in South Carolina. Why should a man be required to pay for a little job as census enumerator? What is going to be done about this man Moore? Here is this letter. The man who wrote it will come here and swear to it if he can get here, or he will go anywhere else and swear to it. Joe Tolbert has the proof and has furnished it to Postmaster General Brown, but notwithstanding that, the Postmaster General continues to send appointments to the Senate when he knows that they have been paid for.

Senators, I do not believe the Republican Party wants such things to occur; I know the best element of the party does not; I know the Republican leader of the Senate does not, and I know other Senators here who do not want it—plenty of them—but there is somebody in the Post Office Department getting money out of South Carolina. Who is it? I should like to have that question answered.

There is another thing I have been noticing here in the Senate, where so much has been said about lobbying. I do not know who it is in that gallery yonder, the one over the place where they were putting that map on the wall just now, but there are certain Senators who signal to that gallery all the time and get a signal back. Sometimes a Senator goes out, and sometimes somebody in the gallery goes out, too; I do not know what it is all about. I do not charge anything corrupt, but all Senators have got to do is to watch. It would seem that we may have a third house of Congress which sits right over in that gallery, and I think it is time for the Senate to get itself in shape and think about something besides robbing the farmers and everybody else on the tariff.

Mr. BROOKHART obtained the floor.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from Iowa yield to the Senator from Georgia?

Mr. BROOKHART. I yield.

Mr. GEORGE. Mr. President, I merely wish to make a brief statement. I call the attention of the Senator from South Carolina to the fact that while I introduced the resolution asking for an investigation of patronage in the Southern States, the resolution as originally introduced called for an investigation of Federal patronage in Georgia. By the committee it was widened to include other States, and, of course, I had no objection to that.

It is true that the committee actually appointed was made up of the Senator from Iowa [Mr. BROOKHART] and others. Subsequently, the Senator from Iowa went off the Post Offices and Post Roads Committee, and I did request of the Senate that he be continued on the special committee because he was in the midst of the work and was more familiar with it than any other new Senator would have been.

I call the Senator's attention to the fact that I am not a member of the committee; I have never been a member of the committee; but I stand ready to join with the Senator in opposition to the confirmation of any appointee from South Carolina against whom it can be shown that money was used to obtain his appointment.

Mr. MCKELLAR. Mr. President——

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

Mr. BROOKHART. I yield for a moment.

Mr. MCKELLAR. I merely wish to say to the Senator from South Carolina, inasmuch as he has mentioned my name in connection with the matter he has discussed, that I think I took the place of Senator GEORGE on the special committee when he left the Committee on Post Offices and Post Roads; at any rate, I was appointed.

Mr. GEORGE. I will say to the Senator I never was on the committee; I merely asked for the appointment of the committee.

Mr. McKELLAR. At any rate, I was appointed.

Mr. BROOKHART. Former Senator Locher, of Ohio, was appointed on the committee.

Mr. McKELLAR. Yes, and I was appointed to take the place of Senator Locher. So I did not hear all the testimony. None of the charges which the Senator from South Carolina now suggests has been brought before our committee. I want to assure him that if they had been, there would have been a careful investigation and a report in reference to them.

I want to say further that if any official in South Carolina or anywhere else shall be shown to have paid any sum for his office, I will join the Senator from South Carolina and other Members of the Senate, and we will see that that man is not confirmed.

I think the only case that I remember from South Carolina where charges of fraud and corruption were brought was against an official connected with the enforcement of the prohibition law. I was deeply impressed not only with the charges but with the evidence; and I wrote a letter to the President of the United States urging that a certain official in South Carolina be dismissed, because I thought he had been unfaithful in the performance of his duties and that fraud and corruption existed in connection therewith. The department permitted that official to resign; and to that extent I think we have done some good in South Carolina.

Mr. BROOKHART. Mr. President, I want to say to the Senator from South Carolina [Mr. BLEASE] that I regret that he did not bring his charges to the committee. This is the first I have heard of this line of charges.

The Senator from Tennessee [Mr. McKELLAR] is not quite accurate. We did have plenty of evidence with reference to Joe Tolbert himself, and his career in selling post offices is described in the report; but, as I understand the Senator now, the new referee or new organization appointed to displace Joe Tolbert is as bad as Tolbert himself, and Tolbert is making the charges against them.

We had hoped on to-morrow to get a final discharge of this committee and end these investigations; but I will look into the letters that the Senator has put in the RECORD, and I will consult with the Senator, and if there is any real evidence here that demands a further investigation of this new régime set up to displace Joe Tolbert I am just as ready to investigate that outfit as I was to investigate Joe Tolbert himself.

The situation in South Carolina was deplorable. There is no doubt about it; and I think there is no doubt that Joe Tolbert, in his career down there, was just about as bad as Perry Howard in Mississippi. All of those facts are set out quite in detail in the report we will present to-morrow; but the Senator from South Carolina, while he asks what our committee has done, was very careful not to bring any of these charges to the attention of anybody on the committee. The first knowledge I had of these matters was his presentation of them to the Senate here this morning. I shall look into them and see what merit they have, Mr. President.

Mr. BLEASE. Mr. President, I brought this matter to the attention not only of the Senate but of the United States of America. I did not bring it to this committee because the committee has been in existence about two years, and if it has done anything I do not know it. I am glad to hear it has done something and that we are going to get a report. That is the reason why I did not carry the matter to this committee. I wanted action, and I am going to get it, because I know there are enough honorable men in the Republican Party to see that Brown takes action and that so-called Republicans in South Carolina quit selling Federal jobs and pocketing the money.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House disagreed to the amendments of the Senate to 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; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WOOD, Mr. CRAMTON, Mr. WASON, Mr. BYRNS, and Mr. BUCHANAN were appointed managers on the part of the House at the conference.

APPROVAL OF THE JOURNAL

Mr. McNARY. I ask unanimous consent for the approval of the Journal from February 24 to and including March 13, 1930.

The VICE PRESIDENT. Is there objection? The Chair hears none.

FARM RELIEF—ADDRESS BY SENATOR DENEEN

Mr. McNARY. Mr. President, recently the senior Senator from Illinois [Mr. DENEEN] made a very able and interesting speech on farm relief, which I ask unanimous consent to have printed in the RECORD.

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

SPEECH OF SENATOR CHARLES S. DENEEN ON FARM RELIEF THROUGH A PROTECTIVE TARIFF AND THE FEDERAL FARM BOARD

The Republican Party by an overwhelming vote was returned to power on March 4, 1921, after eight years of Democratic administration. The Democrats had achieved power on March 4, 1913. We have, therefore, eight years of administration of each from which we may make some comparisons. When the Republican Party was defeated business was good, wages were high, employment was general and satisfactory, prices were rising, and the country was prosperous.

DEMOCRATIC TARIFF OF 1913

In framing the tariff act of 1913 (known as the Underwood bill) the Democratic Congress placed on the free list such important commodities as cattle, meats, sheep, swine, milk, cream, fresh eggs, buckwheat, corn, rye, wheat and wheat flour, fruits in brine (cherries particularly), cottonseed, soybeans, grass seeds, certain of the garden and field seeds, and potatoes. Practically all of the dutiable rates in their tariff law were very low and offered no adequate protection to the people of the United States against foreign competition. Immediately after the passage of the Underwood bill there was a marked recession in business, prices, exports, and employment, which grew steadily worse until the opening of the World War afforded a market for all that America could produce. No sooner was the World War ended than the effect of the Underwood bill was felt anew in decreased business, lessened exports, increased imports, lowering of wages, and lack of employment. Every business was affected, and Mr. Samuel Gompers stated that in 1920, 5,000,000 men were out of employment.

EMERGENCY TARIFF OF 1921

When the Republican Party came into power Congress was convened in extraordinary session and it enacted an emergency tariff act, which was limited to agricultural products. This was known as the farmer tariff act, because the rates were written by the representatives of agriculture, and duties were placed on cattle, beef, veal, sheep, mutton and lamb, pork, meats of all types, milk, cream, butter, cheese, corn, rice, wheat, apples, cherries, lemons, olives, olive oil, coconut oil, peanut oil, peanuts, flaxseed, beans, onions, potatoes, sugar, wrapper tobacco, and wool.

The Tariff Commission, summarizing later the effects of the emergency tariff act of 1921, stated that the duties in the act on agricultural commodities had prevented as sharp a decline in the United States of farm prices as was felt in other leading producing countries, particularly in Canada. The Tariff Commission also reported that—

"Under conditions of free trade between the United States and Canada Winnipeg prices of No. 1 Manitoba wheat normally exceeded Minnesota prices of No. 1 wheat by 5 or 6 cents per bushel. After the passage of the emergency act, however, Minnesota prices gradually came to exceed Winnipeg prices by 35 to 40 cents per bushel. Therefore, if allowance is made for the higher quality of the Canadian wheat, the differential between the prices in the two markets is now (1922) almost equal to the duty.

"It is significant, however, that this increase in the differential after the passage of the emergency act is not due to an increase in American prices but rather to a relatively greater decrease in Canadian prices. Minneapolis prices gradually declined throughout the whole of 1921, but Winnipeg prices went down still more precipitously, with the result that the differential was about equal to the duty by the time the Canadian crop reached the market in the fall of 1921.

"The emergency tariff act became effective on May 28, 1921. Thereafter the decline in prices of choice or prime beef steers ceased in the United States until the close of the grazing season, when a seasonal decline always occurs. However, because of a slack demand for other qualities, and despite smaller market receipts, the price of animals below top grade fell somewhat after June 1. It is significant, however, that in Canada prices fell much lower than in the United States."

TARIFF ACT OF 1922

The Republican tariff act of 1922 (known as the Fordney-McCumber Act) completely reversed the policies of the Democratic tariff act of 1913 and placed important duties on practically every agricultural commodity in which there was competition with foreign products in the United States. The act, furthermore, provided for the first time in the history of the United States the flexible provisions which empowered the President, after investigation by the Tariff Commission, to increase or decrease tariff rates not more than 50 per cent of the rate, as stated in the act. These provisions have been more widely applied by the President to farm commodities than to any other group of products produced in the United States. Furthermore, the investigations made by the Tariff Commission have been used as bases for the determination of rates of duty during the present consideration of the tariff.

FARM PRODUCTS AND FLEXIBLE PROVISIONS

The following rates of duties on farm products have been increased by the President under the flexible provisions:

Wheat, from 30 cents to 42 cents per bushel of 60 pounds.

Flour, from 78 cents to $1.04 per 100 pounds.

Butter, from 8 cents to 12 cents per pound.

Swiss cheese, from 3 cents per pound but not less than 25 per cent ad valorem to 7⅕ cents per pound but not less than 37½ per cent ad valorem.

Cherries, from 2 cents to 3 cents per pound.

Onions, from 1 cent to 1½ cents per pound.

Peanuts, shelled, from 4 cents to 6 cents per pound.

Peanuts, not shelled, from 3 cents to 4¼ cents per pound.

Frozen whole eggs, egg yolk, egg albumen, from 6 cents to 7½ cents per pound.

Flaxseed, from 40 cents to 56 cents per bushel of 56 pounds.

Milk, fresh, from 2½ cents to 3¾ cents per gallon.

Cream, from 20 cents to 30 cents per gallon.

Flaxseed oil, from 3.3 cents to 3.7 cents per pound.

In addition to the above increases in duties which have been granted by the President, the Tariff Commission has also made reports to the President as the result of investigations on the following products: Casein, sugar, maple sugar and maple sirup, corn, canned tomatoes, and tomato paste. Although the President proclaimed no changes in the rates of duty on these products, the reports of the Tariff Commission have been used as the bases for the determination of tariff rates during the present consideration of the pending tariff bill by the Congress.

It is interesting to note that a number of the increases proclaimed by the President under the flexible provisions of the tariff act of 1922 have been made on commodities which were carried on the free list in the Democratic tariff act of 1913. The emergency act of May, 1921, the Republican tariff act of September, 1922, and the proclamations made by the President under the flexible provisions of the tariff act of 1922 have greatly aided the farmers of the United States in recovering from the depressed condition in which they found themselves in 1920 and 1921 and in rehabilitating the farm enterprises which had gone through a tremendous period of over-expansion during the war years.

The Republican Party has recognized in the pending tariff revision that the act of 1922 does not go far enough in protecting the farmer under present conditions in his most important market. In many cases the reports of the Tariff Commission have indicated that the duties needed to equalize the cost of production in the United States and abroad were not fully met by the increases through the flexible provisions of the tariff act of 50 per cent. In the preparation of the present tariff bill in some cases rates have been set to equalize fully the differences of cost of production as reported by the Tariff Commission. In many of the Tariff Commission's reports divergent views were expressed by the commissioners. For example, in the case of corn, three commissioners (Republicans) rendered an opinion that the duty on corn should be increased 50 per cent, and the other three commissioners (Democrats) reported that the duty should be left unchanged. The basic cause of this wide difference in opinion was the cost of the transportation of our domestic corn to the principal competing markets. Since imports of corn from Argentina come to Pacific and to Atlantic ports mainly, the cost of transportation of our corn to these ports is the main factor in determining the tariff rates. In all such cases the Republican Members of the Senate resolved the doubts in favor of the American farmer.

THE PENDING TARIFF ACT

The special session of Congress called by the President was for the purpose, among other things, to bring tariff rates in harmony with present conditions with respect to farm products. In calling the special session of Congress to revise the tariff laws, President Hoover said, in his message to Congress on April 16, 1929:

"I have called this special session of Congress to redeem two pledges given in the last election—farm relief and limited changes in the tariff.

"An effective tariff upon agricultural products that will compensate the farmers' higher costs and higher standards of living has a dual purpose. Such a tariff not only protects the farmer in our domestic market but it also stimulates him to diversify his crops and to grow products that he could not otherwise produce, and thus lessens his dependence upon exports to foreign markets. The great expansion of production abroad under the conditions I have mentioned renders foreign competition in our export markets increasingly serious. It seems but natural, therefore, that the American farmer, having been greatly handicapped in his foreign market by such competition from the younger expanding countries, should ask that foreign access to our domestic market should be regulated by taking into account the differences in our costs of production.

"In considering the tariff for other industries than agriculture, we find that there have been economic shifts necessitating a readjustment of some of the tariff schedules. Seven years of experience under the tariff bill enacted in 1922 have demonstrated the wisdom of Congress in the enactment of that measure. On the whole, it has worked well. In the main our wages have been maintained at high levels, our exports and imports have steadily increased; with some exceptions, our manufacturing industries have been prosperous. Nevertheless, economic changes have taken place during that time which have placed certain domestic products at a disadvantage and new industries have come into being, all of which creates the necessity for some limited changes in the schedules and in the administrative clause of the laws as written in 1922.

"It would seem to me that the test of necessity for revision is in the main whether there has been a substantial slackening of activity in an industry during the past few years, and a consequent decrease of employment due to insurmountable competition in the products of that industry. It is not as if we were setting up a new basis of protective duties. We did that seven years ago. What we need to remedy now is whatever substantial loss of employment may have resulted from shifts since that time."

When we examine the farm rates as shown in the agricultural schedule there can be no question but that the Republican Party has favored a program of giving the farmer any possible assistance that may come to him out of tariff protection. The policy may be further described as one which protects in the United States the products of the farmer and also places either on the free list or at relatively low duties those commodities needed by the farmer to produce crops and livestock and livestock products. Farmers of Illinois will recognize the wisdom of this policy when they note that the free list provides for the free importation of agricultural implements, such as plows, tooth or disk harrows, headers, harvesters, reapers, drills, and planters, mowers, horse rakes, cultivators, threshing machines, cotton gins, wagons and carts, and cream separators valued at less than $40 each; animals for breeding purposes; binding twine made from New Zealand hemp, henequen, manila, istle or Tampico fiber; sisal grass; bones, crude, steamed or ground; bone meal, bone ash, bone dust, and animal carbon suitable only for fertilizing purposes; burrstones; calcium acetate or chloride crude; nitrate and cyanamide or lime nitrogen; calcium arsenate; natural flints and natural flint stones; grasses and fibers (henequen, sisal, manila, jute, kapok, etc.); guano or basic slag; manures and all other substances used chiefly as fertilizer; cod oil and cod-liver oil; Paris green; phosphates, crude; plaster rock or gypsum, crude; potassium chloride, potassium sulphate, wood ashes, crude potash salts (not specially provided for); sheep dip; shingles of wood; sodium nitrate, sulphate, salt cake, and niter cake; sulphur; tankage, fish scrap, fish meal, etc.; tar and pitch of wood; urea; all barbed wire, plain or galvanized; logs; pickets, palings, etc.

RATES ON CATTLE, MEATS, AND POULTRY

In examining the agricultural schedule as so far approved by the Senate hours could be spent in discussing individual rates which will be of benefit to the farmers. I am limiting myself to those basic changes which are of outstanding importance. Let us examine the meat rates. The duty on live cattle has not only been increased but the weight bracket has been reduced, so that more of the importations will come in at the higher rate than formerly. In the tariff act of 1922 cattle weighing less than 1,050 pounds each were dutiable at 1½ cents per pound, and weighing 1,050 pounds each or more, 2 cents per pound. The pending tariff act carries the following provisions: Cattle weighing less than 700 pounds each, 2½ cents per pound; weighing 700 pounds or more each, 3 cents per pound. The rates on live cattle thus approved by the Senate when taken in conjunction with the rates on beef and veal, which have been doubled, will mean that the raising and feeding of cattle in the United States will become more profitable and that the cattle raisers and individual farmers who send steers to the beef packer occasionally will be greatly benefited and will be permitted to rehabilitate this farm enterprise upon which our people are so dependent for an important food. The duties on sheep, lambs, and goats have been increased 50 per cent, and the duties on mutton and goat meats have been doubled, while the duty on lamb has been increased 75 per cent. The duties on swine and pork products of all types have been greatly increased. In the case of live poultry, including turkeys, the duty has been increased from 3 cents to 8 cents per pound. In the case of dead poultry the duty has been increased from 6 cents to 8 cents per pound on chickens, ducks, geese, and guineas. The duty has been increased from 6 cents to 10 cents per pound on turkeys and all other types of dead birds.

TARIFF RATES ON DAIRY PRODUCTS

One of the most important series of tariff changes has been made in what is known as the dairy schedule. The duty on whole milk has been increased from 2½ cents to 6 cents per gallon, or 140 per cent; cream has been increased from 20 cents to 56.6 cents per gallon, or 185 per cent; and similar increases have been made on various milk products. The duty on butter has been set at 14 cents per pound; on cheese at 8 cents per pound, but not less than 42 per cent ad valorem, or an increase of more than 76 per cent. The rates on all dairy products are greatly in excess of the rates originally carried in the tariff act of 1922. Even on those commodities such as milk, cream, and butter, in which the President has proclaimed increases of 50 per cent under the flexible provisions of the tariff act, the rates have been further increased because of the fact that the reports of the Tariff Commission showed that further increases were necessary to equalize differences in costs of production. In studying the dairy schedule the Republican members of the

Senate Finance Committee recognized the fact that butter dominates the entire dairy field and must be looked upon as the basic commodity. For that reason all of the rates in the dairy schedule have been based on the duty on butter, 14 cents per pound.

The increases in the various duties of the dairy schedule are intended to grant to the American dairy farmer as complete control as possible of his home market. They are not intended to be embargoes because we all recognize that imports of butter, cream, and cheese will continue to come into the United States, but these rates will permit the American dairy farmer to ship his products into the markets in the United States which under the present tariff acts are in a considerable measure supplied by imports. These tariff duties will open up to the farmers of Illinois and middle Western States the New York and the New England market for milk and milk products.

TARIFF RATES ON EGGS

The duties on fresh eggs in the shell have been increased from 8 cents to 10 cents per dozen, and the duty on frozen eggs has also been increased from 6 cents to 11 cents per pound. The farmers throughout Illinois should receive a distinct benefit, particularly from the increase in the duty on frozen eggs. The imports of these frozen-egg products come to this country from China. An investigation made by the Tariff Commission and reported to the President showed that the costs in China were decidedly below the costs in the United States. The new duty will enable the freezers of eggs in the United States to take over a larger portion of the domestic market. This, of course, will mean that the domestic freezer of eggs will come into the egg-producing regions and compete for eggs with the distributors of fresh eggs. It is hoped that the increase of the duty on frozen eggs will result in better prices to the producer of fresh eggs, particularly in Illinois and neighboring States.

RATES ON GRAINS AND CEREALS

It has been repeated time and again in tariff debates that the duties on certain of our schedules, such as wheat, corn, barley, oats, and buckwheat, are ineffective and are useless because of the fact that we are on a heavy export basis. The Republican Party, in considering the pending tariff bill, has followed the policy adopted when it passed the emergency tariff act of 1921 and the tariff act of 1922 of placing protective rates of duty on our various cereals. It is hardly necessary at this time to restate that the tariff act of 1922 placed a duty of 30 cents per bushel on wheat, which was on the free list of the Democratic tariff act of 1913, and that in 1924, as a result of the proclamation of the President, the duty on wheat was increased to 42 cents per bushel. We all recognize now that the duty on wheat is effective in raising the prices of certain types of wheat in the United States and that the increase in tariff rates to 30 cents and then to 42 cents per bushel has meant millions of dollars to the wheat growers of the United States.

Similarly, the Republican Party and its representatives in the Congress feel that although the imports of many of the grains, such as barley, buckwheat, corn, oats, and rye, may not be important, nevertheless these duties which were placed in effect in the act of 1922 and which have been continued in the present tariff bill have kept imports to a minimum and have enabled the American farmer to control at least his home market without suffering from the competition of imports. It is true the surplus of these products must go into the foreign market at the world price, and that in some of these grains the domestic price has practically amounted to the world price, making allowance for the cost of transportation and marketing. However, if all of this be admitted what harm can such protective duty have done? If we admit that these duties have not been effective in raising the price in most years they have had this advantage, that in those years when we have suffered from short crops the tariff has prevented a great inflow of foreign grains, which would tend to cut the price of our domestic product. It is a well-recognized phenomenon, and has been fully explained in the Tariff Commission's report to the President, that in the case of corn imports are practically negligible when the price of corn is low in the United States because of a bumper crop, but in those years when we have a short crop and the price of corn begins to increase imports of corn from Argentina begin to flow into the eastern and the western coast markets. The duty on corn has been increased from 15 cents to 25 cents per bushel and it is expected that this increase will prevent to a degree large importations of corn in those years when our prices are high, so that the farmer in the Corn Belt may have the protection of the tariff in the marketing of his crop. In 1919, under free trade in corn, we imported 11,213,000 bushels. When the tariff of 15 cents per bushel went into effect with the passage of the emergency tariff act of 1921 imports declined sharply. However, high prices of corn in the United States in 1924 and in 1927 promptly attracted imports from Argentina, and in those years the imports were, respectively, 3,906,000 and 4,917,000 bushels.

TARIFF RATES ON RICE

The duties on rice and the various forms of rice have been increased. The growers of rice in the United States in recent years have been in a very difficult position because of the sharp decline in prices. Here, again, it is claimed that because we are on an export basis on rice that the duty is not effective. When we examine the history of our domestic rice and of imports in recent years, we find that imports have increased sharply when the price of our rice was somewhat above the world level, and then when the price declined the imports immediately fell off. It costs more to grow rice in the United States than in oriental countries, and the rice growers, in order to carry on, must produce a fancy type of rice at an increased cost, for which he must receive a price greater than that received by the oriental producer. The duty granted on rice will enable the rice growers in the United States to meet better the competition of imported rice in those years when imports flow in because of better prices in the United States.

FOSTERING THE GROWING OF SOYBEANS

The duty on soybeans has been increased from one-half cent to 2 cents per pound. The duty on soybean oil cake and soybean oil cake meal has been set at 0.3 of 1 cent per pound, or $6 per ton, and the duty on soybean oil set at 2.8 cents per pound but not less than 45 per cent ad valorem. The duties on these three commodities are some of the most important measures of farm relief in the pending tariff act. The growing of soybeans, which is fostered by these rates, is now becoming important in Illinois. Soybeans have been grown in the United States for a number of years, but largely as a forage crop, with only a small portion of the beans being harvested.

The Senate Finance Committee, in placing the duties on soybeans and the various soybean products, had in mind the establishing in the United States of an important industry based on the domestic production of soybeans. If this can be achieved, there is no reason why the United States should not grow all of the soybeans it needs for oil production. The tariff rate on soybeans means the diversification of crops, especially in the Corn Belt and throughout our State. The soybean is a crop which may be grown with great benefit to the farmer, especially in those regions in the Corn Belt now infested by the corn borer. In the growing of the plant the soil is enriched, since the soybean, in common with other legumes, takes nitrogen out of the air and enriches the field in which it is grown. The development of important harvests of soybeans will mean that the United States can establish within its own boundaries crushing plants where these beans can be crushed for soybean oil, which is in demand for important industrial uses, and for soybean cake or meal, which is a most valuable nitrogenous feed, particularly for dairy cattle. In growing soybeans on corn land, the soil is enriched, and, with proper rotation, will give the farmer better corn crops as well as a good cash crop, since soybeans find a good cash market. Mills in Bloomington, Decatur, Taylorville, Peoria, and Chicago are now engaged in the crushing of soybeans for oil. The three rates of duties on soybeans and their products are intended to protect the farmer not only against imports of soybeans, which are now unimportant, but against imports of soybean cake and soybean oil, which amount to large quantities each year. If the imports of soybean oil are converted back to the quantity of soybeans from which the oil was produced, we find that in 1928 the soybean oil imported was the equivalent of approximately 1,613,000 bushels and in 1929 of 2,050,000 bushels. It is plain that we have the land and the ability to produce the quantity of beans so that we can make the soybean oil we need in the United States from domestic soybeans. In Illinois in 1928 the United States Department of Agriculture reports that the farmer price on the farm of soybeans was $1.60 per bushel. If we had raised the additional beans needed to supply the oil that was imported, the farmers in our State would have received an additional return of $2,580,000.

TARIFF RATES ON FRUITS

The next big group of farm products which are provided for in the present tariff bill is the fruits. There have been but few important tariff problems in the fruit schedule under the present tariff act, but some have arisen because of new technical developments. For example, when the act of 1922 was passed the quick freezing of berries and fruits was not important commercially. At the present time the technical developments have gone so far that in large cities frozen berries in small packages are being marketed direct to the consumers. For that reason certain amendments to the phraseology have been made in the berry paragraph and in the cherry paragraph to provide for these commodities when they are frozen without sweetening or with sweetening.

Other increases have been granted in the fruit paragraphs which will be of distinct benefit to the producers of lemons, grapefruit, figs, and olives. These increases are designed to equalize differences in costs of production when they can be determined from available data and to enable the domestic farmers to better meet the competition of the imports, particularly in the large consuming centers of the eastern cities. In many of these commodities violent price fluctuations have resulted because of the dumping of large quantities of competitive foreign fruits in our important domestic markets, particularly New York. The increased rates will tend to prevent such violent fluctuations and to make for a more stabilized marketing system for domestic farm products of this type.

TARIFF RATES ON SEEDS

Certain groups of commodities are of primary interest to the farmer because he is, to a large extent, one of the leading buyers as well as producers. This is particularly true in the case of the various types of grass and forage crop seeds, garden and field seeds. In dealing with

these various seeds, the Republican Party members of the House and Senate Committees have taken the angle that the farmers know best their needs. Increases have been granted on many of these seeds where the representatives of the farmers have produced data showing the general need of the farm group as a whole for such added protection.

TARIFF RATES ON BULBS

The rates on the various flower bulbs have been increased in order to help stabilize this relatively new enterprise in the production of flower bulbs. It will without doubt help to relieve the consumers of the United States from the domination exerted in various years by the foreign producers of flower bulbs, particularly from Holland.

FLAXSEED AND THE TARIFF

The growers of flaxseed in the United States located in our Northwest have had a difficult time under the present tariff act. Imports have been extremely large and prices have been at too low a level to prove profitable for our domestic farmers. The Tariff Commission investigated this matter, and, as a result, the President increased the duty from 40 cents to 56 cents per bushel. The Senate has further increased this rate to 65 cents per bushel and made a compensatory increase in the duty on linseed oil from 3.3 to 4.5 cents per pound. These two increases should be of great benefit to the growers of flaxseed in the United States. Not only should they result in higher prices but they undoubtedly will aid in an increase in the acreage so that more of our domestic needs will be supplied by our own producers.

PROTECTING THE GROWERS OF VEGETABLES

Probably no more important group of increases has been granted in any section of the agricultural schedule than is true in the case of vegetables. The producers of early vegetables in our Southern States have suffered severe competition of imports in the winter months from Mexico and the West Indies. The rates of all of these vegetables have been greatly increased and should be of great assistance to the growers of such vegetables. The duty on onions has been increased to 2½ cents per pound. This duty was the subject of a report to the President by the Tariff Commission which resulted in an increase in the duty from 1 to 1½ cents per pound. The Senate has granted this further increase. The growing of onions is one of our highly important farm enterprises, and the duty will widen the market for our onions produced in Illinois and in many of our Northern and Southern States.

The duty on canned tomatoes has been increased from 15 per cent to 50 per cent ad valorem. This should prove of great value to the farmers who grow tomatoes for the canners. Under the present tariff act the imports of canned tomatoes have increased tremendously. The new duties should help the canner meet the competition exported by the foreign canned tomatoes and should enable him to buy more tomatoes from the American farmer at a better price.

DUTY ON SUGAR

The tariff bill as passed by the House carried a rate for raw sugar coming from Cuba of 2.4 cents per pound as compared with the rate of 1922 of 1.76 cents per pound. The Senate Finance Committee, after careful consideration of all the facts, including the needs of the farmers growing sugar beets and sugarcane and the requirements of the consumer, decided that the increase agreed upon by the House was too large and reported a rate of 2.2 cents per pound on Cuban raw sugar.

This rate was disagreed to by the Senate and the rate as it now stands carries the same rate as in 1922. The increase in the rate of sugar reported by the Senate Finance Committee was believed sufficient to help in accomplishing two things; one, to aid the farmer growing sugar beets and sugarcane, as the facts indicate that this branch of farm enterprise has not been profitable, because of the very low price that Cuban sugar was offered in the United States; and two, to aid in determining our national policy of having a sufficient domestic supply of sugar in case of war. It is hardly necessary to recall to our consumers the tremendously high prices they paid during and immediately after the war, when we were almost completely dependent upon Cuba for our supply.

The rate proposed by the Senate Finance Committee of 2.2 cents per pound is moderate when the rates imposed by other countries on sugar are examined. For example, the duty per pound on refined sugar in the following countries is: Brazil, 17.5 cents; Italy, 12.7 cents; Peru, 6.6 cents; France, 4 cents; Germany, 3.8 cents; England, 2.7 cents; and Australia, 2 cents.

DUTY ON HORSERADISH

The two States leading in the growing of horseradish in the United States are Illinois and Missouri. Under the tariff act of 1922 crude horseradish was on the free list and prepared horseradish came under the nonenumerated manufactured articles at 20 per cent ad valorem. The growers of horseradish roots, therefore, have been suffering from severe competition from the importation of horseradish from Germany. The Senate, with a view to help the home growers, has set the import duty on crude horseradish root at 3 cents per pound and the rate on prepared horseradish at 35 per cent ad valorem.

RECOMMENDATIONS OF PRESIDENT

The pending tariff bill in dealing with agriculture has granted increases in duties to virtually every branch of farming. Great benefits should accrue to the farmer from the increases carried in the cattle, meats, poultry, and egg schedules. The needs of the dairy farmer have been safeguarded. The growing of soybeans and the manufacture of soybean products have been adequately protected. Specialized farming in fruits, nuts, and vegetables has been given full consideration and increases granted in every case where a tariff benefit might be realized. The agricultural schedule as it stands at present in the pending tariff bill is carrying out the recommendations of the President in his special message to the Congress that a tariff on farm products be enacted to provide that "foreign access to our domestic market should be regulated by taking into account the differences in our costs of production."

THE FEDERAL FARM BOARD

For a number of years the farmers in their associations and their organizations have been considering measures for farm relief. A number of bills to that end have been introduced into the Congress.

REPUBLICAN PARTY PLEDGE FULFILLED

The Republican Party, in its national platform of 1928, pledged itself—

"To the enactment of legislation creating a Federal Farm Board clothed with the necessary powers to promote the establishment of a farm marketing system of farmer owned and controlled stabilization corporations or associations to prevent and control surpluses through orderly distribution."

President Hoover, in his message of April 16, 1929, calling the Congress together in extraordinary session to consider farm relief and changes in the tariff, recalled the pledge in the platform for a Federal Farm Board and urged the enactment of such a law.

POLICIES OF FEDERAL FARM BOARD

The measure was enacted into a law and became effective on June 15, 1929. The policies which the board must follow are outlined in the act creating the board itself, and are as follows:

1. To minimize speculation.
2. To prevent inefficient and wasteful methods of distribution.
3. To organize producers into effective associations to handle each major product and to finance their activities.
4. To aid preventing and controlling surpluses of agricultural commodities through a program of orderly production and distribution so as to maintain advantageous domestic markets for the producers of these commodities.

The Farm Board has adopted two general plans to carry out the foregoing policies: First, farmer cooperative marketing associations; and second, stabilization organizations.

AGRICULTURAL COMMODITIES DESIGNATED BY BOARD

On October 14, 1929, the Federal Farm Board announced that it had designated as agricultural commodities the following:

1. Cotton.
2. Dairy products, including fluid milk, cream, cheese, condensed milk, butter, ice cream, evaporated milk, whole and skim milk powder.
3. Grains, including wheat, rye, corn, oats, barley, flax, grain sorghums, and buckwheat.
4. Rice.
5. Livestock.
6. Wool and mohair.
7. Tobacco.
8. Poultry and eggs.
9. Seeds, including alfalfa, clover, timothy, redtop, and other field seeds.
10. Potatoes.

Later the board will designate other commodities.

FARMERS MUST COOPERATE WITH BOARD

The purpose of the Federal Farm Board is to give to the farmer equal bargaining power through agricultural cooperative associations with those who deal in or consume agricultural products. To this end agricultural cooperative organizations will be increased and enlarged and coordinated.

It is the policy of the board to require all local, State, and regional cooperative associations to affiliate in the organization of a great corporation for each commodity, and in this way control in a measure the distribution of the product and through orderly distribution to affect prices and profits. A provision in the law is aimed at overproduction by directing the board to withhold loans where the surplus of that commodity is unduly increased.

CONGRESS AUTHORIZED APPROPRIATION OF $500,000,000

The Congress authorized the appropriation of a revolving fund of $500,000,000 to be at the disposal of the Federal Farm Board, and, out of this fund, $150,000,000 has already been appropriated. The total loans and commitments to farmers on January 14, 1930, amounted to $58,690,000. The rate of interest on loans to the cooperative associations is limited to 4 per cent per annum.

COTTON

To January 15, 1930, the Federal Farm Board had made loans to the American Cotton Cooperative Association amounting to $30,000,000. This association is farmer owned and farmer controlled. This new as-

sociation is handling over a million bales of cotton per year for its farmer members. This corporation has power to do anything that a commercial association or corporation may do in the handling, processing, or marketing of cotton and its products, and of cottonseed and its products.

RICE

Loans have been advanced to the American rice growers by the Federal Farm Board and to the Arkansas Rice Growers' Cooperative Association. The board is now endeavoring to coordinate the rice growers of California, Arkansas, Louisiana, and Texas into one central cooperative agency.

GRAIN

The Farmers' National Grain Corporation has been organized with a capital stock of $10,000,000. This was the first cooperative organization effected under the supervision of the Federal Farm Board. About 40 per cent of the grain that is harvested in the United States is handled by cooperative associations. There are 4,000 such grain cooperative associations in this country. The central office of the Farmers' National Grain Corporation is in Chicago, and the cooperative associations which wish the benefit of this organization will be required to affiliate with the National Corporation. The corporation will be able to handle 500,000,000 bushels of grain per annum.

The corporation is expected to reduce marketing cost, eliminate much waste in marketing, and exert a strong influence toward greater market price stabilization. It is endeavoring to expand its cooperative marketing activities, both domestic and foreign.

POULTRY AND EGGS

The cooperative associations dealing with poultry and eggs are being coordinated. The value of chickens and eggs in the United States is over $991,318,000. The plan is to subdivide the functions of the organization so that it may serve the industry in all its departments in all parts of the country.

DAIRY PRODUCTS

Another organization which is in the making relates to dairy products; fluid milk and cream, butter, cheese, and dairy by-products. It is stated that two-fifths of the milk used in our towns and cities and one-third of the butter and cheese which is manufactured in the United States are handled by cooperative associations. These associations are to be coordinated under the same general plan as heretofore outlined for the organization of poultry and eggs.

Similar organizations are being effected by fruits and vegetables and livestock and tobacco associations, respectively.

FARM BOARD AND GOVERNMENTAL AGENCIES

The Farm Board has adopted the policy of avoiding duplication of governmental agencies wherever possible. It is developing a plan for the interlocking of its work with all of the Federal and State governmental agencies, including the Federal Departments of Agriculture and Commerce, the Federal intermediate-credit banks, the Federal Farm Loan Board, the Federal Reserve Board, the State departments of agriculture, 4,000 vocational teachers, and 5,700 cooperative extension workers. The board believes that it will receive the full cooperation of the agencies and persons mentioned.

PROBLEMS OF THE FARM BOARD

The farm problem may be considered from the standpoint of production and overproduction and surpluses; the cost of transportation to the ultimate consumer; the farm credits and financing; and from the standpoint of warehousing, storage, and orderly marketing.

The phase of agriculture that is now being considered by the Federal Farm Board relates to overproduction and surpluses; and the policies which have been applied in mass production in our industries and in the marketing of their output is to be applied to agriculture with this difference: That the Government is to advance the money to the farm cooperative organizations at not more than 4 per cent per annum.

The next step is to reduce the cost of transportation through the development of the greatest interior waterway systems within any continent.

The domestic market is to be protected by an adequate tariff.

These great legal forces which are being set up and set in motion by the Federal Government are bound to affect favorably American agriculture in this country in all its branches.

LEGISLATION ENACTED TO AID THE FARMER

In addition to the foregoing, may I call attention anew to some of the other great acts in aid of agriculture which have been enacted since 1920, without commenting upon them:

1. The emergency tariff act of 1921.
2. The revival of the War Finance Corporation to assist livestock raisers, cotton producers, and others.
3. The establishment of the intermediate credit banks for agricultural purposes.
4. The Purnell Act for agricultural research, especially in the field of economic investigation.
5. The Capper-Volstead Cooperative Marketing Act.
6. The cooperating marketing act of 1926 (establishing a division of cooperative marketing in the Department of Agriculture).
7. The amendments facilitating the services under the Federal warehousing act.
8. The enlargement of the activities of the Department of Agriculture, such as the creation of the Bureaus of Dairying, Foreign Service, enlarged market news service, crop-reporting service, cotton services, etc.
9. The enlargement of the scope of loans by the Farm Loan Board.
10. The tariff on agricultural products, including special actions by the President under the flexible provisions of the tariff act.
11. The great Federal expenditure in the improvement of highways and waterways.
12. The acts for special relief in flood-stricken areas of the Southeast, the drought-stricken areas of the Northwest, the European cornborer control, and the Mediterranean fruit-fly control, etc.
13. The grain futures act regulating grain trading.
14. The packers and stockyards act regulating trade in livestock and its products, poultry products, etc.
15. The Hare Act preventing dumping and requiring proper accounting by commission men.
16. The Ketcham Act enlarging college extension work and boys and girls' club work in all States.
17. The act regulating imports of milk and cream by establishing rigid health standards in relation to same.
18. The act authorizing research to discover new uses for American-grown cotton and its by-products.

The foregoing measures indicate the character and scope of the steadily expanding services which the Federal Government is rendering to agriculture, and I think that they may be compared favorably with the attitude and the actions of any other government toward agriculture at the present or at any other time. The Federal Governmen will go as far in the aid of agriculture as sound economic principles will permit.

DEFICIENCY APPROPRIATIONS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to 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, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JONES. I move that the Senate insist upon its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. JONES, Mr. HALE, Mr. PHIPPS, Mr. OVERMAN, and Mr. GLASS conferees on the part of the Senate.

STATEMENT REGARDING COL. R. V. TAYLOR—CORRECTION

Mr. McKELLAR. Mr. President, on February 19, 1930, the Hugh Tate nomination for interstate commerce commissioner was being considered in the Senate, as shown by the CONGRESSIONAL RECORD of that date. In the course of the debate I said:

Mr. MCKELLAR. It was commonly understood in my part of the country that Judge Taylor, although claiming to be a Democrat, had failed to vote for the Democratic nominee for President three successive times.

A little later, as shown in the RECORD, I said:

Mr. MCKELLAR. It was commonly reported at the time that Mr. Taylor had not voted for Mr. Bryan under any circumstances.

Mr. President, I have received a letter from Colonel Taylor in which he states that the first quotation above set out was published generally in the newspapers, but that the second statement was not published, and that many got the idea that Colonel Taylor had not voted for the Democratic nominee in the last three presidential elections, and that this had caused him embarrassment and injury.

Colonel Taylor writes me that my information was incorrect—that he had voted for the Democratic nominee every time he had voted in his life; that he had not only voted for Mr. Bryan three times but also voted for Judge Parker, for Mr. Wilson, for Mr. Cox, for Mr. Davis, and for Governor Smith.

Therefore, I take great pleasure in saying that I had been misinformed about Colonel Taylor's failure to vote for Mr. Bryan, and I regret that both statements in the RECORD had not been published by the newspapers. I make this statement for the purpose of setting Colonel Taylor right in the RECORD.

Col. R. V. Taylor, of Point Clear, Ala., and former interstate commerce commissioner, is a gentleman of high character and standing, and I regret putting into the RECORD the misinformation that he had three times voted against Mr. Bryan. I regret

also that the newspapers did not quote the entire statement which I did make.

In addition, Mr. President, let me say that Colonel Taylor's friends here, including the Senators from Alabama, Mr. HEFLIN and Mr. BLACK, tell me he is a lifelong Democrat and outspoken in his allegiance to the principles, policies, and candidates of his party at all times.

I take pleasure in making this statement for the RECORD.

TARIFF LEGISLATION

Mr. FLETCHER. Mr. President, I ask to have inserted in the RECORD an editorial from the Minneapolis (Minn.) Tribune of the 12th instant entitled "Time for the Senate to Wake Up."

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

TIME FOR THE SENATE TO WAKE UP

The tariff prospects of the agricultural Northwest looked very bright a few days ago, but some disturbing clouds have appeared on the horizon. The upward revision of the agricultural rates still seems assured, but the danger that this upward agricultural revision may be at once matched and neutralized by a similar and upward nonagricultural revision has with very little warning suddenly become acute.

The Republican Party solemnly pledged itself to revise the tariff in such a fashion as to give agriculture equality with industry. It is recognized that complete equality with industry is not to be obtained through tariff revision, but the obligation none the less rests on the Republican Party to do everything that legislation can do to redress the balance. The best practical chance for realization of this goal has seemed to lie in the program of holding the nonagricultural rates static while tilting the agricultural rates upward. That has been the program which until recently the Senate has been following.

In the agricultural rates as they stand to-day there are undoubted benefits to agriculture. But what will be said if last-minute harmful nonagricultural increases undo the good of the helpful agricultural increases? What will be said if the farmer's losses as a consumer equal his gains as a producer? Where can the Republican Party show that it has corrected a disparity if it adds an equal sum to each side of the equation?

The reception accorded the original Hawley bill should have taught the Republican Party that agriculture is not going to be taken in by a bill which imposes added costs with one hand and distributes benefits with the other. The idea that agriculture can be fooled is nonsensical. The Republican Party is going to have troubles enough during the next few months without committing the crowning folly of alienating the good will of agriculture. The Senators may have been discussing the tariff for so many months that they have lost their sense of perspective; but even if the will to discharge an obligation is weak, political instinct should awaken them to the peril of a last-minute change of front. To throw away, at the last minute, a bill which gave promise of fulfilling in some decent measure the party pledges, and of satisfying, within limits, agriculture's sense of fair play, would be an act of outright madness. These wavering and bargaining Senators should come to their senses quickly.

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.

Mr. SMOOT. Mr. President, I hope now that we may have a vote. An hour and a half is gone, and I ask the Senate now to pay attention to the tariff bill.

The PRESIDING OFFICER (Mr. COUZENS in the chair). The question is on the motion of the Senator from Connecticut [Mr. BINGHAM] to reconsider the vote on wrapper tobacco.

Mr. BINGHAM and Mr. GEORGE called for the yeas and nays.

Mr. TRAMMELL. Mr. President, I merely desire to express the hope that the action taken in Committee of the Whole will not be reconsidered. I think, everything considered, that it is better to leave the matter standing just as it is, and if any further consideration has to be had, let the matter come up before the conference committee.

The PRESIDING OFFICER. A negative vote will accomplish that. Is there a second to the demand for the yeas and nays?

The yeas and nays were ordered.

Mr. WALSH of Montana. Mr. President, I am quite unable to understand how the motion to reconsider it before the Senate.

The PRESIDING OFFICER. The motion was made by the Senator from Connecticut [Mr. BINGHAM].

Mr. WALSH of Montana. To reconsider what? We can scarcely reconsider in the Senate, can we, a vote taken in Committee of the Whole?

The PRESIDING OFFICER. The Senator from Connecticut is within the rules, because the vote was taken only two days ago in the Senate, not in the Committee of the Whole. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. GLENN (when his name was called). On this matter I have a special pair with the junior Senator from Arkansas [Mr. CARAWAY]. Accordingly, I refrain from voting.

Mr. OVERMAN (when his name was called). Announcing my general pair with the senior Senator from Illinois [Mr. DENEEN], I observe from the RECORD that he voted as I am about to vote. Therefore I am free to vote. I vote "nay."

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

Mr. SULLIVAN (when his name was called). I am paired with the Senator from Tennessee [Mr. BROCK]. I transfer that pair to the Senator from Connecticut [Mr. WALCOTT] and will vote. I vote "yea."

Mr. WATSON (when his name was called). I am unable to secure a transfer of my pair with the Senator from South Carolina [Mr. SMITH]. I therefore refrain from voting.

Mr. WALSH of Montana (when Mr. WHEELER's name was called). My colleague [Mr. WHEELER] is necessarily absent. He is paired with the Senator from Illinois [Mr. DENEEN].

The roll call was concluded.

Mr. ROBINSON of Indiana (after having voted in the negative). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. I understand that on this question he would vote as I have voted. Therefore I will allow my vote to stand.

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

The Senator from Oregon [Mr. MCNARY] with the Senator from Mississippi [Mr. HARRISON]; and

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

Mr. SHEPPARD. I desire to announce that the Senator from Mississippi [Mr. STEPHENS], the Senator from Nevada [Mr. PITTMAN], and the Senator from Mississippi [Mr. HARRISON] are detained from the Senate on official business.

The result was announced—yeas 27, nays 43, as follows:

YEAS—27

Baird	Goldsborough	Kean	Steiwer
Bingham	Grundy	Metcalf	Sullivan
Borah	Hale	Oddie	Thomas, Idaho
Brookhart	Harris	Patterson	Thomas, Okla.
Cutting	Hayden	Phipps	Townsend
Dale	Hebert	Pine	Waterman
George	Jones	Ransdell	

NAYS—43

Allen	Fess	La Follette	Sheppard
Barkley	Fletcher	McCulloch	Simmons
Black	Frazier	McKellar	Smoot
Blaine	Glass	McMaster	Swanson
Blease	Goff	Moses	Trammell
Bratton	Greene	Norris	Tydings
Capper	Hatfield	Nye	Vandenberg
Connally	Hawes	Overman	Wagner
Copeland	Heflin	Robinson, Ind.	Walsh, Mass.
Couzens	Howell	Robsion, Ky.	Walsh, Mont.
Dill	Johnson	Schall	

NOT VOTING—26

Ashurst	Gould	Norbeck	Steck
Brock	Harrison	Pittman	Stephens
Broussard	Hastings	Reed	Walcott
Caraway	Kendrick	Robinson, Ark.	Watson
Deneen	Keyes	Shipstead	Wheeler
Gillett	King	Shortridge	
Glenn	McNary	Smith	

So the Senate refused to reconsider the vote fixing the rate on wrapper tobacco.

Mr. WATSON. Mr. President, I offer the mica amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. The Senator from Indiana offers the following amendment: Strike out paragraph 208, as amended, and in lieu thereof insert the following:

PAR. 208. (a) Mica, unmanufactured; valued at not above 15 cents per pound, 4 cents per pound; valued at above 15 cents per pound, 4 cents per pound and 25 per cent ad valorem.

(b) Mica, cut or stamped to dimensions, shape, or form, 40 per cent ad valorem.

(c) Mica films and splittings, not cut or stamped to dimensions: Not above 0.0012 of an inch in thickness, 25 per cent ad valorem; over 0.0012 of an inch in thickness, 40 per cent ad valorem.

(d) Mica films and splittings cut or stamped to dimensions, 45 per cent ad valorem.

(e) Mica plates and built-up mica, and all manufactures of mica, or of which mica is the component material of chief value, by whatever

name known, and to whatever use applied, and whether or not named, described, or provided for in any other paragraph of this act, 40 per cent ad valorem.

(f) Untrimmed phlogopite mica from which rectangular pieces not exceeding in size 1 inch by 2 inches may be cut, 15 per cent ad valorem.

(g) Mica waste and scrap, valued at not more than 5 cents per pound, 25 per cent ad valorem; mica waste and scrap valued at more than 5 cents per pound shall be classified as mica, unmanufactured.

(h) Mica, ground or pulverized, 20 per cent ad valorem.

Mr. FESS and Mr. SMOOT addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. FESS. Mr. President, I am going to submit a request for unanimous consent.

Mr. SMOOT. Just a moment. I am perfectly willing to accept that amendment, but I want to say frankly to the Senate that as a conferee I am not going to stand by the last rates named in this amendment. The other conferees may, but I can not. But it has been discussed time and time again, so let us agree to it and then let it go to conference.

The PRESIDING OFFICER (Mr. COUZENS). The Chair as a Senator desires to enter an objection to accepting that amendment. The rates are unreasonable and exorbitant.

Mr. SMOOT. I will accept the amendment and let it go to conference.

Mr. FESS. Mr. President, I want to make a request for unanimous consent.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. FESS. I ask unanimous consent that in the debate upon this amendment each Senator be limited to five minutes.

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

Mr. LA FOLLETTE obtained the floor.

Mr. SIMMONS and Mr. WALSH of Massachusetts addressed the Chair.

The VICE PRESIDENT. The Senator from Wisconsin was recognized. Does he yield to the Senator from North Carolina?

Mr. SIMMONS. Mr. President, I want to speak on this amendment. If the Senator wants to limit debate to 10 minutes, I shall not object to that.

Mr. LA FOLLETTE. I understand that the Senator from North Carolina desires to object to the unanimous-consent agreement that was entered into.

Mr. SIMMONS. I would rather have the limitation made 10 minutes.

Mr. FESS. Mr. President, will the Senator from Wisconsin yield to me?

Mr. LA FOLLETTE. I yield.

Mr. FESS. I change the request and ask that no Senator may speak longer than 10 minutes, or more than once on the amendment.

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

Mr. LA FOLLETTE. Mr. President, the chairman of the Committee on Finance has just made the statement that he would accept this amendment in so far as he can do so individually, and take it to conference, although he was opposed to some of the rates contained in it. It seems to me that before this action is taken there should be an explanation of what is accomplished by the amendment. In other words, I would like to know what the amendment does in so far as the classifications are concerned as compared with the existing law, and also I would like to be informed as to what increases or decreases this amendment provides in so far as the existing law upon the commodities covered by this paragraph is concerned.

I think the Senate is entitled to that information before any action is taken accepting an amendment covering an entire paragraph.

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

Mr. LA FOLLETTE. I yield to the Senator from Michigan. I will yield to any Senator who will give us any information.

Mr. COUZENS. I have not the information as to the necessity for the rates, but when the matter was up before I pointed out that there were 100 per cent increases in some of the items or specifications in the amendment. It certainly needs to be discussed.

Mr. SMOOT. Mr. President, I refer to mica waste and scrap, appearing on page 2 of the amendment, and valued at more than 5 cents a pound, to be dutiable at 25 per cent ad valorem. There is no justification for that, in my opinion.

Mr. COUZENS. Mr. President, will the Senator from Wisconsin yield further?

Mr. LA FOLLETTE. I yield.

Mr. COUZENS. I desire to point out that that is not the only rate that is unjustified. But when the Senator says he will accept the amendment and let it go to conference I would like to know what his intentions are, whether he is going to fight in conference to have these rates adopted or whether he is going to submit to lower rates.

Mr. SMOOT. I am going to insist upon the lower rates. I made the statement because I did not want any misunderstanding as to my attitude when it went to conference.

Mr. COUZENS. The Senator does not represent the Senate in conference when he disagrees with an amendment adopted by the Senate.

Mr. SMOOT. I have given the notice now to that effect.

I would like to get along with the bill. We have been in session this morning nearly two hours and have not done a single thing on the bill, and I believe we ought now to confine ourselves to these amendments and get the amendments the best we can and get the bill to conference.

Mr. LA FOLLETTE. Mr. President, I am as anxious as is the Senator from Utah to make progress with the bill, but I do not think we are making progress with the bill if we accept these amendments without knowing what changes they make in existing law.

I have a table in my hand. I would like to read it, so that Senators may know exactly what this amendment does. The table is furnished me by one of the experts from the Tariff Commission.

Unmanufactured mica under the act of 1922 was dutiable at 4 cents per pound. The House of Representatives continued the duty at 4 cents per pound. The Senate Finance Committee reported it at 4 cents per pound, and the pending amendment maintains the duty at 4 cents per pound. This refers to unmanufactured mica valued at not over 15 cents per pound.

On unmanufactured mica valued at over 15 cents per pound the act of 1922 provided a duty of 25 per cent ad valorem, the House of Representatives gave an increase of 2 cents per pound plus 25 per cent ad valorem, the Senate Finance Committee reported 2 cents per pound plus 25 per cent ad valorem, and the proposed amendment increases that bracket from 2 cents per pound to 4 cents per pound plus 25 per cent ad valorem. In other words, a compound duty is provided, and as compared with the act of 1922 there is a specific duty of 4 cents per pound added to the 25 per cent ad valorem which is carried in the present law.

On cut or trimmed, dimensioned mica, the rate under the act of 1922 was 30 per cent ad valorem. The House of Representatives fixed the rate at 30 per cent ad valorem, the Senate Finance Committee recommended 35 per cent ad valorem, the pending amendment steps that up to 40 per cent ad valorem, or an increase of 10 per cent ad valorem over the existing law.

Films and splittings, uncut, not over 0.0012 of an inch thick, under the act of 1922 carried a rate of 30 per cent ad valorem; the House of Representatives made the rate 30 per cent ad valorem, the Senate Finance Committee made the rate 25 per cent ad valorem, and the proposed amendment fixes the rate at 25 per cent ad valorem, or a reduction of 5 per cent ad valorem under the rate in existing law.

On such mica over 0.0012 of an inch thick the rate in the 1922 act was 30 per cent ad valorem, the House of Representatives made the rate 30 per cent ad valorem, the Senate Finance Committee lowered the rate to 25 per cent ad valorem, in the proposed amendment the rate is raised to 40 per cent ad valorem, which is 10 per cent higher than the rate in existing law.

I would like to know why there should be a reduction of 5 per cent ad valorem under the rate in existing law on films or splittings not over 0.0012 of an inch thick, and why there should be a 10 per cent increase in the ad valorem rate on films or splittings over 0.0012 of an inch.

Mr. SMOOT. I will tell the Senator.

Mr. LA FOLLETTE. Just a moment. I would like to get my questions in. I will not have time to argue the matter, but I would like to ask some questions about it.

On films and splittings dimensioned, under the act of 1922 the rate was 40 per cent ad valorem, in the House of Representatives it was left the same, and in the Finance Committee the rate was made the same, but the proposed amendment increases the rate 5 per cent ad valorem.

On plates built up and manufactured, the rate is 40 per cent ad valorem in the act of 1922, the same in the bill as it passed the House, the same recommendation was made by the Senate Finance Committee, and the same rate is carried in the proposed amendment.

The VICE PRESIDENT. The Senator has three minutes left.

Mr. LA FOLLETTE. On phlogopite, untrimmed, the rate in the act of 1922 was 10 per cent, in the House of Representatives 20 per cent, in the Senate Finance Committee 5 per cent, in the proposed amendment 15 per cent, or an increase of 5 per cent over the rate in existing law and 10 per cent over the recommendation of the Finance Committee.

On waste valued at not over 5 cents per pound, the act of 1922 made the rate 10 per cent ad valorem, the House of Representatives made it 20 per cent, the Finance Committee recommended 5 per cent, and the pending amendment proposes 25 per cent, or a 15 per cent increase over the rate in existing law and a 20 per cent increase over the recommendation of the Finance Committee.

On such material valued at over 5 cents per pound, the rate was 10 per cent ad valorem in the act of 1922, in the bill as it passed the House 20 per cent, the Senate Finance Committee recommended 5 per cent, and the proposed amendment imposes a specific duty of 4 cents a pound, equivalent to 35 per cent ad valorem.

In other words, in ad valorem equivalents, the proposed amendment recommends a 23 per cent increase over the existing law.

On ground mica the act of 1922 imposed a rate of 20 per cent ad valorem, the House of Representatives fixed the rate at 20 per cent ad valorem, the Finance Committee recommended a reduction to 5 per cent ad valorem, and the proposed amendment restores the duty to 20 per cent ad valorem.

Mr. President, it does seem to me that with a complicated amendment of this kind, with all of these changes, which to the casual reader do not seem to be consistent, there should be an explanation before the Senate takes action upon the amendment.

Mr. SIMMONS. Mr. President, I discussed this matter a few days ago when we had it up, and I do not like to have to go over it again.

The Senator complains about the increase in the rate on certain raw materials of mica. He has very little to say about the decreased duties upon the raw materials. He refers to ground mica, which was made dutiable in the bill as it passed the House at 20 per cent and by the Senate Finance Committee reduced to 5 cents a pound. He refers to that as one of the excessive increases. The present rate and the rate of the 1909 act was also 20 per cent.

The truth is, the reduction made by the Senate committee from the bill as it passed the House was an excessive reduction. The Senate committee reduced the rate 75 per cent from that proposed by the House, and the proposition in this amendment is simply to restore the House rate.

Now, with reference to unmanufactured mica, the Senator from Wisconsin makes objection to the fact that the House and the Senate Finance Committee rate on unmanufactured mica selling at more than 15 cents a pound, being 2 cents a pound and 25 per cent ad valorem, was raised to 4 cents a pound plus 25 per cent ad valorem. The amount of the specific duty upon mica is of very little consequence, because the mica averages about 60 cents a pound and some a dollar a pound, and as it goes up in value or price, of course, the benefit of the specific rate disappears to a large extent. That rate was raised to 4 cents. Why? Because the statistics show that the importations of mica unmanufactured valued at above 15 cents a pound during the last three years amounted to over $1,751,000, while the total production in the United States of all mica was $1,343,000. In other words, the importation of this grade of mica into the United States was over one and one-fourth times the actual production in this country of all mica. Under these circumstances it was supposed that that grade of mica was entitled to an increase in tariff duty.

Again, Mr. President, it is contended that there is an increase in the rates on splittings. The duties on splittings are increased. Due to the wonderful development in the use of films, the use of mica films has increased, and they demand a new classification. The grade of splittings that now compete with the American industry was increased. The 1913 act, the 1922 act, and the House bill carried a duty of 30 per cent. This grade exceeds 0.0012 of an inch in thickness. Because our imports were largest in this grade, the rate was made 40 per cent. The grade that needed less protection was reduced to 25 per cent. My only interest——

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

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

Mr. SIMMONS. If the Senator will pardon me, I have only 10 minutes.

Mr. KEAN. Very well.

Mr. SIMMONS. My only interest in the matter is to secure for the producers of the raw material of mica in this country a duty which is commensurate with the duty which has been imposed in the bill upon the finished product.

The trouble with the amendment adopted as in Committee of the Whole is that it imposed very high rates of duty upon the finished product as compared to the rates imposed upon the raw product. I announced at the time the amendment was before us that I had discovered, after consultation with experts of the Treasury and the Tariff Commission, that the paragraph was unbalanced and that I thought the whole paragraph ought to be written not with a view to raising the duties on the manufactured products, because they were already high enough as a rule, but rewritten for the purpose of imposing a higher duty upon the raw material, much of which is produced in my State, North Carolina being one of the largest mica-producing States in the Union.

My information is that nearly every mine in North Carolina is to-day closed down. We now produce chiefly the cheaper class of mica. We produce what is known as splittings, which is nothing more than the result of tearing the different films apart. They produce largely what is known as scrap mica. Every one of these raw materials in the bill is subject to very active foreign competition, every one of them is carried in the bill at an extremely low rate, and mica mines in this country which produce this class of mica are, according to my information, not about to shut down, but are already shut down, because while the manufacturers of mica in this country have enjoyed a high rate of protection the producers of the raw material, who own the soil in which God placed the mica, and who dig that product out of the soil, many of these mines being owned by farmers, have been neglected in tariff making upon this question. My interest is solely the interest of the landowner, the farm owner, the mine owner, and the men who work in the mines, to see that the raw material is treated upon a parity with the manufactured product—that and that only.

Large amounts of mica are imported, not under the mica schedule but under the waste provision in the general tariff. This so-called waste could be used to some extent in producing splittings. Instead of being classed as an unenumerated waste it is here placed in the mica schedule so that if it is really mica waste it pays less than 1 cent a pound, while if it is too valuable to be waste it pays duty as unmanufactured mica.

Mr. WATSON. Mr. President, white mica, so called, is produced abroad, largely in Madagascar and India, and is split by the very cheap labor of those two countries and sent to this country in competition with mica produced in North Carolina and in the State of my friend the Senator from New Hampshire [Mr. KEYES]. The Tariff Commission can give really no definite figures of the cost of production in either Madagascar or India, because they have not been able to find it definitely, but we all know that in those two countries labor is very cheap. We all know these products are coming into the United States from those countries and that the mines in North Carolina and New Hampshire are closed down because of that competition. As to whether or not the figures are exactly right, I do not know, and I do not pretend to know.

There is another mica that comes here in crude form, nearly altogether from Canada. That is an amber mica. It is split by machinery, and the machinery is set up in my State at Valparaiso, Ind. That product is called phlogopite. Personally the one section of the bill in which I was interested had to do with phlogopite untrimmed, and there is a provision for a rate of 15 per cent ad valorem. That is not in competition with the white mica produced in the other States, and in order that I might get this rate, if I could, in the bill for the protection of my people, I had to consult with the Senator from North Carolina [Mr. SIMMONS] about the mica produced in his State and also with the Senator from New Hampshire [Mr. KEYES]. The Tariff Commission then said that the whole thing ought to be rewritten for the purpose of clarification, that it is not now susceptible of proper administration because of the language of the paragraphs. Therefore, they rewrote the paragraphs.

Mr. SIMMONS. Mr. President, may I say to the Senator that the experts at our instigation proceeded to try to balance the rates, and they found that the increases on the raw material were necessary to balance the paragraph.

Mr. WATSON. That is true. At all events they rewrote the provision for clarification purposes. The rates relating to white mica were then suggested by the Senator from North Carolina, with which I had nothing to do. The rates on phlogopite were the rates suggested by my manufacturing friends in my State. Of course, that is a reduction on what they are getting, because at present what they get comes in

at 25 per cent, and the amendment provides for a lower rate, so that so far as amber mica is concerned it is a reduction and not an increase, and if all that is desired is a reduction regardless of anything else, then those who desire it get what they want so far as that particular phase of the paragraph is concerned.

Mr. SIMMONS. Mr. President, may I say to the Senator that the producers of mica were here demanding rates on the raw material three or four times higher than those written in the bill, but the experts were told to figure it out with a view to finding out what rates on the raw material would be commensurate with the rates on the finished product.

Mr. WATSON. Yes; that is true.

Mr. SMOOT. Mr. President, in just a few words I want to state what the changes really are in ad valorem duties, translating the specific duties into equivalent ad valorem duties upon each of the paragraphs.

The unmanufactured mica, valued at not over 15 cents a pound, has the same rate to-day, 4 cents a pound, but valued over 15 cents a pound the equivalent ad valorem is 31 per cent as against 25 per cent. Of course, that is a high-grade material.

The next is cut or trimmed mica, which all comes from India. The present rate is 30 per cent and that has been increased to 40 per cent.

Films or splittings, uncut, not over twelve ten-thousandths of an inch thick, carry a present rate of 30 per cent and the proposed rate is 25 per cent.

That is made in India, is not made in this country, and therefore there is a 5 per cent decrease from the present rate. Over 0.0012 of an inch thick—the present law is 30 per cent—and the rate has been raised by the amendment to 40 per cent. Of course those are all made from the finer articles to which I have just referred.

The plates and built-up mica, manufactured, are unchanged in rate. They carry 40 per cent clear through.

Phlogopite, untrimmed, is increased from 10 per cent to 15 per cent. I will state, however, that that is in litigation at the present time, and of course I do not know what the decision of the court will be.

On the waste, from either the mine or the manufacturing of the present product, the rate has been increased from 10 per cent to 25 per cent. Mr. President, I say there is no justification for that increase. That is the one to which I referred in my opening statement when I said that I certainly would not agree to it in conference if I could help it. That is on the waste, where the rate has been increased from 10 per cent to 25 per cent.

Mr. President, the other item covers mica valued at over 5 cents per pound, the rate on which was 10 per cent. The rate now proposed is 4 cents per pound, which is equivalent to 33 per cent; in other words, it is an increase from 10 per cent to 33 per cent. Those are the two items, I will say to the Senator from North Carolina, to which I said I could not agree, and I would not agree to them in conference, if I could prevent it. That is the picture as it is.

Mr. KEAN obtained the floor.

Mr. SIMMONS. Mr. President——

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

Mr. KEAN. I yield.

Mr. SIMMONS. I desire to interrupt the Senator from Utah. I simply want to put in the RECORD a statement that the production in the United States of mica built up, manufactures of mica, known as waste and scrap, was 6,280,000 pounds in 1927, and the importations were about 8,000,000 pounds.

Mr. SMOOT. Yes.

The VICE PRESIDENT. The Senator from New Jersey has the floor.

Mr. KEAN. I yield.

Mr. SMOOT. But the rate proposed is an increase of 250 per cent.

Mr. SIMMONS. It is the same increase as that made by the House bill.

Mr. SMOOT. No; the provision in the House bill was 20 per cent.

Mr. SIMMONS. On scrap.

Mr. SMOOT. Yes; the rate in the House bill was 20 per cent, which was an increase of 100 per cent.

Mr. SIMMONS. That particular item was never dutiable as mica; it is known as waste; but the situation with reference to the scrap mica is that there is a domestic production of 6,000,000 pounds and importations of 8,000,000 pounds which come from the country of the cheapest labor in the world.

Mr. KEAN. Mr. President, if mica were found in the United States as it is in India or Madagascar, I would be in favor of an increased duty, but God Almighty has not placed the deposits of mica in America in such quantities that mica can be obtained in sheets such as are necessary for electrical purposes and for many other uses.

I think an increase in the duty would be a mistake, because in New Hampshire, north of Lake Superior, and in the State of the distinguished Senator from North Carolina it is found only in comparatively small sheets. In India mica is found in sheets as large as the top of one of these desks, whereas in this country a sheet of mica large as this piece of paper [indicating] is considered to be a large piece.

Under those circumstances it does not seem to me that it would be in the interest of the manufacturers or in the interest of the people of the United States to increase the rate of duty on mica.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Indiana. [Putting the question.] By the sound the noes have it, and the amendment to the amendment is rejected.

Mr. WATSON. Now, Mr. President, I wish to offer the amendment which I send to the desk, being a part of the previous amendment.

The VICE PRESIDENT. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. SIMMONS. Mr. President, there has been a misunderstanding about the vote which was taken a moment ago. I did not know the vote was being taken.

The VICE PRESIDENT. Is there objection to reconsidering the vote referred to by the Senator from North Carolina? The Chair hears none.

Mr. SIMMONS. Was the vote just had on the amendment offered by the Senator from Indiana?

The VICE PRESIDENT. It was.

Mr. SIMMONS. I desire a yea-and-nay vote upon that amendment.

The VICE PRESIDENT. The vote whereby the amendment was rejected has been reconsidered, and the question now is upon agreeing to the amendment offered by the Senator from Indiana.

Mr. SIMMONS. The amendment of the Senator from Indiana was one amendment, was it not, I will ask the Senator from Indiana?

Mr. WATSON. I will say, with the consent of the Chair, that it was all one amendment, but when the Chair declared our amendment defeated—and I say "our amendment" because we were both interested in it—I offered the one in which I was interested as a separate proposition.

Mr. SIMMONS. I ask for a yea-and-nay vote upon the original amendment of the Senator from Indiana, and I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator desire a reconsideration of the former vote, so that he may request the yeas and nays on the original amendment, or does he merely want the yea-and-nay vote on the amendment now proposed by the Senator from Indiana?

Mr. SIMMONS. I want a reconsideration of the vote had a few moments ago, and a yea-and-nay vote on the adoption of the original amendment.

The VICE PRESIDENT. The vote has been reconsidered. The Senator from North Carolina suggests the absence of a quorum, and the Secretary will call the roll.

The legislative 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	Sullivan
Black	Goldsborough	McNary	Swanson
Blaine	Greene	Metcalf	Thomas, Idaho
Blease	Grundy	Moses	Thomas, Okla.
Borah	Hale	Norbeck	Townsend
Bratton	Harris	Norris	Trammell
Brookhart	Harrison	Nye	Tydings
Capper	Hastings	Oddie	Vandenberg
Connally	Hatfield	Overman	Walsh, Mass.
Copeland	Hawes	Patterson	Walsh, Mont.
Couzens	Hayden	Phipps	Waterman
Cutting	Hebert	Pittman	Watson
Dale	Heflin	Robinson, Ind.	Wheeler
Dill	Johnson	Robsion, Ky.	
Fess	Jones	Schall	
Fletcher	Kean	Sheppard	

The VICE PRESIDENT. Seventy-seven Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment proposed by the Senator from Indiana [Mr. WATSON] as a substitute for the paragraph adopted as in Committee of the Whole. The Senator from North Carolina has demanded the yeas and nays. Is the demand seconded?

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

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

Mr. SIMMONS (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. GILLETT]. I transfer that pair to the senior Senator from Virginia [Mr. SWANSON] and will vote. I vote "yea."

Mr. SULLIVAN (when his name was called). I am paired with the junior Senator from Tennessee [Mr. BROCK]. If I were at liberty to vote, I should 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 Connecticut [Mr. WALCOTT] and will vote. I vote "yea."

The roll call was concluded.

Mr. ROBINSON of Indiana (after having voted in the affirmative). I note the absence of the junior Senator from Mississippi [Mr. STEPHENS], with whom I have a general pair. I transfer that pair to the junior Senator from California [Mr. SHORTRIDGE] and will permit my vote to stand.

Mr. GLENN. Has the junior Senator from Arkansas [Mr. CARAWAY] voted?

The VICE PRESIDENT. He has not.

Mr. GLENN. I have a special pair with the junior Senator from Arkansas, and accordingly refrain from voting.

Mr. BINGHAM (after having voted in the affirmative). Has the junior Senator from Virginia [Mr. GLASS] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. BINGHAM. I have a nontransferable pair with the junior Senator from Virginia, and therefore withdraw my vote.

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]; and

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

The result was announced—yeas 36, nays 32, as follows:

YEAS—36

Allen	Greene	Jones	Robsion, Ky.
Ashurst	Grundy	Keyes	Simmons
Baird	Hale	McMaster	Steiwer
Bratton	Hastings	McNary	Thomas, Idaho
Brookhart	Hatfield	Moses	Townsend
Cutting	Hawes	Oddie	Trammell
Dale	Hayden	Phipps	Walsh, Mass.
Fletcher	Hebert	Pittman	Waterman
Goff	Heflin	Robinson, Ind.	Watson

NAYS—32

Barkley	Couzens	La Follette	Sheppard
Black	Dill	McCulloch	Smoot
Blaine	Fess	McKellar	Steck
Blease	Frazier	Metcalf	Thomas, Okla.
Borah	Goldsborough	Norris	Tydings
Capper	Harris	Nye	Vandenberg
Connally	Harrison	Patterson	Walsh, Mont.
Copeland	Kean	Schall	Wheeler

NOT VOTING—28

Bingham	Glass	Norbeck	Shortridge
Brock	Glenn	Overman	Smith
Broussard	Gould	Pine	Stephens
Caraway	Howell	Ransdell	Sullivan
Deneen	Johnson	Reed	Swanson
George	Kendrick	Robinson, Ark.	Wagner
Gillett	King	Shipstead	Walcott

So Mr. WATSON's amendment was agreed to.

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

The LEGISLATIVE CLERK. Maple sugar and sirup, paragraph 503, page 122.

Mr. HARRISON obtained the floor.

Mr. FESS. Mr. President——

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

Mr. HARRISON. I yield to the Senator. I desire to offer an amendment; that is all.

Mr. FESS. I submit a unanimous-consent request that the debate on this paragraph be limited to not more than 10 minutes to each Senator, and not more than one speech to each Senator.

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

Mr. HARRISON. Mr. President, I move that in paragraph 503, page 122, line 6, the 9 cents a pound be made 6 cents a pound, and that on line 7 the 6 cents a pound be made 4 cents a pound.

Mr. SMOOT. I think we have already agreed that the rates should be 8 cents in line 6 and 5½ cents in line 7.

Mr. HARRISON. I think that is what was done as in Committee of the Whole. There was some change made in it.

Mr. SMOOT. Yes; I think that is correct.

Mr. HARRISON. Be that as it may, whatever the figures were, I desire to make them on maple sugar 6 cents and on maple sirup 4 cents.

Now, Mr. President, if I may have the attention of the Senate, when this matter was discussed in Committee of the Whole and the action of the Committee of the Whole was taken, it was on the theory that Canada, from which maple sirup and maple sugar come, had imposed a bounty payable to the producers of maple sugar and maple sirup in that country. I should like to have the attention of the chairman of the committee, and I want to ask him now, in the beginning of the discussion, because I do not want to take up any unnecessary time, if that was not a fact?

Mr. SMOOT. My attention was called away. Will the Senator please repeat his question?

Mr. HARRISON. I said that the action of the Committee of the Whole in increasing from the present figure the rate on maple sugar and maple sirup was taken because it was represented to the Committee of the Whole that Canada had given a bounty on maple sugar and maple sirup.

Mr. SMOOT. That is the statement that was made, Mr. President.

Mr. HARRISON. And upon that statement the Committee of the Whole acted.

Mr. President, the present duty on maple sirup and maple sugar is 4 cents. I have moved to make it on maple sugar 6 cents. I have given an increase of 2 cents a pound on maple sugar, and on maple sirup I propose that it shall remain as it is. I do that because, on an investigation by the Tariff Commission, they found that as to maple sugar the difference in the cost of production here and abroad was 5½ cents a pound. My amendment carries half a cent more than the Tariff Commission recommended. They found, as to maple sirup, that the difference in the cost of production was 3½ cents. I have given half a cent more than that.

When this matter was before the Senate as in Committee of the Whole, the chairman of the committee [Mr. SMOOT] made this statement:

> If it had not been for a bounty, the committee would not have recommended the rate in the bill.

And so, running throughout, that statement was made.

Mr. SMOOT. Mr. President, will the Senator yield so that I can answer?—because we are limited in time.

Mr. HARRISON. Yes; I yield.

Mr. SMOOT. There is a bounty now, Mr. President.

Mr. HARRISON. There is no bounty in Canada on maple sugar and maple sirup.

Mr. SMOOT. Not a direct bounty, but what amounts to a bounty.

Mr. HARRISON. I hope the Senator will not confuse the issue.

Mr. SMOOT. I am not going to confuse it.

Mr. HARRISON. I am going to read and submit here some letters from the governments of the Provinces of Canada; and the Senator from Utah also has in his possession a letter which I hope he will read to the Senate which says that there is no bounty.

If there were a bounty up there, I would not fight a reasonable increase; but I submit, in view of the situation, that there is no justification in the world for rates over 4 and 6 cents a pound; and 6 cents on maple sugar is 2 cents more than the present law. Indeed, in the Underwood law it was 3 cents on each. There is one interest that dominates the market, both in Canada and here—the Cary sugar interest.

Here is a letter from the department of agriculture, Ottawa, Canada:

> DEPARTMENT OF AGRICULTURE,
> *Ottawa, January 22, 1930.*
>
> The JOHN G. PATON CO. (INC.),
> *230 Park Avenue, New York City.*
>
> GENTLEMEN: Replying to your inquiry as to whether or not this department has done anything in the way of bounties or assistance to the maple-sugar industry in Canada, I beg to advise you that the Federal Government has absolutely no appropriation for such a purpose and has never made any contribution toward the assistance of this industry, nor does it anticipate doing so. I may say that the Canadian minister at Washington has been advised to this effect.
>
> I may say further that I know that no bounty on maple sugar has been paid by either of the Provinces of Ontario or Quebec, and since

about 98 per cent of all the maple sugar produced in Canada comes from these two Provinces, it is quite safe to say that absolutely no bonus of any kind is paid by any government in Canada to this industry.

Yours very truly,

J. H. GRISDALE, *Deputy Minister.*

Here is one from the department of agriculture of Quebec:

DEPARTMENT OF AGRICULTURE, PROVINCE OF QUEBEC,
OFFICE OF THE MINISTER,
Quebec, January 21, 1930.

JOHN G. PATON & CO.,
230 Park Avenue, New York City.

GENTLEMEN: At your request and referring to the statement made in the United States Senate on Friday, January 17, that the Canadian Government or the Province of Quebec government are paying a bounty to Canadian producers of maple products of about 4½ cents per pound, I beg to inform you that the government of this Province, of which the production of maple products represents approximately 75 per cent of the total value for Canada, has never paid and does not pay any bounty to its producers of maple products.

Furthermore, you may state that we have no intention of paying any bounty to these producers at any time, now or in the future.

Yours truly,

J. L. HERRON, *Minister of Agriculture.*

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

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

Mr. HARRISON. I yield to the Senator.

Mr. DALE. I do not want to take the time of the Senator; but while those letters both say that they have not paid a bounty, the question simply turns on the meaning of the word "bounty." They do not deny that they have done what is substantially the same thing as paying a bounty.

Mr. HARRISON. They have done this up there in one of the Provinces, just as we have done in this country. We have appropriated money to farm bureaus in this country in order to help them. One case in Canada will be cited where $10,000, or some amount, was appropriated by the Government to help in the erection of a refinery somewhere. We cooperate all over this country in experimental work in this industry and that industry; but that is not any bounty at all.

I submit that the whole testimony and all the facts show that there is no bounty paid, and it seems to me that it ought not to be represented to the Senate that there is a bounty paid to those people at all, and that the amendments I have offered giving a differential on maple sugar and maple sirup of 2 cents should be agreed to. Such a differential has never been granted before in any tariff bill. In the Payne-Aldrich bill the rates were 4 and 4, in the Underwood bill 3 and 3, in the act of 1922 4 and 4. There ought to be some differential, and I have made it 2 cents. The Tariff Commission holds that all that is needed is 3 cents on the maple sirup and on the maple sugar 5 cents. I have made the rates 6 and 4. I submit that no argument can be made for making them anything else.

I was in hopes that the chairman of the committee, in view of these facts, would say that the Senate ought to rescind its action as in Committee of the Whole, holding that these rates were fair.

Mr. SMOOT. The House made the rate 7½.

Mr. HARRISON. Oh, yes; the rate was put at that figure because it was represented that there was a bounty paid, and there is no bounty paid, and no evidence can be produced that there is a bounty paid. Here are letters from the secretaries of agriculture of those countries, and the Senator himself has a letter which shows there is no bounty paid. The only thing that can be shown is that they appropriated some money to help carry on experimental activities up there, just as we have done in this country, except that we have appropriated a hundred times as much as they have up there.

I reserve the balance of my time.

The VICE PRESIDENT. The Senator's time has expired.

Mr. HARRISON. Did I talk 10 minutes?

The VICE PRESIDENT. The Senator did.

Mr. COPELAND. Mr. President, I regret that there have been few opportunities when I could speak for a farm product raised in quantities in my State, but here is one in which my State is greatly interested. Not alone is New York interested but New England and the North Atlantic and Lake States generally, Vermont, New York, and Ohio being the leading producers. If we are going to do anything to help the farmer in any matter whatever, I am sure we should give relief in this particular item.

I find that the importations for last year, largely from Canada, of course, amounted to 6,954,530 pounds, over $1,000,000 worth of maple sugar coming into this country from abroad. Besides, we imported a very large quantity of maple sirup.

It is needless to say that the labor cost in Canada is less than it is here. We find that to be true also with regard to wheat. The wheat farmer of Canada has a great advantage over the American wheat farmer.

There are thousands of farmers in the northern section of our country who depend largely upon what comes from the sugar sap. It would seem to me a great mistake to lower the rate beyond the point to which we have already gone.

When the matter was in Committee of the Whole the Finance Committee amendments were reduced. The proposed rates were reduced both on sirup and sugar, and it is too bad if we are to think of going further than that.

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

Mr. COPELAND. I yield.

Mr. HARRISON. They were reduced because it was represented that there was a bounty, and the Senator from Utah, in charge of the bill, stated, as appears on page 1773 of the RECORD, on January 16:

> Why can we not agree to the rate as proposed; and if the Senator ascertains there is no bounty paid on the commodity, then we will reconsider it?

Mr. COPELAND. Anyhow, because of the possibility that the statement about the bounty was a mistaken one, the Senate did lower the rate.

There are some products raised upon the farm which are essentially the products in which the women folks and the children of the household are interested. The fourth greatest industry in the United States to-day is the poultry and egg business. The eggs which are gathered on the farm are sold to get the money to buy the hair ribbons and the shoes and the pair of skates and some of the luxuries in the farm home. It is likewise true that there is a great deal of maple sirup and maple sugar made in humble farm homes, not where they have a great sugar bush, but where they have simply a small number of trees, perhaps shade trees.

On my own farm in New York I have probably 150 sugar maples. I have never tapped them, but they are very old trees, and when one of them is blown down, as happens occasionally because of their age and their being rotten at the core, it is interesting to find the number of tap scars that have been left in those trees. I have no question but that on the old farm where I live the women of the household and the children in olden days were the recipients of the income which came from the sale of maple sirup and maple sugar made from the sap of those ancient trees.

We have reduced the rate from that proposed by the committee, and I trust there will be no further reduction. I make this plea in the name of a great many farm homes in my State, from which I have received letters urging that this rate be maintained. I trust that the amendments proposed by the Senator from Mississippi will be defeated.

Mr. DALE. Mr. President, the tariff act of 1922 fixed the rate on maple sugar at 4 cents a pound, and on maple sirup the same, by the pound on maple sirup, 4 cents on each. A gallon or sirup weighs 3½ pounds more than the sirup itself would weigh and does weigh when it is reduced to sugar. Therefore, at 4 cents a pound it would be subject to 14 cents more duty as sirup than as sugar.

The result of that has been that nearly all the maple imports have been reduced to sugar. The shippers have been forced to bring it in as sugar in order to get the advantage of the duty. To bring this inequality of duty as nearly as possible up to an even balance, when the bill came from the House it carried a duty on sugar of 7½ cents a pound and on sirup of 5 cents per pound. That was done merely for the equalization, so to speak, of the two products, the sugar and the sirup.

The Finance Committee of the Senate fixed the duty on sugar at 9 cents a pound and on sirup at 6 cents a pound; that is, they raised the duty on the sugar a cent and a half and on the sirup 1 cent.

What was the result of the old duty on the importations? Of course, it is well known that nearly all the importations of maple products come from Canada, in fact, from the Province of Quebec. When the old tariff carried in the 1922 act took effect, there were imported into the United States from Canada a little short of 2,000,000 pounds of maple sugar and about 9,000 gallons of sirup. Immediately from that time the importations rose steadily in quantity each year until in 1929, as per the records of the customs in the State of Vermont alone, there were imported 10,418,764 pounds of sugar, as compared with less than 2,000,000 pounds when the duty was put on in 1922.

Mr. HARRISON. Mr. President, it is a fact, however, that the importations of maple sirup constantly decreased, so that

they were converting it into sugar and bringing it in in the sugar state.

Mr. DALE. No, Mr. President; the Senator is wrong about that. The importations of maple sirup also increased. The importations of maple sirup increased from 9,000 gallons to more than 40,000 gallons. And largely as a result of the greatly increased importations, the production of maple sirup and maple sugar has fallen off on this side of the line, directly as a result of the tariff.

The importations have increased five or six times, and yet on our side of the line the production of maple sugar has decreased; and to-day, as per statements of the Department of Agriculture, in the State of Vermont the farmers are tapping only about half the trees they could tap. Not only that, they are cutting down their sugar trees because under the present tariff there is no use trying to compete with the Canadian importations.

That condition alone, it would seem, is sufficient to cause us to raise the tariff. But there is another reason why we are asking for this increase. When the bill was under consideration, dealers in maple products did state before the committee that there were inducements made by the Canadian Government under which the producers of sugar were greatly helped. That is what they call a bounty. If I had more time, I would like to go into that a little more in detail; but speaking of the very letter which the Senator from Mississippi has read, this is what is stated. This letter is from the Canadian legation, and goes on further to state:

> It is desired to point out that the activities and cooperation extended to the maple-sugar industry by the provincial authorities of the Province of Quebec is solely for the purpose of improving the quality of the products of that industry, particularly with a view to the production of grades lighter in color.

Of course we concede that, but it has the same effect. They state in that very letter that the Government is helping the producers, and they give the reasons for the help; but that reason does not change the fact. It has the same effect as a bounty.

On January 27 my colleague the senior Senator from Vermont [Mr. GREENE] sent to the chairman of the sugar division of the United States Tariff Commission a group of documents. I want to quote a little from some of those documents. The following statement is based upon the exhibits that were sent up there.

An examination of the public accounts of the Province of Quebec shows that appropriations are made annually by the Quebec government for the improvement of grades of maple sugar and maple sirup and for educational work.

Exhibits 4 to 11 relate to gifts, loans, and bonuses from the Quebec government to the cooperative association, as follows: Mr. Albert Savoie, a merchant of Plessisville, made affidavit on the 20th day of January, 1930, that he was present at a meeting of the sugar producers, at which meeting Mr. Caron, minister of agriculture, declared in public that he gave a bonus of $10,000 and that he loaned $5,000 more to that company. It is not a bounty, no; but it is a bonus. What is the difference?

Here is a translation of a letter from the minister of agriculture, in which he states:

> Your letter of the 3d instant has been handed to me, and I am pleased to give you the following information: The department of agriculture has given a bonus of $10,000 to the producers of sugar in Quebec to help them in building a warehouse, and has also loaned them $5,000 besides.

They may not be bounties, but they are loans and bonuses, and this is exactly what the officials of Canada say they are doing. Taken with our low duty, that is largely the reason why the importations of maple sugar have so greatly increased and why the production on this side of the line has decreased.

It seems to me that under these conditions we can do no less than grant this little increase in rate on which we agreed in Committee of the Whole, and the only reason for changing what we agreed to in Committee of the Whole is because of a little play on the word "bounty."

Mr. LA FOLLETTE. Mr. President, if loans made to cooperatives in Canada is a bonus or bounty, as the advocates of this increase in duty have contended, then every expenditure made by the Department of Agriculture of this Government for the improvement of standards for agricultural products and for the experimental stations which are conducted by the Department of Agriculture of this Government is a bonus or a bounty to the agricultural products produced in the United States. If the argument is sound as made by the advocates of this duty that this expenditure on the part of the Province of Quebec is a bonus or bounty, then all the activities of the Department of Commerce and the Bureau of Standards in endeavoring to improve the methods of manufacture and to improve the standards of manufactured products of this country is a bonus or bounty to the manufactured commodities produced in the United States.

I do not believe that a careful analysis of the argument will permit any person with an open mind to come to the conclusion that the activities which have been entered into by the Canadian Provinces for the improvement of the standards of maple sugar produced in that country is or can legitimately be called either a bonus or a bounty. Would we want the Canadian Government to list as a bonus the appropriation made for the Department of Agriculture for the improvement of the kind and quality of agricultural products produced by this country and have them base a tariff rate against those commodities with that factor taken into consideration? Of course, we would not want it done, and if the Canadian Government attempted to do it we would make a protest against such an impossible and illogical argument being considered by that Government in the fixing of tariff duties.

Mr. President, assuming for the moment that the argument is sound——

Mr. DALE. Mr. President, will the Senator yield for a question?

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

Mr. LA FOLLETTE. I yield.

Mr. DALE. How would the Senator construe the lending of money to concerns without interest? Would he construe that as a bounty or bonus?

Mr. LA FOLLETTE. I understand that the loans do bear a rate of interest.

Mr. DALE. It is stated that they do not.

Mr. LA FOLLETTE. I have a photostatic copy of a letter of the department of agriculture of the Province of Quebec, dated September 7, addressed to the Senator from Utah [Mr. SMOOT], in which it is stated:

> At the request of the John G. Paton Co., 230 Park Avenue, New York, I take pleasure in informing you that the Department of Agriculture has given a grant of $10,000 to the Quebec Maple Sugar Producers' Association as an aid for the erection of their plant at Plessisville. The department has also made a loan of $5,000 at 5 per cent interest, payable in five years, for the same building. The association has paid for the balance of the building with its own money. When complete the Plessisville plant will cost between $45,000 and $50,000.
>
> The department supplies graders in order to protect the buyers against any falsification.
>
> These are the only grants and loans paid to the society since the erection of its plant up to date. The work of the department is exclusively of an educational character with a view to improving the quality of the maple products and insuring the best possible guaranties of purity and quality to the producers and buyers as well.

Mr. President, if we justify this increase in duty on the ground that loans made to cooperatives in Canada are a bonus then the Federal Farm Board in making loans through the stabilization corporations to the farmers of this country is a bonus and bounty. Canada will then be justified in taking the amount loaned through the Farm Board to the stabilization corporation and listing that sum as a bonus or bounty upon which they would establish duties against the agricultural products of this country. It seems to me that the argument does not stand analysis.

But assuming for the moment that the argument is sound, I desire to read paragraph 303, on page 283, which is still in the pending bill:

> Whenever any country, dependency, colony, province, or other political subdivision of government, person, partnership, association, cartel, or corporation shall pay or bestow, directly or indirectly, any bounty or grant upon the manufacture or production or export of any article or merchandise manufactured or produced in such country, dependency, colony, province, or other political subdivision of government, and such article or merchandise is dutiable under the provisions of this act, then upon the importation of any such article or merchandise into the United States, whether the same shall be imported directly from the country of production or otherwise, and whether such article or merchandise is imported in the same condition as when exported from the country of production or has been changed in condition by remanufacture or otherwise, there shall be levied and paid, in all such cases, in addition to the duties otherwise imposed by this act, an additional duty equal to the net amount of such bounty or grant, however the same be paid or bestowed. The Secretary of the Treasury shall from time to time ascertain and determine, or estimate, the net amount of each such bounty or grant, and shall declare the net amount so

determined or estimated. The Secretary of the Treasury shall make all regulations he may deem necessary for the identification of such articles and merchandise and for the assessment and collection of such additional duties.

Mr. President, as I said a moment ago I do not believe that this bounty argument will stand analysis. It is neither a bounty nor a bonus. It is similar to the activities conducted by the Federal Government of the United States in endeavoring to improve the quality of the products produced by American farmers through the Department of Agriculture. It is similar to the amounts of money expended by practically every State in the Union through their county agents and through their State agricultural experiment stations in an effort to improve the methods of farming and the quality of the products grown by American farmers. I think it would be a great mistake for the Congress of the United States, in the face of declarations made by these governments through their official representatives that such bonuses or bounties do not exist in their respective countries, to take that as a basis for our action. I hope the amendment offered by the Senator from Mississippi will prevail.

The VICE PRESIDENT. Is there objection to considering the two amendments en bloc?

Mr. HARRISON. I think they ought to be considered en bloc as a matter of fact.

The VICE PRESIDENT. The Chair hears no objection, and it is so ordered.

Mr. FESS. Mr. President, I would like to know of the Senator from Vermont [Mr. DALE] whether he has any documentary evidence as to the interest charged by these governments which make the loans?

Mr. DALE. Mr. President——

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

Mr. FESS. I yield.

Mr. DALE. The letters seem to be somewhat contradictory, as illustrated by the one read by the Senator from Wisconsin [Mr. LA FOLLETTE], but I have a letter also from the department of agriculture, signed by Mr. Vaillancourt. After asking that the different societies subscribe to an agreement engaging themselves to consign their production to the society, which I assume to be a sort of assignment of them, this statement is made:

We will be able to loan 50 per cent of the purchase price of material up to $500 per member without interest.

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

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

Mr. FESS. I yield.

Mr. HARRISON. May I ask the Senator from Vermont what is the date of the letter from which he quoted and who it is from?

Mr. DALE. I can not tell the Senator from Mississippi the date of the letter, because I handed the chairman of the Finance Committee the first two or three pages of it. It is evidently a circular issued by Mr. Vaillancourt, secretary and treasurer of the cooperative society.

Mr. HARRISON. May I point out to the Senator from Ohio that the letter read by the Senator from Wisconsin was a letter addressed immediately to the Senator from Utah [Mr. SMOOT], chairman of the Finance Committee. I think it is from one of the Provinces of Canada. I have read and I have here at this time authentic letters from the ministers of agriculture of Quebec and of Ottawa, Canada, which state specifically that there is no bounty. The Senator's letter stated there was only a loan to help them build the plant.

Mr. FESS. It was my understanding that, whether we call it a bounty or not, there was assistance given by the Government of Canada to this industry, and that is why I wanted to know whether there was any documentary evidence to that effect. I think that there is a basis for the increased duty, and I hope the amendment of the Senator from Mississippi will not prevail.

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

Mr. FESS. Certainly.

Mr. HARRISON. The Senator wants to be fair in this matter. The Senator said that he believed in retaining the rates adopted as in Committee of the Whole.

Mr. FESS. Yes.

Mr. HARRISON. Namely, 8 cents and 5 cents. Does the Senator from Ohio know that the chairman of the committee stated that the only justification for an increase in the rate is the report that a bounty is being paid? It has been clearly demonstrated that there is no bounty. Does the Senator know that when Mr. Coolidge, who came from Vermont, was President of the United States, the Tariff Commission made an investigation and presented the facts to the President, stating that if the maple-sugar duty was to be 5½ cents the rate on sirup should be 3½ cents, and he refused, even under that statement, to raise the rate on maple sugar, as he had a right to do, to 6 cents. President Coolidge did not even take that action. My amendment proposes to levy a duty half a cent a pound more than the Tariff Commission, after investigation, unanimously reported the industry was entitled to.

Mr. FESS. Mr. President, I do not want to continue the debate, but I understood what the Senator stated. I also recall what the chairman of the committee stated. He used the word "bounty," but if there is assistance afforded under a different name than bounty, of course, the result would be the same. I take it for granted, however, that there is no bounty granted, according to the technical meaning of that word.

Mr. HARRISON. Absolutely not.

Mr. FESS. I think that is correct.

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

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

The yeas and nays were ordered.

Mr. HARRISON. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HARRISON. A vote "yea" would be for a duty of 6 cents a pound on maple sugar and 4 cents a pound on maple sirup instead of the amendment adopted as in Committee of the Whole, would it not?

The VICE PRESIDENT. That is correct. The question is on agreeing to the amendment proposed by the Senator from Mississippi to the amendment adopted as in Committee of the Whole. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SULLIVAN (when his name was called). I have a pair with the junior Senator from Tennessee [Mr. BROCK], which I transfer to the Senator from Oklahoma [Mr. PINE], and vote "nay."

Mr. WATSON (when his name was called). I have a general pair with the Senator from South Carolina [Mr. SMITH], which I transfer to the Senator from Washington [Mr. JONES], who is detained from the Senate by official business, and vote "nay."

The roll call was concluded.

Mr. SIMMONS. I transfer my general pair with the senior Senator from Massachusetts [Mr. GILLETT] to the junior Senator from Florida [Mr. TRAMMELL] and vote "yea."

Mr. STEPHENS. Has the junior Senator from Indiana [Mr. ROBINSON] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. STEPHENS. I have a pair with that Senator. I transfer that pair to the Senator from Missouri [Mr. HAWES] and vote "yea."

Mr. BINGHAM (after having voted in the negative). Has the junior Senator from Virginia [Mr. GLASS] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. BINGHAM. I have a general pair with that Senator; and he not having voted, I withdraw my vote.

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 Connecticut [Mr. WALCOTT] with the Senator from South Carolina [Mr. BLEASE];

The Senator from Colorado [Mr. PHIPPS] with the Senator from Georgia [Mr. GEORGE]; and

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

Mr. HARRISON. I change my vote from "yea" to "nay."

The result was announced—yeas 27, nays 42, as follows:

YEAS—27

Allen	Capper	La Follette	Stephens
Ashurst	Caraway	McMaster	Swanson
Barkley	Connally	Norris	Thomas, Okla.
Black	Cutting	Ransdell	Tydings
Blaine	Harris	Sheppard	Walsh, Mont.
Bratton	Hayden	Simmons	Wheeler
Brookhart	Heflin	Steck	

NAYS—42

Baird	Goldsborough	Keyes	Smoot
Borah	Greene	McCulloch	Steiwer
Broussard	Grundy	McNary	Sullivan
Copeland	Hale	Metcalf	Thomas, Idaho
Couzens	Harrison	Moses	Townsend
Dale	Hastings	Nye	Vandenberg
Dill	Hatfield	Oddie	Wagner
Fess	Hebert	Patterson	Waterman
Frazier	Howell	Robsion, Ky.	Watson
Glenn	Johnson	Schall	
Goff	Kean	Shortridge	

NOT VOTING—27

Bingham	Glass	Norbeck	Shipstead
Blease	Gould	Overman	Smith
Brock	Hawes	Phipps	Trammell
Deneen	Jones	Pine	Walcott
Fletcher	Kendrick	Pittman	Walsh, Mass.
George	King	Reed	Robinson, Ark.
Gillett	McKellar	Robinson, Ind.	

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

Mr. HARRISON. I now move a reconsideration of the vote whereby my amendment was rejected.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi.

Mr. HARRISON. Mr. President, just a moment. I know that many Senators came into the Chamber for the roll call who had not heard the discussion and who, perhaps, were not familiar with the facts. They made inquiry and found that the Vermont Senators were interested in the item and voted against the amendment. I want to state to those Senators who cast their votes in the negative on the roll call that they have voted to increase the price of one of the essentials that go into the manufacture of tobacco in this country; that they have done it over the protest of the Tariff Commission; that they have done it over what was stated by the chairman of the Committee on Finance; and I was surprised to find that he had voted in the negative in this instance.

As was stated in the discussion, the present duty is 4 cents a pound on maple sugar and 4 cents a pound on maple sirup. When the committee acted it recommended a large increase in those rates. The Senator from Utah, as I read from the RECORD, stated that it was because there had been a bounty granted in Canada. He was convinced, because he himself had the letters, but to-day letters were read from the ministers of agriculture of the Provinces of Quebec and Ontario, in Canada, stating that there was no bounty.

It has been shown that the Tariff Commission investigated this subject when Mr. Coolidge was President, who, I dare say, was interested in the maple sugar of Vermont as much as are the present Senators from Vermont or as is anyone else. When the Tariff Commission found that the difference in the cost of production of maple sirup in Canada and the United States was 3½ cents a pound and 5½ cents a pound in the case of maple sugar, the producers of those commodities asked for the increase at the hands of the President under the authority of law, as he had a right to grant it, but he refused to give the increase.

Yet, it being shown that there is no bounty, it being shown by the chairman of the committee, when the measure was in Committee of the Whole, that the only reason for the increase was that a bounty was being paid, we find that Senators come in and vote for this enormous increase, I believe up to 8 cents and 5½ cents, respectively. Such action is not justified by any facts presented.

I know some of the Senators voted under a misapprehension. The amendment I offered did not propose to reduce the rates below those in the present law, and, if adopted, it would increase those rates. The tariff on maple sirup in the law to-day is 4 cents a pound and on maple sugar it is 4 cents a pound. The Tariff Commission said the rates ought to be 3½ and 5½ cents, respectively, giving a differential of 2 cents on maple sugar as against maple sirup. My amendment put the rate at 6 cents a pound on maple sugar and 4 cents a pound on maple sirup—half a cent a pound more than the Tariff Commission, from its investigation, unanimously ascertained to be the proper rate—and yet the Senate, under this new scheme, under the new order of things, have now voted this enormous increase.

Mr. President, I have moved a reconsideration because I know that Senators voted under a misapprehension of this fact, and I desire another vote on the matter.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The question is on the motion of the Senator from Mississippi [Mr. HARRISON] to reconsider the vote whereby the amendment proposed by him to the amendment made as in Committee of the Whole was rejected.

Mr. HARRISON. And if I have misstated any fact, Mr. President, I wish the Senator from Utah would tell the Senate what it is.

Mr. FESS. Mr. President, I submit a unanimous-consent request that no Senator be permitted to speak longer than five minutes nor more than once on the motion to reconsider.

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

Mr. SMOOT. Mr. President, I did state, among other reasons why the increase should be made, that I was informed that a bounty was given in Canada.

What is the difference between a bounty and a gift? I can not see any difference at all. I have here the report, which says:

BONUS

In regard to the payment of a bonus, Mr. Cary stated before the Finance Committee, page 338 of the printed hearings:

"My argument has simply been that this duty should be increased to 9 cents rather than 7½ cents that the House gave, for the reason that the Government is paying the large bonuses. * * *

"The Government loans the money and builds the buildings for them and they sell the product at way below the price of our production on the American side."

On January 27 Senator GREENE, of Vermont, sent to the Chief of the Sugar Division of the United States Tariff Commission a group of documents in the form of exhibits bearing upon the question of a bonus paid by the Quebec Government to maple-sugar and maple-sirup producers through the Cooperative Maple Sugar Producers' Association, with the request that a memorandum be prepared on the question for his use. The following statement is based upon these exhibits: An examination of the public accounts of the Province of Quebec (Exhibits 1, 2, and 3) indicate that appropriations are made annually by the Quebec Government for the improvement of grades of maple sugar and maple sirup and for the educational work in the maple industry, as set forth in the statement quoted above from the memorandum of the Canadian legation. Exhibits 4 to 11 relate to gifts, loans, and bonuses from the Quebec Government to the Cooperative Association as follows: Mr. Albert Savoie, a merchant of Plessisville, made affidavit on the 20th day of January, 1930, that he was present at a meeting of the sugar-products companies in 1928, at which meeting Mr. Caron, minister of agriculture, declared in public that he gave a bonus of $10,000 and that he loaned $5,000 to the said company.

That is one company.

Mr. J. H. Vilandre, a resident of Danville, Province of Quebec, made affidavit under date of January 22, 1930, that he was present at a meeting of the Maple Sugar Producers' Association, held at their factory at Plessisville, Quebec, in November, 1928, and that Hon. J. E. Caron, minister of agriculture, stated among other things:

"You had a bonus from the Government of $10,000 and a loan from the Government of $5,000. Up to date you have a business turnover of $171,000."

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

Mr. SMOOT. I have not the time. I have only a minute or two more.

Mr. HARRISON. Will not the Senator read the letters that he received in reference to this matter?

Mr. SMOOT. I have not the time, Mr. President.

An excerpt from Le Soleil, August 29, 1929, makes the statement with reference to a meeting of the Cooperative Society of Maple Sugar Producers of Quebec, about 700 farmers from all counties of the Province being present, that the government made to the maple-sugar producers the following proposition:

"If you give 1 cent per pound to the reserve fund, we will double it. If you give it to the capital, we will equal it. In addition to that every $30 subscribed by a member will be equaled. According to these propositions, for instance, if the makers give $17,000, the government will give $34,000."

What is the difference between a bounty and a gift? That is all there is in this question.

I thought at the time, and I was so informed when I made the statement that the Senator attributed to me, that it was a direct bounty given by the Government. The Province of Quebec is a part of the Canadian Government. They do it. Individuals do it, and Provinces do it. What difference does it make whether it is a Government or whether it is a Province?

The PRESIDING OFFICER. The time of the Senator from Utah has expired.

Mr. BORAH. Mr. President, as I have some time under this program of economy of time, I will ask the Senator what are the importations into this country.

Mr. SMOOT. I have not the figures here; but they are about 13,000,000 pounds, as I remember.

Mr. BORAH. What is the consumption?

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

Mr. BORAH. Yes; if the Senator has the figures, I should be glad to have him give them.

Mr. COPELAND. The importations are nearly 7,000,000 pounds—6,954,000 pounds last year—and a very large amount of maple sirup besides.

Mr. SMOOT. I have the figures here now, Mr. President.

I do not want the Senate or the Senator from Mississippi to think that I tried in any way, shape, or form to deceive the Senate when I made that statement. I made the statement because of the fact that I was told by the Senator from Vermont that there was a bonus or a bounty. All I know is that these figures are absolutely correct. They are sworn to, and I have not any doubt but that the amounts are correctly given.

Mr. HARRISON. The Senator knows that when we appropriate money to help an experiment station, or to stabilize industries, it is not a bounty. The Senator knows that. Now, I ask the Senator to read the letter that he has received from the Department of Agriculture of the Province of Quebec, dated September 7, 1929, which was two months before the Senator made the statement here in which he said that if there was no bounty there would not be the same reason for giving this high rate.

I want to have read this letter that was written to the Senator on September 7, 1929, showing that they have appropriated some money to help build a refinery; and I also want to have read the two letters written, one from the minister of agriculture of Quebec, the other from the deputy minister of agriculture of Ottawa, Canada, showing that there is no bounty.

I do not care anything about this matter, but I want to submit it upon the facts.

Mr. SMOOT. I want the facts, too; and there is no need of quibbling over the thing. Grant that there is not any bounty but that it is a gift—what is the difference? None whatever. A gift of $100 will go just as far as a bounty of $100 will go.

Of course, in the case of our appropriations to assist the farm experiment stations throughout the country, we do not ask the farmers to put up exactly the same amount of money that the Government of the United States appropriates.

Mr. HARRISON. Does the Senator think that is a bounty? Of course he does not. I can answer for him.

Mr. SMOOT. Well, no. Perhaps it could be construed as a bounty, but it is never appropriated as a bounty.

Mr. HARRISON. If the Senator wants to give this increase, I suggest that it be given upon the same basis that you want to give an inordinate, inexcusable, unjustified increase; but do not come before the Senate and say that it is done because the Canadian Government authorities pay to the maple-sugar producers of Canada a bounty, when they do not pay any bounty, as the letters show, and the Senator can not prove that they do.

Mr. SMOOT. Does the Senator deny the figures I have just read as to the assistance that has been given to them?

Mr. HARRISON. Oh, there may have been gifts. I care nothing about giving them something.

The PRESIDING OFFICER. The Senator from Idaho has about a minute of time remaining.

Mr. BORAH. If I could settle this matter, I would contribute that minute.

Mr. DALE. Mr. President, will the Senator yield to me to answer his question?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Vermont?

Mr. BORAH. Yes.

Mr. DALE. The Senator asked for the domestic consumption. The domestic consumption last year was 8,635,252 pounds.

Mr. HARRISON. Mr. President, I ask unanimous consent to have these two letters from the minister and deputy minister of agriculture of Quebec and the letter from the minister of agriculture of Ottawa read for the information of the Senate in answer to the Senator from Utah, when he says that a bounty is paid.

The VICE PRESIDENT. Is there objection to reading the letters? The Chair hears none, and the letters will be read.

The legislative clerk read as follows:

DEPARTMENT OF AGRICULTURE, PROVINCE OF QUEBEC,
OFFICE OF THE DEPUTY MINISTER,
Quebec, September 7, 1929.

The Hon. REED SMOOT,
United States Senate Office Building,
Washington, D. C.

HONORABLE SIR: At the request of the John G. Paton Co., 230 Park Avenue, New York, I take pleasure in informing you that the department of agriculture has given a grant of $10,000 to the Quebec Maple Sugar Producers' Association as an aid for the erection of their plant at Plessisville. The department has also made a loan of $5,000 at 5 per cent interest, payable in five years, for the same building. The association has paid for the balance of the building with its own money. When complete the Plessisville plant will cost between $45,000 and $50,000.

The department supplies graders in order to protect the buyers against any falsification.

These are the only grants and loans paid to the society since the erection of its plant up to date. The work of the department is exclusively of an educational character with a view to improving the quality of the maple products and insuring the best possible guaranties of purity and quality to the producers and buyers as well.

I remain, sir, yours very truly,

J. ANTONIO GRENIER,
Deputy Minister of Agriculture.

DEPARTMENT OF AGRICULTURE, PROVINCE OF QUEBEC,
OFFICE OF THE MINISTER,
Quebec, January 21, 1930.

JOHN G. PATON & Co.,
230 Park Avenue, New York City.

GENTLEMEN: At your request and referring to the statement made in the United States Senate on Friday, January 17, that the Canadian Government or the Province of Quebec government are paying a bounty to Canadian producers of maple products of about 4½ cents per pound, I beg to inform you that the government of this Province, of which the production of maple products represents approximately 75 per cent of the total value for Canada, has never paid and does not pay any bounty to its producers of maple products.

Furthermore, you may state that we have no intention of paying any bounty to these producers at any time, now or in the future.

Yours truly,

J. L. HERRON, *Minister of Agriculture.*

DEPARTMENT OF AGRICULTURE,
Ottawa, January 22, 1930.

The JOHN G. PATON CO. (INC.),
230 Park Avenue, New York City.

GENTLEMEN: Replying to your inquiry as to whether or not this department has done anything in the way of bounties or assistance to the maple-sugar industry in Canada, I beg to advise you that the Federal Government has absolutely no appropriation for such a purpose and has never made any contribution toward the assistance of this industry, nor does it anticipate doing so. I may say that the Canadian minister at Washington has been advised to this effect.

I may say further that I know that no bounty on maple sugar has been paid by either of the Provinces of Ontario or Quebec, and since about 98 per cent of all the maple sugar produced in Canada comes from these two Provinces it is quite safe to say that absolutely no bonus of any kind is paid by any government in Canada to this industry.

Yours very truly,

J. H. GRISDALE, *Deputy Minister.*

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi [Mr. HARRISON] to reconsider the vote whereby the Senate rejected the amendment offered by the Senator from Mississippi to the amendment made as in Committee of the Whole.

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

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

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

Mr. SULLIVAN (when his name was called). Making the same announcement as to my pair and its transfer that I made before, I vote "nay."

Mr. WATSON (when his name was called). I transfer my general pair with the senior Senator from South Carolina [Mr. SMITH] to the senior Senator from Washington [Mr. JONES], who is unavoidably detained from the Senate on official business, and vote "nay."

The roll call was concluded.

Mr. BINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS], and in his absence I withhold my vote. If permitted to vote, I should vote "nay."

Mr. GLENN (after having voted in the negative). I find that the junior Senator from Arkansas [Mr. CARAWAY], with whom I have a pair, has not voted. Therefore I ask leave to withdraw my vote.

Mr. WALCOTT (after having voted in the negative). I have a pair with the junior Senator from South Carolina [Mr. BLEASE]. I, therefore, withdraw my vote.

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

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 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, 26, nays 39, as follows:

YEAS—26

Barkley	Connally	La Follette	Swanson
Black	Cutting	McMaster	Thomas, Okla.
Blaine	George	Norris	Tydings
Borah	Harris	Sheppard	Walsh, Mont.
Bratton	Harrison	Simmons	Wheeler
Brookhart	Hayden	Steck	
Capper	Heflin	Stephens	

NAYS—39

Baird	Couzens	Fess	Goldsborough
Broussard	Dale	Frazier	Greene
Copeland	Dill	Goff	Grundy

Hale	McCulloch	Ransdell	Thomas, Idaho
Hastings	McNary	Robinson, Ind.	Townsend
Hatfield	Moses	Schall	Vandenberg
Hebert	Nye	Shortridge	Wagner
Howell	Oddie	Smoot	Waterman
Kean	Patterson	Steiwer	Watson
Keyes	Phipps	Sullivan	

NOT VOTING—31

Allen	Gillett	King	Robinson, Ark.
Ashurst	Glass	McKellar	Robsion, Ky.
Bingham	Glenn	Metcalf	Shipstead
Blease	Gould	Norbeck	Smith
Brock	Hawes	Overman	Trammell
Caraway	Johnson	Pine	Walcott
Deneen	Jones	Pittman	Walsh, Mass.
Fletcher	Kendrick	Reed	

So the Senate refused to reconsider the vote whereby Mr. HARRISON's amendment to the amendment was rejected.

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 Secretary will state the next amendment.

The LEGISLATIVE CLERK. On page 201, line 9, the Senate, as in Committee of the Whole, struck out the words "articles in" and inserted in lieu thereof "articles, in."

Mr. COPELAND. I withdraw my request for a separate vote.

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 Secretary will state the next amendment.

The LEGISLATIVE CLERK. On page 201, line 11, the Senate, as in Committee of the Whole, struck out the words "cement, 30" and inserted in lieu thereof the words "cement or synthetic resin, 25."

The amendment was concurred in.

The VICE PRESIDENT. The Secretary will state the next amendment.

The next amendment was in paragraph 1511, page 208.

Mr. KEAN. I withdraw my request for a separate vote.

The amendment was concurred in.

The VICE PRESIDENT. The Secretary will state the next amendment.

The next amendment was on page 208, paragraph 1513, "Toys."

Mr. CUTTING. Mr. President, I made a reservation for a separate vote on the amendment in this paragraph, but I find that I can not call it up at present. It will be in order when individual amendments are reached.

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 Secretary will state the next amendment.

The next amendment was on page 210, line 23, "Firecrackers."

Mr. COPELAND. Mr. President, I send an amendment to the desk, which I ask to have stated.

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

Mr. COPELAND. I yield.

Mr. FESS. I ask unanimous consent that on this amendment no Senator shall speak more than once or longer than five minutes.

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

The Secretary will state the amendment offered by the Senator from New York.

The LEGISLATIVE CLERK. The Senator from New York offers the following amendment: On page 210, to strike out all of line 23 and to insert in lieu thereof the following:

> Firecrackers of more than five-sixteenths inch outside diameter or more than 1¾ inches in length, 25 cents per pound; all other firecrackers, 8 cents per.

The VICE PRESIDENT. The Chair is advised that that amendment is to strike out House text, and it would not be in order at the present time.

Mr. COPELAND. It is simply to amplify a change made as in Committee of the Whole.

The VICE PRESIDENT. The Chair is advised that the amendment will be in order when individual amendments are reached.

Mr. COPELAND. Through inadvertence the other day by an amendment I offered I shut out the little, tiny firecrackers. No doubt every Senator has received word from people who are interested. The Senator from Maryland [Mr. TYDINGS] had a conference of all concerned, and I ask unanimous consent that this amendment may be adopted now in order that the matter may be settled, because otherwise we will be beset by numerous importers of the small firecrackers.

Mr. SMOOT. Mr. President, the Senator asks that it may be considered, not adopted.

Mr. COPELAND. I ask that it may be considered at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the question is on agreeing to the amendment offered by the Senator from New York.

Mr. COPELAND. I assure Senators that, so far as I know, everybody is satisfied with this arrangement.

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

Mr. COPELAND. I yield.

Mr. GEORGE. Let me make some inquiry. What is the present rate on these firecrackers? What was the rate adopted?

Mr. COPELAND. The rate on these we are excepting will be the rate in the bill—8 cents. We placed a high rate on the big explosive things.

Mr. GEORGE. That is an increase, is it not?

Mr. COPELAND. Oh, yes.

Mr. GEORGE. An increase over what we agreed upon?

Mr. COPELAND. I said when I introduced the amendment that if I could make it $9 I would do so, because those firecrackers are extremely dangerous.

Mr. GEORGE. The Senator does not do that; he is simply increasing the cost of them.

Mr. COPELAND. The Senator can make his argument.

Mr. GEORGE. Mr. President, I rose merely to inquire the reason why the duty should be increased from 12 cents to 25 cents, without any explanation whatever.

Mr. TYDINGS. Mr. President, what really happened was that in Committee of the Whole the amendment of the Senator from New York was adopted. Following the adoption of that amendment it was found that in an effort to keep out the giant cannon crackers coming into the country, against which practically every State and every municipality now has prohibitory legislation, all firecrackers have been shut out. There was no objection to letting the small firecrackers come into the country. Personally, I would rather see them all excluded, but in an effort to be fair the rate was restored on the small firecrackers, which are not dangerous. The rate adopted in Committee of the Whole is kept on the big firecrackers, because if a child gets hold of one of them it is apt to cause great injury. I may say that practically all the firecrackers used in the United States are imported.

Mr. GEORGE. Is the rate the same that was adopted in Committee of the Whole?

Mr. TYDINGS. The rate in the Senator's amendment is the rate adopted in the Committee of the Whole. There is no increase.

Mr. SMOOT. Under "Firecrackers of all kinds," in Committee of the Whole the amendment was to strike out "8 cents" and increase the rate to 25 cents. The proposed amendment takes out the small firecrackers and leaves them at 8 cents, as the House had them.

Mr. TYDINGS. In other words, the amendment is the same as that adopted in Committee of the Whole, except that it is reduced from the rate adopted in Committee of the Whole for the small firecrackers.

Mr. BRATTON. Mr. President, what is the rate under the 1922 act on the small firecrackers such as boys from 8 to 12 years of age use?

Mr. COPELAND. Eight cents, the same that we are proposing now. This continues the rate on the firecrackers about which the Senator is talking.

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

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment on which a vote was reserved.

The CHIEF CLERK. On page 212, paragraph 1517, cartridge shells.

Mr. BLACK. Mr. President, I offer the amendment which I send to the desk.

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

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

Mr. BLACK. I yield.

Mr. FESS. I ask unanimous consent that no Senator be permitted to speak longer than five minutes or more than once on the pending amendment.

Mr. BLACK. I would have no objection to the request myself, but I must object because one Senator who is interested in the

question is not on the floor. I shall have to call for a quorum in order to get him here. I know he is interested in this particular item.

Mr. FESS. Would the Senator agree to 10 minutes?

Mr. BLACK. Oh, yes; I have no objection personally, but I want to suggest the absence of a quorum so that a Senator who is not here and who is interested in this item may have an opportunity to be here.

Mr. FESS. Very well.

The VICE PRESIDENT. The Senator from Ohio withdraws his request temporarily.

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

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present. The amendment will be reported.

The CHIEF CLERK. On page 212, line 2, in Committee of the Whole an amendment was agreed to providing 30 per cent ad valorem on percussion caps, cartridges, and cartridge shells, empty. The Senator from Alabama moves to strike out "30" and insert "15," so as to read:

Percussion caps, cartridges, and cartridge shells, empty, 15 per cent ad valorem.

Mr. FESS. Mr. President, I would like to submit my unanimous-consent request.

Mr. BLACK. I yield to the Senator for that purpose.

Mr. FESS. I ask unanimous consent that no Senator shall speak longer than 10 minutes or more than once on this amendment.

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

Mr. BLACK. Mr. President, I shall not take 10 minutes; in fact, I shall conclude in half of that time.

The amendment I have proposed to the amendment would reduce the tariff on empty shells from 30 per cent to 15 per cent ad valorem. The House increased the duty to 40 per cent. The Senate Finance Committee reduced it to 30 per cent.

The facts are very easily understood. We produced in this country in the year 1927 of loaded and unloaded shells, the statistics not being available as to the different items, $30,984,182 worth. We exported $2,948,291 worth. We imported less than $1,300 worth per year since 1922. Those are the facts. Why there should be any tariff I can not understand. With less than $1,300 worth of imports since 1922 each year and a production of $30,000,000 worth per year and exports of $3,000,000 worth per year, the House raised the tariff to 40 per cent, and the Senate Finance committee put it back to 30 per cent.

The complaint that has been made with reference to the situation is based upon this state of facts: A gentleman has invented a method of loading shells which will permit him, as he believes and as has been demonstrated, to sell shells which can be shot with better success and which can be sold cheaper than the loaded shells being sold to-day. There are five companies, which practically have control of the shell business. He has written these five companies seeking to purchase empty shells. Three of them have declined to sell him any shells at all. They say they will not sell him empty shells.

They base their statement on the ground that they need all they produce to sell as loaded shells. One of the companies said that they would sell this gentleman shells at $4.12 per thousand. Their catalogue price for loaded shells, according to their letter, which he sends me, is $3.25 per thousand. They will sell the loaded shells at $3.25 per thousand, but they want to charge him $4.12 for the unloaded shells. That is the result of a 30 per cent tariff on a product where we export $3,000,000 worth annually and produce $30,000,000 worth and import about $1,300 worth a year.

Mr. SMOOT. Mr. President——

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

Mr. BLACK. Certainly.

Mr. SMOOT. The Senator's figures are right as to the importations, but they only apply to percussion caps. The Senator will notice that empty shells were imported in 1922 to the extent of $18,852 and in 1928 to the extent of $79,659. The statement is true, so far as just the percussion cap is concerned; but this paragraph applies not only to the percussion caps but it also takes into consideration the empty shells.

Mr. BLACK. All I am seeking to do is to reduce the rate on empty shells.

Mr. SMOOT. The imports of empty shells in 1924 were in value $156,155.

Mr. BLACK. Less than $1,300 worth per year, according to the statement which I have before me. I obtained this information from the Tariff Commission's summary.

Mr. SMOOT. The statement was just handed to me from the Tariff Commission, and I was quoting the figures published by them.

Mr. BLACK. I have the tariff report, which I will cite to the Senator in a moment.

That is the situation. I have on my desk letters from the companies declining to sell this gentleman unloaded shells at all.

Mr. SMOOT. Will the Senator yield while the amendment is read again so I can see exactly what it is?

Mr. BLACK. Certainly.

The VICE PRESIDENT. The clerk will again report the amendment.

The Chief Clerk again read the amendment to the amendment.

Mr. SMOOT. That would take in all the items, just as I stated.

Mr. BLACK. It says "cartridge shells, empty."

Mr. SMOOT. But that is not all the amendment says. That is the point I am trying to make. The amendment takes in percussion caps, cartridges, and cartridge shells, empty. They would all come under the amendment.

Mr. BLACK. If there is anything wrong with the wording of the amendment, I will change it to refer only to empty shells. That is the only thing in which I am interested. I have just examined the amendment again and the Senator is correct. It should read as follows:

Percussion caps and cartridges, 30 per cent ad valorem; cartridge shells, empty, 15 per cent ad valorem.

Mr. SMOOT. That is right.

Mr. BLACK. That is the amendment which I offer.

The VICE PRESIDENT. The Senator modifies his amendment, and the amendment as modified is before the Senate.

Mr. BLACK. Of course, if there is not any objection to the amendment, I do not care to present any further facts. I have stated the situation briefly. It is manifestly not fair. This man has had quotations from Germany on empty shells at 71½ cents per thousand. The lowest quotation he has been able to receive from any company in the United States is $4.12 per thousand, and that is manifestly not fair. It should not be tolerated.

The VICE PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Alabama.

Mr. BINGHAM. Mr. President, I appreciate what the Senator from Alabama has just said, and, of course, anyone who wants to buy something and is told that he can not buy it, or is charged what he considers an exorbitant price, naturally feels that there ought to be a law passed against that sort of practice, and if he can hurt the manufacturer by changing a tariff rate, so much the better.

As a matter of fact, Mr. President, the manufacturers of cartridges and cartridge shells have had a very bad time in recent years. Perhaps one of the best known of those factories, one of the most widely known all over the world, is the Winchester factory, which has not paid a cent in dividends either on common or preferred stock for the last 10 years.

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

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

Mr. BINGHAM. I yield.

Mr. BLACK. The Winchester factory is one of the factories to which my constituent wrote which would not even reply to him and give him a quotation.

Mr. BINGHAM. I am very sorry that they were so rude as that, Mr. President, but I am not responsible for their correspondence bureau or for their methods of doing business. However, I am interested in the people who work in the Winchester factory who are endeavoring to earn their living in the manufacture of cartridges and cartridge shells. The present rate of

30 per cent has been the rate on these articles for a number of years. It has not worked any hardship; and it has aided in keeping out foreign competition, as the Senator from Alabama pointed out.

There was no warning given in the last campaign that if the Democrats came into power they were going to reduce this duty; there was no complaint offered of the duty. This is one of the instances where we are asked to reduce the existing rate without any real reason being given in regard to an excessive price of the commodity or anything of that kind.

As a matter of fact, the munition manufacturers have had a very difficult time, indeed, and have been unable to pay dividends. It seems to me it would be a very serious blow to them if we should lower the tariff bars so as to permit foreign competition in this particular item; and I very much hope that the amendment may not be agreed to.

Mr. HAWES. Mr. President, the shell manufacturers of America asked for an increase in the tariff duties, but their request was refused. Now, at the eleventh hour, the Senator from Alabama [Mr. BLACK] has discovered that one of his constituents is having difficulty in purchasing empty shells. Empty shells are a rarity. I will say that some 30 years ago most sportsmen were loading their own brass shells; there followed a period during which many sportsmen loaded their own shells; but to-day the demand for empty shells has become so small that the local gun dealers and hardware merchants do not carry empty shells in stock. There is practically no demand for them, because the sportsman knows that he can buy a loaded shell cheaper and better balanced, with better tests, than one that he himself loads. The result is that many dealers in the various States do not carry empty shells.

The constituent of the Senator from Alabama may have had some trouble in purchasing empty shells, but he is wrong in his statement that he can not purchase them. I have before me a communication from the Western Cartridge Co., whose factory is located adjacent to my city, and from some other manufacturers telling me that all five of the cartridge manufacturers in America will sell empty shells; but they are not a usual commodity. The sportsmen do not want them; they do not need them. The scientific adjustment of different loads of shells has set up certain standards, and each factory produces standard shells with different loads for different kinds of game, and that satisfies the sportsmen.

Mr. President, we must constantly keep in mind another thought besides that of protection by tariff duty. I refer to the fact that in time of war we must have our cartridge factories running. They must be made reasonably profitable; they must be supported in time of peace, for the great cartridge companies in the United States can not be called upon in time of war if they are neglected or stricken down in time of peace. The Government can not supply these shells but must rely upon the private manufacturers to do so.

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

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

Mr. HAWES. I yield.

Mr. BLACK. I understood the Senator to say that he has quotations now before him from the cartridge companies?

Mr. HAWES. I not only have quotations but I have advertisements.

Mr. BLACK. From what companies does the Senator have them?

Mr. HAWES. I have them from the Remington Arms Co.

Mr. BLACK. That is one of the companies which declined the request. From what other company has the Senator communications?

Mr. HAWES. I have communications from the Peters Cartridge Co., the Western Cartridge Co., the Winchester Cartridge Co., and the Remington Arms Co.

Mr. BLACK. May I say to the Senator from Missouri that they probably sent the quotations to the Senator after this amendment was submitted. I have a letter here from the Western Cartridge Co. stating that they have no shells to sell but that they use them all to load. Here is the letter [exhibiting].

Mr. HAWES. I should like to ask the Senator from Alabama a question.

Mr. BLACK. Certainly.

Mr. HAWES. Why does not the Senator from Alabama suggest to his constituent that he make his own shells?

Mr. BLACK. For the simple reason that if the law provides that an industry—in reality a monopoly, in this instance, for there are only five companies engaged in this line of manufacturing—shall have a tariff, the law ought to provide that the public may buy the product. Of course, if the law does not so provide, if we are going to have to levy a high tariff for a monopoly and then it will not sell the article which is protected, it is carrying monopoly one step further than customary.

Mr. HAWES. I do not know what the Senator means when he refers to a monopoly, for there is keen competition in the industry.

Mr. BLACK. Not in unloaded shells.

Mr. HAWES. There are five companies engaged in the business, I will say to the Senator. It is true that they do not push the sale of empty shells, because very few people want them. Now, a customer has been discovered in Alabama who instead of making his own shells complains of the price he has to pay for shells from somebody else. Why does he not make his own shells?

Mr. BLACK. Will the Senator yield?

Mr. HAWES. Yes.

Mr. BLACK. The Senator states that he has quotations from the Western Cartridge Co. Here is a letter from the Western Cartridge Co., dated February 25, 1929:

> We acknowledge your letter of February 18, further concerning your requirements in empty primed shells upon which we regret not to be in position to quote you.

Mr. HAWES. Every time a man orders an organ from New York and the reply goes back to him, "We have not one to sell you," according to the logic of the Senator's remarks, we should reduce the tariff duty on organs.

Mr. BLACK. Yes; we should reduce the duty on organs if the company manufacturing them will not sell them. They have no right to tell to one prospective purchaser that they will not sell to him, but will sell to some one else.

Mr. HAWES. I am quite sure that the constituent of the Senator from Alabama can buy all the shells that he wants. I recommend to him that he make his own shells, if he is dissatisfied; but the whole ammunition business of the United States should not be disarranged and the thought of preparation of war set aside because a man is dissatisfied with the market he has in which to purchase empty shells.

Mr. PITTMAN. Mr. President, I am sorry that I can not agree with my hunting partner as to this one item. I know that the Senator from Missouri has written a great book on bass fishing, and that he is an excellent shot, but I do not think there is any manufacturing concern in the United States which manufactures empty shotgun shells for sale. They manufacture them for the purpose of using them to load them and sell the loaded shells. So long as there is no business of manufacturing and selling empty shells in this country there is nothing to protect; there is no such industry. The only industry we have in the country with regard to shotgun shells is the selling of loaded shotgun shells ready for use.

The shotgun-shell manufacturers fabricate their own shells, and do everything in connection with them; that is perfectly natural; but if there is no industry here engaged in manufacturing empty shells, there is no competition and there is no industry to be injured by foreign competition. As the Senator from Missouri says, there is no market for empty shells; there is no more market for empty shells than there is for muzzle-loading shotguns; but, nevertheless, if a man wants a muzzle-loading shotgun and the manufacturers of the United States do not make them, but they are manufactured elsewhere, there is no reason why an individual wanting one should have to pay a duty in order to secure a muzzle-loading shotgun. The industry does not need protection on empty shells because the manufacturers do not sell empty shells; there is no question about that; nobody buys empty shells; but if some one wants to start an industry loading shells; if he has a process by which to load them, and does not desire to manufacture his empty shells, but desires to buy them and can not buy them in the United States, because there is no industry engaged in the business, he ought to be allowed to import them. I think so long as the Senator from Alabama puts the word "empty" in the amendment that it will not hurt any of the manufacturers.

Mr. HAWES. Mr. President, it so happens——

The VICE PRESIDENT. Under the unanimous-consent agreement, the Senator is limited to one speech of 10 minutes. The Senator from Missouri has spoken once for five minutes. Does the Senator from Nevada yield to the Senator from Missouri?

Mr. HAWES. I will ask the Senator to yield to me one minute of his time.

Mr. PITTMAN. I can not do that, but the Senator can ask me a question and I will answer it.

The VICE PRESIDENT. It is not permissible for the Senator from Nevada to yield his time under the rule. Is there objection to the Senator from Missouri occupying a minute? The Chair hears none.

Mr. HAWES. Mr. President, I will merely ask the Senator from Nevada a question. The Senator is aware of the fact that there are five great factories in the United States, all of which do sell empty shells. Here [exhibiting] are the advertisements for the sale of empty shells. So I presume the constituent of the Senator from Alabama did not make the proper approaches, for he can buy the shells if he wants them.

Mr. BLACK. Mr. President——

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

Mr. PITTMAN. I yield.

Mr. BLACK. I happen to have letters here from three of those companies. When a desire was expressed to buy empty shells they would not sell, but now since the question has arisen about a tariff rate under which a man might have an opportunity to buy shells abroad, they write the Senator they are ready to sell them.

Mr. GLENN. Mr. President, as I understand the situation, the Senate is now asked to reverse the action of the House and cut the duty fixed by it in two; to reverse the action of the Finance Committee and the action of the Senate as in Committee of the Whole, because the Senator from Alabama has one individual constituent who makes complaint. There is no other complaint from anybody in the United States, so far as I have heard. The constituent of the Senator is an inventor, an alleged inventor, I understand, who has a patent on a design which he thinks will enable him to load shells more cheaply than they can be loaded by the established ammunition factories.

It does seem to me that this is a rather slight reason to cut in two the duty upon which these great factories, useful not only in time of peace but in time of war, are proceeding in this country because one Member of the Senate has one constituent, whose name is not even revealed, who has some grievance against some ammunition company!

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

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

Mr. GLENN. I yield.

Mr. BLACK. He has no grievance.

Mr. GLENN. He claims to have.

Mr. BLACK. He has a grievance against the law which puts a tariff on a product of which there are no imports and which they will not sell to the trade. Does the Senator believe in putting on an embargo and absolutely prohibiting all imports?

Mr. GLENN. The whole argument of the Senator from Alabama is based upon a letter which he says informs him that some constituent down there has been unable to purchase shells. That is the only reason for it.

Mr. BLACK. The Senator is not correct about that. The argument is based on the fact that we made $30,000,000 worth of this product, that we exported $3,000,000 worth, and that for seven years we have not imported annually as much as $1,300 worth. Of course, if the Senator believes in an embargo and thinks it is right for every hunter in this country and for everybody who uses a cartridge to have to pay an extra price to some factory in Illinois that is the only argument there is for the matter.

Mr. GLENN. The Senator from Alabama would upset and undermine an industry doing a business of $3,000,000 a year and giving employment to thousands and thousands of American workmen, not because even one man who ever bought a shell complains but because some man in Alabama who thinks he is an inventor has been unable, so he says, to buy raw material or partly manufactured material from these factories. He may be irresponsible. His credit standing may not be good. His name is not even given; and yet the Senator would reduce the tariff upon which this great industry in America—useful, as I have said, both in time of peace and in time of war—has proceeded, because one man in Alabama has some petty grievance!

Mr. BLACK. Mr. President, this matter was not considered before; and I desire to reply to the Senator from Illinois.

The VICE PRESIDENT. The Senator from Alabama has spoken once.

Mr. BLACK. If I am not permitted to reply, I shall vote against my amendment and then ask for a reconsideration in order that I may reply.

Mr. FESS. Mr. President, can I yield a minute or two minutes of my time to the Senator from Alabama?

The VICE PRESIDENT. Is there objection?

Mr. BLACK. I ask unanimous consent to be allowed five minutes.

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

Mr. BLACK. Mr. President, in reply to the Senator from Illinois, who is weeping about some employees up in Illinois, I desire to call attention to the fact that there is somebody concerned besides two or three men who may be making unloaded shells. These manufacturers are not selling them in this country. They will not sell them in this country. They claim the right to have a monopoly of loaded shells. This gentleman is not only responsible but they did not raise any question about his responsibility. These shells go not only to one or two places in Illinois but they are used on every farm in America. They are used by every man who needs to shoot a gun. To get up here with the specious argument that because, forsooth, somebody is employed in Illinois, it is all right and proper to put an embargo on loaded shells, when the manufacturers will not sell them to customers in America, is protection gone stark crazy.

The people of this country are beginning to wake up to some of the evils of this system now; and they will wake up more if the Senators who believe in high-protective tariffs on which to try to base embargoes stand on the absurd proposition that without imports, and with $30,000,000 worth of production in this country, and $3,000,000 worth of exports, they still insist on a duty of 30 per cent ad valorem, when it is impossible to buy the product in the market. Let the Senate speak now and see if it believes in that kind of a tariff.

I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. WATERMAN in the chair). The amendment will be stated.

The CHIEF CLERK. On page 212, line 1, it is proposed to strike out all after "caps," down through the word "valorem," in line 2, and insert:

And cartridges, 30 per cent ad valorem; cartridge shells, empty, 15 per cent ad valorem.

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

Mr. BLACK. I call for the yeas and nays.

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

Mr. McNARY (when his name was called). Upon this question I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I transfer that pair to the senior Senator from Vermont [Mr. GREENE] and will vote. I vote "nay."

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 Virginia [Mr. SWANSON] and will vote. I vote "yea."

Mr. WALCOTT (when his name was called). I have a pair with the Senator from South Carolina [Mr. BLEASE]. I transfer that pair to the Senator from Oklahoma [Mr. PINE] and will vote. I vote "nay."

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

The roll call was concluded.

Mr. FESS. I desire to announce that the Senator from Washington [Mr. JONES] is detained at a committee meeting.

Mr. THOMAS of Idaho (after having voted in the negative). I am paired with the Senator from Montana [Mr. WHEELER], who is absent. I therefore withdraw my vote.

Mr. STECK. Has the senior Senator from New Hampshire [Mr. MOSES] voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. STECK. I have a pair with the Senator from New Hampshire. I transfer that pair to the junior Senator from Arizona [Mr. HAYDEN] and will vote. I vote "yea."

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

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

The Senator from Wyoming [Mr. SULLIVAN] with the Senator from Tennessee [Mr. BROCK]; and

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

The result was announced—yeas 31, nays 38, as follows:

YEAS—31

Barkley	Cutting	Howell	Schall
Black	Dill	La Follette	Sheppard
Blaine	Fletcher	McKellar	Simmons
Borah	Frazier	McMaster	Steck
Brookhart	George	Norbeck	Stephens
Capper	Glass	Norris	Thomas, Okla.
Caraway	Harris	Nye	Walsh, Mont.
Connally	Heflin	Pittman	

NAYS—38

Allen	Goldsborough	McCulloch	Townsend
Baird	Grundy	McNary	Trammell
Bingham	Hale	Metcalf	Tydings
Broussard	Hastings	Oddie	Vandenberg
Copeland	Hatfield	Patterson	Wagner
Couzens	Hawes	Phipps	Walcott
Dale	Hebert	Robinson, Ind.	Waterman
Fess	Johnson	Robsion, Ky.	Watson
Glenn	Kean	Smoot	
Goff	Keyes	Steiwer	

NOT VOTING—27

Ashurst	Greene	Overman	Smith
Blease	Harrison	Pine	Sullivan
Bratton	Hayden	Ransdell	Swanson
Brock	Jones	Reed	Thomas, Idaho
Deneen	Kendrick	Robinson, Ark.	Walsh, Mass.
Gillett	King	Shipstead	Wheeler
Gould	Moses	Shortridge	

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

The PRESIDING OFFICER. The question now is upon concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

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

The PRESIDING OFFICER. The Senator will state it.

Mr. FESS. In the next paragraph, "Jewelry," there is no specific amendment designated upon which there is a separate vote reserved. I ask the Senator from New York on what particular amendment in paragraph 219 he reserved a vote.

The PRESIDING OFFICER. The clerk will state the next amendment on which a vote was reserved.

The CHIEF CLERK. Paragraph 1527, page 219, "Jewelry."

Mr. COPELAND. I desire to have the rate returned to that in the present law so that it will read:

Jewelry, commonly or commercially so known, finished or unfinished (including parts thereof), 80 per cent ad valorem.

Mr. FESS. My inquiry was to determine whether or not there is only one amendment.

Mr. COPELAND. It is just one amendment.

Mr. FESS. I ask unanimous consent that on this amendment no Senator shall speak longer than 10 minutes or more than once.

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

Mr. SMOOT. Mr. President, what the Senator read is not what the present law provides.

Mr. COPELAND. How does the present law read?

Mr. SMOOT. The present law reads:

Jewelry, commonly or commercially so known, finished or unfinished, of whatever material composed, valued above 20 cents per dozen pieces, 80 per cent ad valorem.

Mr. COPELAND. The reason why this amendment is presented is that there has been a division made, and provision is made for a duty on "Rope, curb, cable, and fancy patterns of chain."

Mr. SMOOT. That is true.

Mr. COPELAND. My amendment is to insert as a substitute for paragraph 1527 (a) the following language:

Jewelry, commonly or commercially so known, finished or unfinished (including parts thereof), 80 per cent ad valorem.

The point about it is that we are taxing novelty jewelry, which is worn by servant girls and poor young women, a rate of 150 or 200 per cent ad valorem, while diamonds and platinum jewelry and gold and other articles of like nature come in at 80 per cent. I presented the argument the other day, and it is for the Senate to decide whether it cares to tax this novelty jewelry, this cheap jewelry, worn by the poor, at an excessive rate, or whether it proposes to be so modest and lenient as to place it on the same basis with expensive jewelry.

Mr. SMOOT. Mr. President, the Finance Committee followed out the suggestions of the Treasury Department as to the classification of this jewelry, and I want to say to the Senator that the novelty jewelry found in subsection (b) on page 219, beginning with line 7, is the jewelry to which he refers. Of course, if the amendment were adopted as suggested, it would all be in one paragraph, and that, of course, the Senator does not desire.

Of that novelty jewelry, there is imported into the United States $38,178,894 worth. The rate has not kept the goods out of the country by any manner of means. That covers all jewelry other than gold or platinum jewelry. It seems to me there is no necessity for the amendment. I can not see why there should be such an amendment.

The Senator will notice in subsection (b), "Rope, curb, cable, and fancy patterns of chain not exceeding one-half inch in diameter, width, or thickness, valued above 30 cents per yard."

Mr. COPELAND. Mr. President, I do not have any interest in subsection (1) or (b) or (2).

Mr. SMOOT. All the Senator would be interested in would be subsection (1), jewelry "composed wholly or in chief value of gold or platinum, or of which the metal part is wholly or in chief value of gold or platinum."

Mr. COPELAND. And the next.

Mr. SMOOT. Subsection (2):

All other, of whatever material composed, valued above 20 cents per dozen pieces, 1 cent each, and in addition thereto three-fifths of 1 cent per dozen for each 1 cent the value exceeds 20 cents per dozen, and 50 per cent ad valorem.

Mr. COPELAND. That is it. That makes a rate of about 110 per cent.

Mr. SMOOT. Practically that, taking it as a whole.

Mr. COPELAND. That is the part to which I refer. My amendment would cover subsection (1). Would the Senator prefer that we let this go over so that we can agree upon the amendment I desire to have included?

Mr. SMOOT. We can not consider it now, because there is no amendment offered.

Mr. COPELAND. I will ask the expert if he will help me prepare an amendment covering novelty jewelry.

Mr. SMOOT. That comes in subsection (2).

Mr. COPELAND. I will ask the expert, who has heard what I have in mind, to prepare the amendment and give a copy of it to the junior Senator from Rhode Island [Mr. HEBERT], because he is in opposition to it.

Mr. HEBERT. Mr. President, is it the intent of the Senator to eliminate all the provisions of subsection (2) in paragraph 1527?

Mr. COPELAND. I want to reduce the rate.

Mr. HEBERT. As I understood the Senator it was the purpose of his amendment to eliminate this per dozen rate on importations.

Mr. COPELAND. That is it. I want to place an ad valorem rate on all jewelry of the novelty type, such as is included in subsection (2) of paragraph 1527.

Mr. HEBERT. At 80 per cent, as in subsection (1)?

Mr. COPELAND. Exactly.

Mr. HEBERT. And bring it all into one subsection at 80 per cent?

Mr. COPELAND. Yes. I will ask the expert if he will be good enough to let the Senator from Rhode Island have a copy of the amendment when it is prepared.

Mr. HEBERT. I shall be obliged to the Senator from New York.

Mr. SMOOT. I ask that this amendment may go over temporarily.

The PRESIDING OFFICER. Without objection, the amendment will be passed over temporarily, and the Secretary will state the next amendment.

The CHIEF CLERK. The next amendment is in paragraph 1529, page 222, "Laces."

Mr. COPELAND obtained the floor.

Mr. FESS. Mr. President, how much time will the Senator from New York want?

Mr. SMOOT. I do not think it will be necessary to discuss this amendment, because the Senator from New York submitted his amendment to me, and I have no objection to it.

Mr. COPELAND. We have all agreed on the amendment. We did before when the matter was considered as in Committee of the Whole, but we wish to have the language revised. I ask unanimous consent that the matter may be considered now.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the amendment? The Chair hears none. The clerk will state the amendment to the amendment made as in Committee of the Whole.

The CHIEF CLERK. The Senator from New York moves, on page 223, line 14, after the period to insert:

Hose and half-hose wholly or in chief value of cotton or of wool shall not be dutiable under this subparagraph by reason of being embroidered if embroidery is such as is commonly known as clocking or clockwork and does not exceed 1 inch in width or 6 inches in length, exclusive of fork.

Mr. SMOOT. Mr. President, that simply means that wherever there is a clock put upon a pair of hose, that clockwork will not result in the article being thrown outside of this paragraph. I have no objection to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was concurred in.

The PRESIDING OFFICER. The next amendment will be stated.

The CHIEF CLERK. Paragraph 1530 (c), page 226, line 7, "Kid leather."

Mr. SMOOT. Mr. President, I ask the Senator making the reservation, the Senator from Delaware [Mr. HASTINGS], whether it would not be better to take up hides and leather before we take up kid leather?

Mr. HASTINGS. I am anxious that that should be done, because if the other amendment should be adopted I will not offer my amendment.

Mr. SMOOT. I would like to have the Senator request unanimous consent that his amendment go over until after the hides and leather question is disposed of.

Mr. HASTINGS. I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. BARKLEY. There was no amendment made as in Committee of the Whole on hides and leathers.

Mr. SMOOT. The Vice President is not in the chair, but I am told that under his decision it could be taken up at this time. Am I correct, I ask the Senator from Nevada?

Mr. ODDIE. That is correct.

Mr. BARKLEY. It could only be done by unanimous consent.

Mr. SMOOT. No; there is no question of unanimous consent. That is the ruling. Was the unanimous-consent request preferred by the Senator from Delaware agreed to?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware? The Chair hears none.

Mr. HEBERT. Mr. President, I have an amendment pending to paragraph 1529, page 222, affecting laces. I understand, however, that the amendment is not in order at the present time and can not be taken up until individual amendments are in order. I merely wished to make that statement for the RECORD.

The VICE PRESIDENT. Does the Senator's amendment propose to amend an amendment made as in Committee of the Whole?

Mr. HEBERT. It does not propose to amend any amendment made as in Committee of the Whole.

The VICE PRESIDENT. Then it is not in order at this time. The clerk will report the next amendment on which a separate vote was reserved.

The CHIEF CLERK. Paragraphs 1530 and 1531, page 225, "Hides and leather."

Mr. BARKLEY. Mr. President, I make the point of order that no quorum is present.

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

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

Mr. ODDIE. Mr. President, I send to the desk an amendment, and ask that it be read.

The VICE PRESIDENT. The amendment will be reported for the information of the Senate.

The CHIEF CLERK. On page 224, strike out all after line 20, down through and including line 16, on page 228, and insert the following:

PAR. 1530. (a) Hides and skins of cattle of the bovine species (except hides and skins of the India water buffalo imported to be used in the manufacture of rawhide articles), raw or uncured, or salted or pickled, 4 cents per pound; if dried (including dry salted), 8 cents per pound.

(b) Leather (except leather provided for in subparagraph (d) of this paragraph), made from hides or skins of cattle of the bovine species:

(1) Sole, belting, or harness 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, belting, harness, or saddlery, 6 cents per pound and 10 per cent ad valorem;

(2) Leather welting, 6 cents per pound and 10 per cent ad valorem;

(3) Side upper leather (including grains and splits) and patent leather, 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, 5.2 cents per square foot and 10 per cent ad valorem;

(4) 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, 3.6 cents per square foot and 10 per cent ad valorem;

(5) Upholstery, collar, bag, case, glove, garment, or strap leather, in the rough, in the white, crust, or russet, partly finished, or finished, 4.6 cents per square foot and 20 per cent ad valorem;

(6) All other, rough, partly finished, finished, or curried, not specially provided for, 6 cents per pound and 10 per cent ad valorem.

(c) Goat, kid, and other leather (except leather provided for in subparagraph (d) 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, 17½ per cent ad valorem; rough-tanned or semitanned leather made from genuine reptile skins, 15 per cent 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, 10 per cent 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.

(d) 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, 5.2 cents per square foot and 10 per cent 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.

(e) Boots, shoes, or other footwear (including athletic or sporting boots and shoes), made wholly or in chief value of leather, not specially provided for, 14 cents per pair and 10 per cent 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 or other synthetic textile, silk, or substitutes for any of the foregoing, whether or not the soles are composed of leather, wood, or other materials, 6 cents per pair and 35 per cent ad valorem.

(f) 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, 40 per cent ad valorem; saddles made wholly or in part of pigskin or imitation pigskin, 50 per cent ad valorem; saddles and harness, not specially provided for, parts thereof, except metal parts, and leather shoe laces, finished or unfinished, 20 per cent ad valorem.

Mr. FESS. Mr. President, will the Senator from Nevada yield?

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

Mr. ODDIE. I yield.

Mr. FESS. I desire to submit a unanimous-consent request. I ask unanimous consent that upon this amendment no Senator shall speak longer than 30 minutes or more than twice.

Mr. ODDIE. I object.

Mr. HOWELL. I object.

The VICE PRESIDENT. Objection is made.

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

Mr. ODDIE. I yield.

Mr. FESS. I ask unanimous consent that a vote be had upon the amendment at not later than 12 o'clock to-morrow.

The VICE PRESIDENT. Is there objection?

Mr. HOWELL. I object.

The VICE PRESIDENT. Objection is made.

Mr. HEFLIN. Mr. President, that seems to be a very fair proposition. It would give us seven or eight hours for the discussion of the amendment.

Mr. BRATTON. Mr. President, I have no doubt we can reach a vote sooner than that time, but I shall be constrained to object to the request.

The VICE PRESIDENT. Objection is made.

Mr. FESS. If the Senator from Nevada will permit me further, we have gotten along so handsomely this afternoon and everyone seemed to be in such a good humor that I had hoped we might get a limitation on debate upon the pending amendment, but it appears that we can not do so, and therefore I will withdraw the request.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BARKLEY. Is the amendment offered as a single amendment?

The VICE PRESIDENT. It is offered as a substitute.

Mr. BARKLEY. Is it divisible?

Mr. ODDIE. It is offered as one amendment.

The VICE PRESIDENT. The motion is to strike out and insert, and in the opinion of the Chair it is not divisible. It is open to amendment, however.

Mr. BARKLEY. It is offered as a substitute for an amendment made in Committee of the Whole?

The VICE PRESIDENT. It is.

Mr. SWANSON. Mr. President, my understanding of the rule is that it provides that upon any question which contains different propositions we can ask for a divided vote. This proposal contains three different questions, one on hides, one on leather, and one on boots and shoes. The rule distinctly states that where there are different propositions contained in an amendment, a separate vote may be taken. I do not see why the rule should not apply to the present amendment.

The VICE PRESIDENT. Rule XVIII provides:

If the question in debate contains several propositions, any Senator may have the same divided, except a motion to strike out and insert, which shall not be divided.

This is a motion to strike out and insert. Therefore it can not be divided, but it can be amended. It is open to amendment.

Mr. SWANSON. What is the difference? It is a motion to strike out and insert, it is true. Would a motion to strike out from line 1 to line 6 be in order?

The VICE PRESIDENT. Does the Senator mean to strike out from line 1 to line 6 of the amendment of the Senator from Nevada?

Mr. SWANSON. Yes.

The VICE PRESIDENT. That would be in order.

Mr. SWANSON. What is the difference?

The VICE PRESIDENT. The Chair has simply read the rule to the Senate. The question is on agreeing to the amendment of the Senator from Nevada. The Senator from Nevada is recognized.

Mr. ODDIE. Mr. President, I have a statement to make regarding this amendment; and I will ask that I be not interrupted until I complete the statement. Then I shall be glad to answer any questions which may be asked.

Mr. McMASTER. Mr. President, will the Senator yield for just a moment?

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

Mr. ODDIE. I yield.

Mr. McMASTER. Does the Senator understand, from the ruling of the Chair, that even by unanimous consent it is impossible to vote upon the various items of this amendment separately?

The VICE PRESIDENT. By unanimous consent the Senate can do almost anything.

Mr. McMASTER. I want to suggest to the Senator from Nevada that he has an amendment here covering leather, covering shoes, covering hides; he has an amendment in reference to articles made out of goat skins, an amendment covering shoes made out of silk and wool and cotton, and with wooden soles. In other words, the Senator has here an amendment that covers from 12 to 15 separate and distinct industries and he asks us to vote upon all of those items in one amendment. It amounts practically to voting upon a whole tariff bill in one amendment. I for one object to that kind of procedure.

Mr. ODDIE. Mr. President, if the Senator will permit me, I will state that the Senate previously took one vote on all of these items under the Borah amendment. After I shall have completed my statement I will be glad to answer any questions.

Mr. President, the compensatory specific duties on leather for a 4-cent per pound duty on green cattle hides and calfskins computed by the United States Tariff Commission and set forth in the following table are the rates used in the amendment which I have submitted:

Compensatory specific duties on leather for a 4-cents-a-pound duty on green cattle hides and calfskins

(Calculated by the United States Tariff Commission on basis of yield data furnished by tanneries on each of the leather classifications)

Leather classification	Unit of quantity	Yield [1]	Compensatory duty on leather
			Cents
Sole, belting, and harness leather	Pounds	66.8	6.0
Upholstery and bag, case and strap leather	Square foot	87.5	4.6
Side upper and patent side leather	do	77.5	5.2
Calf and whole kip leather	do	110	3.6

[1] Quantity of leather (pounds or square feet) produced from 100 pounds of imported green cattle hides or calfskins.

Mr. President, I will now indicate the changes made in the Finance Committee provisions of paragraph 1530 by the amendment submitted by me on February 6, 1930, and now under consideration.

Section (a). The 10 per cent ad valorem duty on cattle hides and skins is replaced by a 4-cent per pound duty on green and an 8-cent per pound duty on dry hides and skins.

SECTION (B). LEATHER

First. To simplify the schedule, harness leather has been included with sole and belting leather, and the 15 per cent ad valorem duty replaced by a specific compensatory duty of 6 cents per pound and a protective duty of 10 per cent ad valorem.

Second. Leather weltings: The 15 per cent ad valorem duty is replaced by a specific compensatory duty of 6 cents per pound and a protective duty of 10 per cent ad valorem.

Third. Calf and kip skins are eliminated, leaving only side uppers and patent leather, and the ad valorem duty of 17½ per cent is replaced by a specific compensatory duty of 5.2 cents per square foot and a protective duty of 10 per cent ad valorem.

Fourth. This is a new section covering calf and kip skins alone, and the ad valorem duty of 17½ per cent is replaced by a specific compensatory duty of 3.6 cents per square foot and a protective duty of 10 per cent ad valorem.

If both side, upper, and calf and kip skins were put in one section, the importer would classify on the lower rate for calf and kip skins, and there would be no adequate protection for side upper leather.

Fifth. Upholstery, bag, strap, and so forth, leather without change in wording was substituted for subsection (4) of the bill, and the 20 per cent ad valorem duty replaced by a specific compensatory duty of 4.6 cents per square foot and a protective duty of 20 per cent ad valorem.

Under the Borah amendment striking out paragraph 1530, this subsection reverted to the 1922 act which provides for free hides and a 20 per cent duty on leather under this classification, and therefore it is necessary to include a specific compensatory duty of 4.6 cents per square foot on account of the duty of 4 cents on hides in subsection (6).

Sixth. The "catchall" provision substituted without change in wording for subsection (5) of the bill and the 15 per cent ad valorem duty replaced by a specific compensatory duty of 6 cents per pound and a protective duty of 10 per cent ad valorem.

The specific compensatory duties included under section (b) are the data supplied by the United States Tariff Commission.

Section (c): This is identical with section (c) of the bill.

This section is unrelated to the hide duty, which the Borah amendment restored to the free list, and consequently this subsection should be included in this amendment.

Section (d): This is substituted without change in wording for section (d) of the bill, but the ad valorem duty of 20 per cent is replaced by a specific duty of 5.2 cents per square foot, and a protective duty of 10 per cent ad valorem.

Section (e): This is identical with section (e) of the bill, except for the rates. The 20 per cent ad valorem duty on leather shoes is replaced by a specific compensatory duty of 14 cents per pair—equal to the 4-cent duty of 3½ pounds of green hides, which is about the average of all shoes—and a protective duty of 10 per cent ad valorem; and on shoes only partially leather the 35 per cent ad valorem duty is replaced by a specific compensatory duty of 6 cents per pair—equal to a duty of 4 cents on 1½ pounds of green hides—and a protective ad valorem duty of 35 per cent.

The Borah amendment restored other than all leather shoes to the provisions of the 1922 act, in which the rate is 35 per cent ad valorem.

Section (f): This is identical with section (f) of the bill except for the increase of 5 per cent, from 35 to 40 per cent ad valorem, on harness valued at more than $70 per set and on

saddles valued at more than $40 each, the increase of 5 per cent being justified on account of the increase to 4 cents per pound duty on green hides; saddles made of pigskin are given the Finance Committee rate of 50 per cent ad valorem and no compensatory duty on account of the duty of hides; and harness not especially provided for the duty of 15 per cent ad valorem is replaced by 20 per cent ad valorem in order to compensate for the duty of hides.

DUTY REDUCTION ON HIDES

The amendment which I originally introduced providing for a duty of 6 cents per pound on green cattle hides and which failed of enactment by the narrowest margin in the Senate, was indorsed by most of the cattle and farm organizations of the country as affording the minimum necessary protection to the cattle industry. Consequently, the amendment to paragraph 1530, which is now before the Senate providing for a duty of 4 cents per pound on green cattle hides represents a reduction of 33⅓ per cent from the original request. On this basis, I consulted with the leather manufacturers representing the many varieties of leather and with the aid of the technical experts of the Tariff Commission on hides, leathers, and shoes, the duties provided for in this amendment were determined.

DUTY REDUCTION ON SOLE, BELTING, AND HARNESS LEATHERS

The Finance Committee recommended a duty of 10 per cent ad valorem on green hides which would have amounted to 1.71 cents per pound on the import value of green hides for the period 1924–1928; and, on the basis of value of the 15 per cent ad valorem recommended by the Finance Committee on sole, belting, and harness leathers, would have amounted to 5.88 cents per pound. Had the Finance Committee recommended the same amount of protection on the basis of the 4-cent duty provided for hides under this amendment, it would have amounted to an equivalent specific duty on the same basis of value of 13.7 cents per pound. The total equivalent specific duty on this group of leathers under this amendment amounts to 9.9 cents—a decline of 3.8 cents from the amount the Finance Committee would have allowed on the basis of their original recommendation, or a decline of 28 per cent.

DUTY REDUCTION ON UPHOLSTERY AND BAG, CASE, AND STRAP LEATHERS

The Finance Committee recommended a duty of 10 per cent ad valorem on green hides which would have amounted to 1.71 cents per pound on the import value of green hides for the period 1924–1928; and on the same basis of value the 20 per cent ad valorem recommended by the Finance Committee on upholstery, case, and strap leather would have amounted to 9.86 cents per pound. Had the Finance Committee recommended the same amount of protection on the basis of the 4-cent duty provided for hides under this amendment, it would have amounted to an equivalent specific duty on the same basis of value as 23 cents per pound. The total equivalent specific duty on this group of leather under this amendment amounts to 14.5 cents—a decline of 8.5 cents from the amount the Finance Committee would have allowed on the basis of their original recommendation, or a decline of 37 per cent.

DUTY REDUCTION ON SIDE UPPER AND PATENT SIDE LEATHER

The Finance Committee recommended a duty of 10 per cent ad valorem on green hides which would have amounted to 1.71 cents per pound on the import value of green hides for the period 1924–1928; and, on the basis of value of the 17.5 per cent ad valorem recommended by the Finance Committee on side upper and patent side leathers, would have amounted to 5.36 cents per pound. Had the Finance Committee recommended the same amount of protection on the basis of the 4-cent duty provided for hides under this amendment, it would have amounted to an equivalent specific duty on the same basis of value as 12.5 cents per pound. The total equivalent specific duty on this group of leathers under this amendment amounts to 8.3 cents—a decline of 4.2 cents from the amount the Finance Committee would have allowed on the basis of their original recommendation, or a decline of 33 per cent.

DUTY REDUCTION ON CALF AND WHOLE KIP LEATHERS

The Finance Committee recommended a duty of 10 per cent ad valorem on green hides, which would have amounted to 2.54 cents per pound on the import value of green calf and kip skins for the period 1924–1928; and, on the basis of value of the 17.5 per cent ad valorem recommended by the Finance Committee on calf and whole kip leathers, would have amounted to 5.36 cents per pound. Had the Finance Committee recommended the same amount of protection on the basis of the 4-cent duty provided for hides under this amendment, it would have amounted to an equivalent specific duty on the same basis of value as 12.5 cents per pound. The total equivalent specific duty on this group of leathers under this amendment amounts to 8.3 cents—a decline of 4.2 cents from the amount the Finance Committee would have allowed on the basis of their original recommendation, or a decline of 23 per cent.

DUTY REDUCTION ON SHOES

The Finance Committee recommended 15 per cent on sole and 17½ per cent on side upper leather, which would average 16.25 per cent ad valorem and 20 per cent on shoes. The average specific duty provided for in this amendment on all leathers amounts to 4.875 cents per pound, or the equivalent ad valorem rate based upon the average import leather values for the period of 1924–1928, presented in the accompanying table by the United States Tariff Commission would be 12.9 per cent, which, including the 10 per cent ad valorem protection, would make a total of 22.9 per cent ad valorem in this amendment. Had the Finance Committee allowed the same amount of protection on shoes, based upon the 22.9 per cent ad valorem equivalent in this amendment as the 20 per cent on shoes, which it did recommend on the basis of an average 16.25 per cent ad valorem duty on sole and side upper leather, the amount would be 28 per cent ad valorem. The average import value of shoes for the period 1924–1928, in accordance with the accompanying table by the United States Tariff Commission, amounted to $2.66 per pair.

The 14 cents per pair specific duty provided for in this amendment would amount to slightly over 5 per cent ad valorem, which, including the 10 per cent ad valorem, would be slightly in excess of a total of 15 per cent. The duty in this amendment on shoes, therefore, represents a reduction from the amount the Finance Committee would have allowed of 13 per cent in the ad valorem rate or a reduction of 45 per cent. This reduction, it will be observed, is greater than the amount of reduction of 33⅓ per cent in the protection originally asked for hides but seemed justified on the basis that the rate recommended by the Finance Committee in relation to the 10 per cent ad valorem duty on the hides was relatively higher than the duties provided for leather. The amendment as it stands with provisions for all of its many items is equitable and well balanced. To change the rate of one item materially would disturb this desirable relationship and throw the interrelated hide, leather, and shoe industries out of balance.

DUTY ADJUSTMENTS IN ODDIE AMENDMENT

As a basis for making comparison between the duty adjustments made in this amendment on the different items on hides, leathers, and shoes the United States Tariff Commission has supplied me with tables showing the quantities and values of hides, leathers, and shoes imported into the United States during the five years 1924 to 1928, inclusive. These tables I herewith submit for publication in the RECORD.

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

TABLE I.—*United States imports of wet salted cattle hides (over 25 pounds), green calfskins and kipskins*

1924–1928

	Quantity	Value	Unit value
Cattle hides, wet salted (over 25 pounds):	*Pounds*		
1924	172, 182, 487	$22, 242, 049	$0. 129
1925	149, 561, 273	23, 347, 595	. 159
1926	138, 600, 964	19, 863, 193	. 143
1927	218, 973, 302	37, 086, 780	. 169
1928	254, 555, 588	57, 455, 288	. 226
Total	933, 873, 614	159, 994, 905	
Average	186, 774, 723	31, 998, 981	. 171
Calfskins, green:			
1924	22, 291, 560	5, 378, 391	. 241
1925	17, 725, 234	4, 631, 561	. 261
1926	30, 003, 970	6, 635, 743	. 221
1927	30, 249, 303	7, 867, 889	. 260
1928	28, 247, 620	9, 152, 203	. 324
Total	128, 607, 687	33, 665, 787	
Average	25, 721, 537	6, 733, 157	. 262
Kipskins, green:			
1924	7, 529, 145	1, 376, 203	. 183
1925	3, 156, 769	664, 282	. 210
1926	4, 579, 899	855, 315	. 187
1927	5, 153, 157	1, 171, 314	. 227
1928	7, 556, 021	2, 100, 640	. 278
Total	27, 974, 991	6, 167, 754	
Average	5, 594, 998	1, 233, 551	. 220
Grand total	1, 090, 456, 292	199, 828, 446	
Average	218, 091, 258	39, 965, 689	. 183
Weighted average value of calf and kipskins			. 254

Prepared by the U. S. Tariff Commission, Feb. 18, 1930.

TABLE II-A.—*United States imports of leather, 1924 to 1928—Summary table of averages*

	Average quantity	Average value	Average unit value
Group 1:	*Pounds*		
Sole leather	7,718,690	$2,836,737	$0.368
Belting leather	468,852	345,812	.738
Harness leather	1,159,219	483,803	.417
Total	9,346,761	3,666,352	.392
Group 2:	*Square feet*		
Enameled upholstery leather	65,104	22,151	.340
Bag, strap, case, and football leather	536,814	274,345	.511
Total	601,918	296,496	.493
Group 3:			
Side upper leather	3,297,135	711,678	.216
Patent leather	5,124,393	1,866,643	.364
Total	8,421,528	2,578,321	.306
Group 4:			
Calf and whole kip leather	21,297,540	6,918,827	.325

TABLE II-B.—*United States imports of sole, belting, and harness leather, 1924 to 1928*

	Quantity	Value	Unit value
Sole leather:	*Pounds*		
1924	4,784,813	$1,748,874	$0.366
1925	6,356,269	2,202,920	.347
1926	7,773,982	2,351,525	.302
1927	10,257,414	3,435,388	.335
1928	9,420,974	4,444,978	.472
Total	38,593,452	14,183,685	
Average	7,718,690	2,836,737	.368
Belting leather:			
1924	295,578	170,108	.576
1925	273,802	189,411	.692
1926	285,615	287,628	1.007
1927	828,370	550,805	.665
1928	660,893	531,109	.804
Total	2,344,258	1,729,061	
Average	468,852	345,812	.738
Harness leather:			
1924	931,190	336,666	.362
1925	990,618	377,514	.381
1926	996,711	379,134	.380
1927	1,195,215	472,957	.396
1928	1,682,360	852,744	.507
Total	5,796,094	2,419,015	
Average	1,159,219	483,803	.417
Grand total	46,733,804	18,331,761	
Average	9,346,761	3,666,352	.392

United States imports of upholstery and bag, case, and strap leather, 1924 to 1928

	Quantity	Value	Unit value
Enameled upholstery leather:	*Square feet*		
1924	15,696	$10,723	$0.683
1925	5,176	4,131	.798
1926	34,895	18,332	.525
1927	164,726	44,294	.269
1928	105,029	33,274	.317
Total	325,522	110,754	
Average	65,104	22,151	.340
Bag, strap, case, and football leather:			
1924	534,761	238,161	.445
1925	392,322	212,185	.541
1926	771,176	404,119	.524
1927	656,461	304,831	.464
1928	329,349	212,427	.645
Total	2,684,069	1,371,723	
Average	536,814	274,345	.511
Grand total	3,009,591	1,482,477	
Average	601,918	296,496	.493

Prepared by the U. S. Tariff Commission Feb. 6, 1930.

United States imports of side, upper, and patent leather, 1924 to 1928

	Quantity	Value	Unit value
Side upper leather:	*Square feet*		
1924	425,825	$116,346	$0.273
1925	702,440	214,075	.305
1926	473,127	111,647	.236

United States imports of side, upper, and patent leather, 1924 to 1928—Con.

	Quantity	Value	Unit value
Side upper leather—Continued.	*Square feet*		
1927	5,934,838	$1,269,492	$0.214
1928	8,949,449	1,846,832	.206
Total	16,485,679	3,558,392	
Average	3,297,135	711,678	.216
Patent leather:			
1924	2,726,813	865,114	.317
1925	4,856,068	1,582,827	.326
1926	4,945,297	1,607,468	.325
1927	7,278,238	2,802,457	.385
1928	5,815,547	2,475,348	.426
Total	25,621,963	9,333,214	
Average	5,124,393	1,866,643	.364
Grand total	42,107,642	12,891,606	
Average	8,421,528	2,578,321	.306

United States imports of calf and whole kip leather, 1924 to 1928

	Quantity	Value	Unit value
	Square feet		
1924	14,161,148	$3,995,805	$0.282
1925	13,391,683	4,520,383	.336
1926	20,210,182	6,880,520	.340
1927	32,102,925	9,969,592	.311
1928	26,621,760	9,227,834	.344
Total	106,487,698	34,594,134	
Average	21,297,540	6,918,827	.325

TABLE III-A.—*Leather boots and shoes, imports for consumption, calendar year 1929*

Class	Pairs	Value	Unit value	House bill, 20 per cent	Senator ODDIE's amendment, 14 cents per pair and 10 per cent
Men's and boys'	419,845	$2,224,797	$5.299	1.060	$0.670
Women's and misses'	5,514,870	14,347,273	2.602	.520	.400
Children's	248,537	454,340	1.828	.366	.323
Slippers	975,166	1,432,901	1.469	.294	.287
Total	7,158,418	18,459,311	2.579	.516	.398

Preliminary statistics.

TABLE III-B.—*Imports of leather boots and shoes, calendar years 1924 to 1928, free of duty*

Class	Pairs	Value	Unit value
Men's and boys':			
1924	275,614	$1,070,977.00	$3.89
1925	310,660	1,239,368.00	3.99
1926	241,385	1,150,487.00	4.77
1927	306,473	1,562,270.00	5.10
1928	390,816	1,991,563.00	5.10
Total	1,524,948	7,014,665.00	
Average	304,990	1,402,933.00	4.60
Women's and misses':			
1924	264,359	888,194.00	3.36
1925	272,930	1,021,432.00	3.74
1926	506,041	1,913,627.00	3.78
1927	980,327	3,234,651.00	3.30
1928	2,023,125	5,843,254.00	2.89
Total	4,046,782	12,901,158.00	
Average	809,356	2,580,232.00	3.19
Children's:			
1924	45,771	34,554.00	.755
1925	231,675	168,903.00	.729
1926	332,163	322,237.00	.970
1927	188,987	402,323.00	2.129
1928	202,912	419,331.00	2.067
Total	1,001,508	1,347,348.00	
Average	200,302	269,470.00	1.35
Slippers:			
1924	581,130	301,826.00	.519
1925	180,371	130,886.00	.726
1926	368,469	316,187.00	.858
1927	464,243	408,484.00	.880
1928	633,086	1,019,258.00	1.610
Total	2,227,299	2,176,641.00	
Average	445,460	435,328.00	.98
Grand total	8,800,537	23,439,812.00	
Average	1,760,107	4,687,962.00	2.66

Prepared by the U. S. Tariff Commission, Feb. 19, 1930.

CATTLE INDUSTRY IN DEPRESSED CONDITION

Mr. ODDIE. Recently when I addressed the Senate on the importance of the duty on hides I presented figures to show a decline of nearly 30 per cent in the beef-cattle census of the United States since 1921. I also presented market information from nearly every important hide center demonstrating that at the present time there is practically no market for country hides and that the prices were at so low a level that it hardly pays to remove the hide.

When the Senate passed an amendment to the tariff act increasing the duty on live cattle and dressed beef there was a wrong impression among certain people that this would create a prosperous condition in the cattle industry and make less necessary a duty on hides. The hide is an independent and very important factor in determining the price of live cattle, and when country-hide prices decline to such extremely low levels as prevail at the present, and it does not pay to remove the hide, the hide is practically a complete loss and contributes nothing to the value of the live cattle.

In a letter dated February 28, 1930, C. V. Wahlin, in charge of the livestock, meats, and wool division of the Department of Agriculture, explains the importance of hide prices in determining the value of livestock, and I quote from this letter, as follows:

Hide and skin prices, as well as the prices of other inedible and edible products derived from the slaughter of livestock, have an important bearing on livestock or dressed-meat prices, or both, other factors being the same. The cost of dressed-beef carcasses, for example, is determined by the cost of the live animal, the dressing percentage, the cost of slaughter, and other overhead charges, against which is credited the edible and inedible offal, bones and other products. Naturally, the credits vary with the market value of these by-products, and when hide prices are relatively low as compared to the cost of the live animal the credit from the sale of the hide will also be relatively low. This means that the slaughterer, in order to make a normal profit, must either pay less for his livestock or obtain more for his meat, or both. * * * Since the wholesale meat business is highly competitive and the product is quite perishable, the selling prices may not always be higher than the cost of the meat plus profit, although in the long run the selling price must show a profit if the concern is to stay in business.

Mr. F. E. Mollin, secretary of National Livestock Association, under date of March 4, 1930, has written me concerning conditions in the livestock industry, and I herewith submit his letter for insertion in the RECORD at this point.

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Without objection, the letter will be printed in the RECORD.

The letter is as follows:

WASHINGTON, D. C., *March 4, 1930.*

To Members of the United States Senate:

GENTLEMEN: The writer has just returned from a trip through the principal range-cattle-producing States of the West and Southwest where he attended several meetings and met individually many of the leading cattlemen of the West. Without such contact it would be impossible to realize their intense interest in the matter of a tariff on hides. The vote a month ago left them completely discouraged. They can not understand how this Congress, whose special mandate is to consider the needs of agriculture, can fail to provide a tariff on an item the imports of which are so heavy as to completely demoralize domestic prices.

Part of the shoe industry, wholly without regard for the welfare of the vitally important meat producers of the Nation, are fighting desperately to keep hides on the free list. It has been clearly shown that shoe prices bear little, if any, relation to hide prices, and hence the charge that a 4-cent tariff on hides would add 50 cents to $1 to the retail price on a pair of shoes is a misstatement of fact. Retail shoe dealers all over the country are responding to the tremendous propaganda of these powerful shoe manufacturers and raising a great hue and cry against a duty on hides, innocent of the fact that the manufacturers themselves are the principal beneficiaries of free hides and that a duty on same would stabilize hide prices with little, if any, effect on retail shoe prices.

An attempt is being made to show that the cattle industry is in a very prosperous condition and that with added tariffs on live cattle and dressed beef a tariff on hides is of lesser importance. Neither assertion is correct. Cattle prices have been somewhat better the last two years, but the recovery from the postwar depression is still far from complete, and the outstanding hazards must be removed before our cattle growers can go about their business of producing the beef supply of the Nation with any peace of mind or dependable profit. The tariff on dressed beef and live cattle could not be placed high enough to make a tariff on hides unnecessary. Beyond a certain point such duties would not be effective and in no event would they relieve the demoralized hide-price situation.

To-day over much of the western area lack of moisture is a cause of serious concern. Our cattlemen have always to contend with droughts and severe winters with no remedy at hand. That makes it all the more important that the tariff be used to the fullest possible extent to stabilize and protect the industry.

The steel industry demands and gets protection on every item down to the last pin, nut, or washer. Why pretend to help the cattle industry by propping it up with a tariff on live cattle and dressed beef and then removing the prop with free hides?

The Oddie amendment puts the issue squarely before you. It does not give us the protection we believe the record entitles us to. It will, however, increase the value of each animal by approximately $2 per head and will be of substantial benefit to every important cattle-producing section. Without question it is far better than remaining on the free list.

We earnestly urge that you consider the welfare of the producers and the distressed industries as against the admittedly profitable ones who are fighting them and work for an amendment along the lines suggested by Senator ODDIE. The adoption of such an amendment will do more than anything else possible to hearten the producers of the Nation and make sure a dependable beef supply for the consumers.

Yours very truly,

AMERICAN NATIONAL LIVESTOCK ASSOCIATION,
By F. E. MACE, *Secretary.*

Mr. ODDIE. In regard to the economic condition of the cattle industry and the importance of considering the hide duty as an independent factor, I quote the following paragraph from Mr. Mollin's letter:

An attempt is being made to show that the cattle industry is in a very prosperous condition and that with added tariffs on live cattle and dressed beef a tariff on hides is of lesser importance. Neither assertion is correct. Cattle prices have been somewhat better the last two years, but the recovery from the postwar depression is still far from complete and the outstanding hazards must be removed before our cattle growers can go about their business of producing the beef supply of the Nation with any peace of mind or dependable profit. The tariff on dressed beef and live cattle could not be placed high enough to make a tariff on hides unnecessary. Beyond a certain point such duties would not be effective and in no event would they relieve the demoralized hide-price situation.

The duty of 4 cents per pound on green hides provided for in this amendment will be a great assistance in reestablishing sound economic conditions in the cattle industry.

The ranges over a large part of the United States are suffering from drought at the present time and to make this needed protection on hides available will increase the saleability of hides at a price which will enable them to be removed and marketed.

DEPRESSED LEATHER INDUSTRY ADVERSE TO EMPLOYMENT

Whatever the diagnosis of the general business conditions of to-day might be, the leather industry has represented a weak spot in the economic structure of the Nation for some years past. An average of the earnings of seven of the principal leather companies in the United States compiled as a part of a general industrial review disclosed a deficit in the earnings for 1925 of $2.33 per $100 share of common stock, in 1926 a deficit of $9.11 per share, in 1927 an earned profit of $3.61 per share, and in 1928 a deficit of $2.48 a share.

The financial reports of three of the principal leather companies in 1929, which have not yet been made public, disclose deficits which are greater than those reported for 1928, which demonstrates that the leather industry is getting in a still worse condition as free trade continues.

In the past 10 years 85 tanneries have been compelled to close their doors and have been dismantled, thereby reducing materially the capacity of this industry to employ labor. In addition to this plant abandonment approximately 40 per cent of America's tanning capacity has remained idle during the past three years. So serious has the unemployment in the leather industry become that Mr. W. E. Bryan, Kansas City, Mo., general president United Leather Workers' International Union, sent me a letter on February 14, 1930, indorsing the provisions of this amendment as a basis for aiding in the solution of the unemployment problem. His letter states so clearly the economic conditions in the leather industry that I will read the following excerpts from it, and will ask that the letter be published in full at this point:

I have the honor and the privilege to speak for thousands of wage earners and their dependents directly dependent upon the successful

operation of the leather tanneries in this country for their daily subsistence; their standard of living is determined by the continuity of employment and the adequacy of wages received. It will be unnecessary for me to reproduce the figures showing the rapid and alarming increase in the importation of the different kinds of leather free of duty or to call to your attention the fact that foreign leather is made from foreign hides and skins and by foreign labor at an average wage 58 per cent below the average wages paid by American tanners. This information is now a part of the record in the hearings before the Ways and Means Committee in the House of Representatives, before the Finance Committee in the United States Senate, and the discussions which have taken place from the floor in both Houses of the Congress.

I shall devote some attention to the minority opposition on the part of some leather tanners and some boot and shoe manufacturers, who for obvious and selfish reasons are opposing this much-needed legislation. The product of such interests, because of a distinctive character, does not need protection, as the importations are of a grade and character not produced by these American manufacturers; they, for selfish reasons, want a free United States market in which to buy their raw material, regardless of the inevitable effect it will have to materially reduce the buying and consuming power of their own customers—composed collectively of the hundreds of thousands of people whose economic well-being is solely or very largely dependent upon the successful operation of these corelated industries—hides, skins, leathers, and shoes.

Speaking from a labor-union standpoint, I desire to say, unreservedly, we are in favor of your amendment to paragraph 1530, H. R. 2667. * * *

The PRESIDING OFFICER. Without objection, the letter will be printed in full in the RECORD.

The letter is as follows:

UNITED LEATHER WORKERS' INTERNATIONAL UNION,
Philadelphia, Pa., February 14, 1930.

Hon. TASKER L. ODDIE,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: My purpose in addressing you upon the substitute you have introduced in the Senate of the United States for paragraph 1530 of H. R. 2667, covering the proposed duties on hides, leather, and shoes, is:

I have the honor and the privilege to speak for thousands of wage earners and their dependents directly dependent upon the successful operation of the leather tanneries in this country for their daily subsistence; their standard of living is determined by the continuity of employment and the adequacy of wages received. It will be unnecessary for me to reproduce the figures showing the rapid and alarming increase in the importation of the different kinds of leather, free of duty, or to call to your attention the fact that foreign leather is made from foreign hides and skins and by foreign labor at an average wage 58 per cent below the average wages paid by American tanners. This information is now a part of the record in the hearings before the Ways and Means Committee in the House of Representatives, before the Finance Committee in the United States Senate, and the discussions which have taken place from the floor in both Houses of the Congress.

I shall devote some attention to the minority opposition on the part of some leather tanners and some boot and shoe manufacturers, who for obvious and selfish reasons are opposing this much-needed legislation: The product of such interests, because of a distinctive character, does not need protection, as the importations are of a grade and character not produced by these American manufacturers; they, for selfish reasons, want a free United States market in which to buy their raw material regardless of the inevitable effect it will have to materially reduce the buying and consuming power of their own customers, composed collectively of the hundreds of thousands of people whose economic well-being is solely or very largely dependent upon the successful operation of these correlated industries—hides, skins, leather, and shoes.

Speaking from a labor-union standpoint, I desire to say, unreservedly, we are in favor of your amendment to paragraph 1530, H. R. 2667. While primarily we are more concerned in the protection of finished leather, yet we fully realize there is a community or correlated interest which can not justly or equitably be separated. Some Senators have opposed the proposed tariff rates on certain commodities upon the theory that labor will not share in the protection afforded the industry. In this connection I desire to say this line of reasoning does not warrant the assumption, as, in effect, it is a denial of the opportunity for labor to seek its own economic betterments, strengthening the opposition on the part of employers in their resistance to granting better wages and better working conditions. This is not to be interpreted to the extent that we favor the granting of all rates upon the various commodities embodied in the pending tariff legislation but simply to dissent and oppose the defeat of any tariff rate upon the above-mentioned theory.

The record is extensive and quite complete upon paragraph 1530, H. R. 2667, but as your proposed amendment will come before the Senate of the United States for consideration and action, I take the liberty in addressing you to acquaint you with our views upon the subject and that our position may be made known to all by being made a part of the record.

Very sincerely yours,

W. E. BRYAN,
General President United Leather Workers' International Union.

Mr. ODDIE. Further emphasizing the beneficial effect upon the employment of labor which may be expected to result from the enactment of this amendment. I received a resolution from the Central Labor Union of Wilmington, Del., and vicinity, dated March 4, 1930, which I offer for publication in the RECORD and desire to quote the following important paragraph from it:

Resolved, That the Central Labor Union, of Wilmington, Del., and vicinity, hereby goes on record as indorsing Senator Oddie's amendment because it is in the interest of protecting the interests of American labor and encouraging American capital and American business; it being our firm belief that if our American kid tanners are able to secure the rate of production now lost because of the cheap-labor competition of foreign tanners and importers it will be possible to afford employment to more than 4,000 leather workers in the Wilmington-Camden-Philadelphia kid leather producing district once this market is regained.

The PRESIDING OFFICER. Without objection, the entire letter will be printed in the RECORD.

The letter is as follows:

CENTRAL LABOR UNION,
Wilmington, Del., March 4, 1930.

Hon. TASKER L. ODDIE,
Senate Office Building, Washington, D. C.

DEAR SENATOR ODDIE: The Central Labor Union, at its regular monthly meeting to-night, after receipt of a full and complete report on the status of the movement to secure adequate tariff protection on hides, skins, leathers, and shoes, and after studying closely the effect of adoption of your amendment to H. R. 2667, paragraph 1530, providing for duties on hides, leathers, and shoes, adopted the following resolution and instructed the secretary to send an attested copy to you, and to Senators HASTINGS and TOWNSEND, of Delaware:

"Resolution

"Whereas United States Senator TASKER L. ODDIE, of Nevada, after mature deliberation over the need for a tariff on hides, skins, leathers, and shoes, has presented an amendment to H. R. 2667, paragraph 1530, which has the indorsement of a practical majority of the interests of labor, industry, and the public who have studied the need for tariff protection; and

"Whereas our own community is known nationally as one of the centers of the production of kid leather in the Wilmington-Camden-Philadelphia district and our leather workers and tanners have been seriously affected by the ravages of foreign competition: Therefore be it

"*Resolved*, That the Central Labor Union, of Wilmington, Del., and vicinity, hereby goes on record as indorsing Senator ODDIE'S amendment because it is in the interest of protecting the interests of American labor and encouraging American capital and American business; it being our firm belief that if our American kid tanners are able to secure the rate of production now lost because of the cheap-labor competition of foreign tanners and importers it will be possible to afford employment to more than 4,000 leather workers in the Wilmington-Camden-Philadelphia kid-leather producing district once this market is regained.

"*Resolved*, That attested copies of this resolution be forwarded to Senator ODDIE, Senators HASTINGS and TOWNSEND, of Delaware, Brother W. E. Bryan, general president of the United Leather Workers' International Union, and Mr. Frederick J. Blatz, chairman of the joint committee of manufacturers and workers in the kid-leather industry; and furthermore that our action be given full publicity."

It is the sincere hope of the Central Labor Union that the United States Senate will consider the needs of both labor and industry and provide for the necessary protection, for it is our firm belief that at least a part of the present unsettled state of affairs in labor and industry is due to economic problems which need the careful attention of Congress.

Yours most respectfully,

CENTRAL LABOR UNION,
JOHN C. SAYLOR, *Secretary.*

Mr. ODDIE. If in this one locality the effect of this amendment will be to provide employment for 4,000 additional workers, it is obvious that considering the employment possibilities in the leather industry throughout the United States that this figure will be greatly expanded and materially assist in solving the present unemployment problem.

One of the most constructive and effective means of aiding in the matter of unemployment in this country is to insure sound industrial conditions; and the cattle, leather, and shoe industries of this country can no longer survive foreign competition on a free-trade basis.

FOREIGN SHOE COMPETITION INCREASES

In 1924 there were 264,359 pairs of women's shoes imported into the United States, valued at $888,194, increasing continuously to 5,514,870 pairs in 1929, valued at $14,347,273. This increasing importation of women's shoes since they are on the free list produced no revenue to the Government and deprived the buckaroo, dairy farmer, and the laborer engaged in the leather and shoe industries of the purchasing power in the United States market of over $14,000,000, and rendered less productive the capital which is invested in the cattle, leather, and shoe industries. With wages in European factories at a level lower by 58 per cent than the wages in the United States, the manufacturers of women's shoes in the United States can no longer maintain operations on a profitable basis and are greatly in need of the protection and stabilized prices in leather which will result from this amendment; and next, Mr. President, will be the question of men's shoes, which are very likely to share the same fate as women's shoes.

I do not believe that it is practicable to provide a duty for women's shoes and not for the shoe industry generally, for the reason that the foreign manufacturer would readily be able to shift his operations to the product upon which he would have to pay no duty in order to enjoy the benefits of the American market. In imposing a duty on women's shoes alone, one door would be closed while several others would be left open to the damaging threat and possibility of low-wage European competition. I, therefore, urge the enactment of the provisions in this amendment for a specific duty of 14 cents per pair to compensate for duties on hides and 10 per cent ad valorem on shoes for protection. I do not believe that the protective duty of 10 per cent provided for in this amendment will increase the price of shoes, as both the domestic and foreign competition is extremely keen and may be relied upon to hold prices at the lowest possible level. It must be remembered that the leather and shoe productive capacity in the United States is very greatly in excess of the Nation's requirements, a fact which insures ample competition. In view of the present and prospective leather and shoe manufacturing activities in European countries, it will be necessary to hold domestic prices at the bottom of the tariff wall in order to keep out a flood of imports.

Another adverse effect of the increasing importation of shoes is the tendency which it exercises in restricting the cattle market. Women's shoes are made very largely of sole leather and calfskins. The 5,515,000 pairs of shoes imported in the United States in 1929 would have consumed the hides of 110,285 head of cattle and the skins of 827,000 head of calves. In 1928 the cattle would have averaged $80 per head and the calves a little over $22 per head, which would make a total value of both cattle and calves of $27,130,000, which indicates still further the adverse effect on the cattle industry of the increasing imports of shoes made from foreign hides.

HIDE AND SHOE PRICES UNRELATED

There is considerable propaganda to the effect that the proposed duty of 4 cents per pound on green hides would materially increase the price of shoes to the consumer.

I have carefully investigated this subject and, based upon the official data on wholesale prices supplied by the Bureau of Labor Statistics, have prepared a table and chart which show the monthly percentage changes which have occurred in the wholesale prices of country hides in the Chicago market and men's black shoes made of cattle side upper leather, based upon the average prices of December, 1926, and covering the period up to July, 1929.

The chart is hanging on the wall in the rear of the Senate and I call the attention of the Senators to it.

It will be observed that the price of hides increased 108 per cent from December, 1926, to April, 1928, while the price of medium-grade shoes for the same period increased only 11 per cent. The table further demonstrates that, for the entire period, hide and shoe prices are unrelated and that a small duty of 4 cents per pound on hides would have little, if any, effect upon the price of shoes; while, on the other hand, it would have a very beneficial stabilizing effect upon the price of hides.

During a period of rising hide prices the use of substitutes for leather becomes greater as the peak in prices is reached. The duties provided for in this amendment on hides and leather will prevent the recurrence of peaks in hide and leather prices and will have a marked tendency to stabilize prices with narrow variations which will make competition of substitutes with leather more difficult and materially restrict their use. Under these favorable conditions the consumption of leather in the United States will expand and, with this larger volume of business, the overhead cost of the leather business will be greatly reduced so that the industry will be better able to meet domestic and foreign competition.

I ask that the table I have prepared be printed in the RECORD at this point.

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

Prices and percentage change—Hides and shoes

(Prices taken from Monthly Bulletin of U. S. Bureau of Labor Statistics entitled "Wholesale prices of commodities")

	Country cows, No. 1, Chicago	Percentage change	Black dress shoe, side leather	Percentage change
	Per pound		*Per pair*	
December, 1926	$0.103			
January, 1927	.111	7.8	$3.150	
February, 1927	.106	2.9	3.150	
March, 1927	.110	6.8	3.150	
April, 1927	.121	17.5	3.150	
May, 1927	.128	24.3	3.150	
June, 1927	.151	46.6	3.185	1.1
July, 1927	.173	67.9	3.250	3.2
August, 1927	.171	66.0	3.400	8.0
September, 1927	.176	70.9	3.400	
October, 1927	.174	69.0	3.400	
November, 1927	.181	75.7	3.400	
December, 1927	.191	86.2	3.400	
January, 1928	.203	97.0	3.420	8.5
February, 1928	.197	91.3	3.500	11.1
March, 1928	.195	89.3	3.500	
April, 1928	.214	107.7	3.500	
May, 1928	.205	99.0	3.500	
June, 1928	.186	80.6	3.500	
July, 1928	.189	83.6	3.500	
August, 1928	.179	73.8	3.500	
September, 1928	.175	70.0	3.500	
October, 1928	.148	43.7	3.417	8.2
November, 1928	.151	46.7	3.500	11.1
December, 1928	.155	50.5	3.461	9.9
January, 1929	.142	37.9	3.350	6.3
February, 1929	.113	9.7	3.350	
March, 1929	.118	14.6	3.350	
April, 1929	.116	10.6	3.350	
May, 1929	.110	6.8	3.350	
June, 1929	.120	17.7	3.350	

FLORSHEIM AND THE OPPOSITION

Mr. ODDIE. Mr. President, when Mr. Florsheim was before the Finance Committee, Senator THOMAS of Oklahoma asked some questions with reference to the earnings of his shoe company, and the following testimony is quoted from pages 491 and 492 of the hearings:

Senator THOMAS. I will quote some figures that I have to see whether they are correct.

For 1926 I have figures before me showing that you reported to the New York Stock Exchange a net profit of $2,384,505; is that approximately correct?

Mr. FLORSHEIM. Yes, sir.

Senator THOMAS. And in 1927 you reported approximately $2,273,250 profit; that is approximately correct, is it?

Mr. FLORSHEIM. I think so.

Senator THOMAS. And in 1928 you reported an approximate profit of $2,240,482.

Mr. FLORSHEIM. Yes, sir.

Senator THOMAS. The figures I have show that in 1927 your net profit upon the invested capital amounted to 21.52 per cent, and in 1928 it was 22.53 per cent. Are those profits approximately correct?

Mr. FLORSHEIM. I think so.

Senator THOMAS. During those years?

Mr. FLORSHEIM. I can not carry the figures in my mind, but you have them there, and I assume that they are accurate.

Senator THOMAS. So this statement shows that for three years your company made a net profit of $7,102,238. That would be evidence that in your particular manufacturing plant you are showing a reasonable degree of prosperity.

Mr. FLORSHEIM. As I said before, I am not talking for myself, and am not appealing for any help for myself. I am talking for a group of manufacturers who are equally as successful as we are. * * *

On page 494 of the hearings Mr. Florsheim submitted a brief on behalf of his company and others to which is also attached the name of the International Shoe Co., of St. Louis Mo., which is fighting this amendment.

It is generally recognized that Mr. Florsheim imports from Germany and England a very large part of the leather which he uses, and that the United States Leather Co. are also opposing the provisions of this amendment, and are very large importers of foreign hides. Mr. Florsheim in 1928 made a profit in excess of 22 per cent by the importation of foreign leather and at the expense of the American leather manufacturer. The

United States Leather Co. in 1929, it is generally understood, had an operating deficit of over three million and a half, which resulted largely through the shrinkage in hide inventories. The United States Leather Co. is a very large importer of foreign hides, and its losses were sustained through the heavy decline in hide prices. The deficit was created on a free-trade basis, with the prices of hides and leather largely under the control and domination of foreign producers. Had hide prices been more stable there would have been little if any loss in inventory, and this operating deficit of the United States Leather Co. would not have been created. Hide prices will be more stable under the 4-cent duty proposed in this amendment.

Hide and leather prices during the period of the Dingley tariff, when there was a 15 per cent ad valorem duty on hides, were remarkably stable.

I have had a chart prepared, which is on the wall of the Senate, showing the prices of hides from 1897 to 1920, and I wish particularly to call attention to the relatively greater stability of hide prices and lower price levels during the Dingley tariff period, from 1897 to 1909, than have existed since.

After hides went on the free list in 1910 prices suffered an abrupt but brief decline to about 12 cents per pound in 1911, and then rapidly increased to more than double, or over 25 cents per pound, in 1915. Even if the irregular prices during the war period be disregarded it will be noted from the other price chart on the wall that hide prices in 1926, 1927, and 1928 showed serious and rapid changes which greatly disturbed and made less profitable the leather business, but which had little if any effect on the price of shoes.

It is to be expected that the enactment of this amendment will set in motion the same forces of price stability, and that the hide and leather price curves of the future will show more nearly horizontal lines. Such a condition will obviously be in the interest of restricting the use of substitutes for leather, such as rubber, the use of which is now permitted to increase because of the great and sudden variations of hide and leather prices.

Mr. ROBSION of Kentucky. Mr. President, will the Senator yield?

Mr. ODDIE. I yield.

Mr. ROBSION of Kentucky. In view of that statement as to the profits of the shoe people, how could we justify a duty on shoes?

Mr. ODDIE. Mr. President, the duty I am proposing is a very small duty, but it is necessary. The particular shoe concern which has made this profit has made it because it has imported a large majority of its hides from foreign countries, and, with a reasonable duty on shoes and on leathers such as I am proposing, the prices would be stabilized, the American producers would be induced to buy American products, and the American industry would prosper.

ORGANIZATION SUPPORT GENERAL

Strong letters indorsing the provisions of the amendment have been received from the following organizations:

The American Live Stock Association, of Denver, Colo.
National Live Stock Producers' Association, of Chicago, Ill.
The American Farm Bureau Federation.
The Central Cooperative Association of South St. Paul, Minn.
The Calf Tanners' Association.
The Cattle Side Upper Leather Tanners, and the
Chicago Tanners' Association.

Reference has already been made to the indorsement from the Leather Workers' International Union and the Central Labor Union. These I will not read but offer them for publication in the RECORD.

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

AMERICAN NATIONAL LIVE STOCK ASSOCIATION,
Denver, Colo., February 10, 1930.

Hon. TASKER L. ODDIE,
United States Senate, Washington, D. C.

DEAR SENATOR ODDIE: I was glad to get your long telegram the other day telling me what has been done about a compromise on the hide, leather, and shoe schedules.

We certainly appreciate very much the manner in which you have stayed with this proposition, and, as we wired you, we feel your amendment should command the support not only of all Senators from the West and Middle West but also of those other Senators who are truly interested in the welfare of agriculture.

It goes without saying that not only our association but all those affiliated with us will back you to the limit on this amendment. While it does not give the cattle producer the protection he should have, and to our mind is the very minimum which should be accepted, nevertheless, it is a means of settling once for all the question of whether hides, leather, and shoes should be on the free list. It gives substantial protection to the leather and shoe industry, and it is now admitted that certain elements of this industry need this protection.

The opposition to your amendment will be limited to those heavy leather tanners who have, without rime or reason, made an uncompromising fight for free hides, and to those elements of the shoe trade who have been making tremendous profits using our cheap raw material and who have not, as yet, felt the competition of foreign-made shoes.

As stated above, you can feel sure that you have behind you the support of practically every cattle producer in this whole western area. We register our hope that your amendment will meet with the success it so richly deserves.

Yours very truly,

F. E. MOLLIN.

NATIONAL LIVE STOCK PRODUCERS ASSOCIATION,
Chicago, February 21, 1930.

Senator TASKER L. ODDIE,
Washington, D. C.

DEAR SIR: I want you to know you have the support of this organization on the amendment you recently introduced in reference to duties on raw and dry hides. It would seem that this amendment should meet with the support of all those in positions of authority and responsibility that are at all interested in the preservation of the cattle industry of our country.

Other lines of American industry have found a protective tariff beneficial. We see no reason why the principle should not apply to agricultural commodities, particularly livestock and its by-products.

The pledge of the present administration that agriculture is entitled to and will receive its just share of protection under the tariff can not be fully discharged unless the cattle producer is fully recognized. An adequate tariff on hides is vitally necessary to the future of that industry.

Very truly yours,

C. A. STEWART, *Executive Secretary.*

WASHINGTON, D. C., *February 10, 1930.*

Hon. TASKER L. ODDIE,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR ODDIE: I have noticed on page 3229 of the CONGRESSIONAL RECORD of February 7 an amendment to be proposed by you to H. R. 2667, relative to the duty on hides, leathers, and shoes.

I note in this amendment that you are proposing to ask a 4-cent-per-pound duty on hides if raw or uncured or salted or pickled, and 8 cents per pound if dried, including dry salted.

I think these rates on hides are reasonable from every point of view. While they are not as high as our statistics of cost of production of hides here and abroad would justify us in asking, and although they are not as high as formerly you and farm organizations supporting your efforts have fought for, nevertheless, they will give a degree of protection to our farmers who produce and sell hides which will be a very material advantage, and incomparably better than the situation which exists in the bill now pending, or than the situation following the adoption of the Borah amendment, which amendment places hides, leathers, and shoes on the free list.

I note also that you have collaborated with the experts in the United States Tariff Commission and have placed the duties on leather and shoes at such figures as are not out of line with the basic rates asked for on hides.

It occurs to me that your amendment will prove a very happy solution of the entire controversy relative to the tariff on hides, and I trust it will be adopted by the Senate and later retained in the tariff bill in conference.

Very respectfully,

AMERICAN FARM BUREAU FEDERATION,
CHESTER H. GRAY,
Washington Representative.

CENTRAL COOPERATIVE ASSOCIATION,
South St. Paul, Minn., February 10, 1930.

Senator ODDIE,
Senate Office Building, Washington, D. C.

DEAR SENATOR: I have just received a copy of your amendment to the tariff act providing for tariff on hides and a compensatory tariff on leather, and on articles manufactured therefrom.

We certainly appreciate your efforts to secure for the livestock producer this much-needed tariff, and I wish to say that the Central Cooperative Association, with a membership of approximately 125,000 livestock producers in the States of Minnesota, North Dakota, South Dakota, Wisconsin, and Montana, are strongly back of this movement and anything which we can do to aid in its passage we will gladly do.

I will say for your information that I was chairman of a tariff committee representing not only our own organization but the National Livestock Producers' Association, which claims a membership of about 250,000 producers, also the Farmers' Union Livestock Commission agencies at St. Louis, St. Joseph, Sioux City, Omaha, and Kansas City,

which have a total membership of probably 150,000 livestock producers. Our original recommendations provide for an ad valorem duty of not less than 45 per cent. The more I have studied the matter, however, the more I feel that a specific tariff such as you have provided in your bill would be fully as satisfactory to us, and I hope you are successful in securing the enactment of this amendment.

Very truly yours,

J. S. MONTGOMERY,
General Manager.

CALF TANNERS' ASSOCIATION,
Washington, D. C., February 11, 1930.

Hon. TASKER L. ODDIE,
United States Senate, Washington, D. C.

MY DEAR SENATOR: On behalf of the calf and kip leather tanners I wish to express to you our appreciation of your amendment to paragraph 1530 of the tariff bill relating to hides and leather. But, as our members feel that the 10 per cent protection is not sufficient to take care of the cheaper labor costs in Europe, it was not easy to secure unanimous support for the amendment. However, they feel that you have been very fair and that the amendment as drawn by you shows the great amount of thought and consideration which you have given to the economic phases of this situation; therefore, they pledge you their unanimous support for the proposed compromise.

Very truly yours,

V. G. LUMBARD, *President.*

CHICAGO, ILL., *February 11, 1930.*

Hon. TASKER L. ODDIE,
United States Senate, Washington, D. C.

DEAR SENATOR ODDIE: The Cattle Side Upper Leather Tanners have examined the paragraph of your amendment to the pending tariff bill relating to hides and leather, and they are of the opinion that 10 per cent protection on their product, as proposed, is not adequate to cover the difference between the low tannery wages of Europe and the high rates in this country. Nevertheless, these tanners, appreciating the earnest effort which you have made to effect a compromise that will afford some tariff relief to the industries involved, have authorized me to inform you that your amendment will be given their individual and collective support.

Very truly yours,

E. T. KEIRNAN,
For Cattle Side Upper Leather Tanners.

CHICAGO, *February 18, 1930.*

Hon. TASKER L. ODDIE,
United States Senate, Washington, D. C.

ESTEEMED SIR: The following resolution was this day unanimously adopted by the Chicago Tanners' Association:

"Whereas the tanning industry of the United States has been suffering from the importation of foreign leathers, by reason of the failure of the present tariff act to provide for any duties thereon.

"Whereas the Chicago Tanners' Association, consisting of 12 firms, employing upwards of 3,000 persons in the city of Chicago and Waukegan, Ill., believe it absolutely essential for the preservation of the business of the members of the association and for the prosperity of their employees that a duty be fixed upon foreign leathers imported into the United States: Now, therefore, it is unanimously

"*Resolved,* That all possible support and cooperation be obtained for and accorded to the Oddie amendment to bill H. R. 2667, heretofore introduced into the Senate, to the end that said amendment to the bill may be adopted."

Respectfully yours,

CHICAGO TANNERS' ASSOCIATION,
LEWIS F. JACOBSON, *Secretary.*

Mr. ODDIE. Mr. President, I have presented the case in a brief manner. I have given figures which can be vouched for. They have been worked out very carefully. I have discussed this problem with livestock people from all over the country, with farm organizations, with various groups of leather manufacturers, with numbers of shoe manufacturers, and with many union-labor people, who are interested in these various branches of the industry.

Mr. President, this amendment of mine is a compromise. The first amendment I offered on hides, which proposed a higher rate, failed. Then I offered the 4-cent rate, and that failed. The people representing the three interests were not coordinated. I have worked hard for weeks with these various representatives I have mentioned, and the result is a compromise, which possibly nobody will be absolutely pleased with or satisfied with. I am not. I would like to see a higher duty on hides. But in securing a higher duty on hides we would be doing an injustice to something else, if our object is to secure cooperation.

I would like to see prosperity in the leather industry and in the shoe industry, as well as in the cattle industry, because if either of those industries suffers and is not prosperous, the cattleman will be deprived of a good part of his market.

We must maintain prosperity in all of our industries in this country, and we must look out for the interests of the hundreds of thousands of workers and the families of the workers in this country.

If this amendment is not agreed to, or if something is not provided which will maintain these industries, there will be men by the hundreds of thousands walking the streets of this country, and the responsibility will be on us. We dare not shirk our responsibility. The urge of humanity is too strong in this case. We must use intelligence and judgment, a little giving here and there, a little compromising here and there, as we have tried to do, in order to get through some legislation which will bring stability to these industries and more prosperity to the people of our country, and prevent suffering and privation and starvation and hardship to hundreds of thousands of the workers of our country.

I hope the amendment will be agreed to.

Mr. HOWELL. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The LEGISLATIVE CLERK. The Senator from Nebraska offers the following amendment to the amendment of the Senator from Nevada: On page 1, line 4, to strike out the figure "4" and insert in lieu thereof "5," and in line 5, to strike out the figure "8" and to insert in lieu thereof "9," so as to read:

Raw or uncured, or salted or pickled, 5 cents per pound; if dried (including dry salted), 9 cents per pound.

Mr. HOWELL. Mr. President, this amendment proposes a 5-cent specific rate on green hides and a 9-cent specific rate on dry hides. I do not propose to take very much time, but this is a very important amendment and should be considered fully by the Senate, so 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	Keyes	Shortridge
Ashurst	George	La Follette	Simmons
Baird	Glass	McCulloch	Smoot
Barkley	Glenn	McKellar	Steck
Bingham	Goff	McMaster	Steiwer
Black	Goldsborough	McNary	Stephens
Blaine	Gould	Metcalf	Sullivan
Blease	Greene	Moses	Swanson
Borah	Grundy	Norbeck	Thomas, Idaho
Bratton	Hale	Norris	Thomas, Okla.
Brookhart	Harris	Nye	Townsend
Broussard	Harrison	Oddie	Trammell
Capper	Hastings	Overman	Tydings
Caraway	Hatfield	Patterson	Vandenberg
Connally	Hawes	Phipps	Wagner
Copeland	Hayden	Pine	Walcott
Couzens	Hebert	Pittman	Walsh, Mass.
Cutting	Heflin	Ransdell	Walsh, Mont.
Dale	Howell	Robinson, Ind.	Waterman
Dill	Johnson	Robsion, Ky.	Watson
Fess	Jones	Schall	Wheeler
Fletcher	Kean	Sheppard	

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present. The Senator from Nebraska has the floor.

Mr. HOWELL. Mr. President——

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

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

Mr. HOWELL. I yield.

Mr. WALSH of Massachusetts. What is the amendment the Senator has offered? I understand he has offered an amendment to the amendment of the Senator from Nevada.

Mr. HOWELL. The first paragraph of the amendment of the Senator from Nevada [Mr. ODDIE] provides for a specific rate of 4 cents a pound on green hides and 8 cents a pound on dried hides. The amendment which I have offered provides for a specific duty of 5 cents a pound on green hides and 9 cents a pound on dried hides. I have offered the amendment because 4 cents a pound on green hides is nothing but skim milk to the farmer. He is entitled to 6 cents a pound, at least.

The chief country which exports hides to the United States produces them for one-half the cost of their production in the United States. In other words, if we were to equalize the American farmer with the Argentine producer, the rate of duty would be 7½ cents a pound on green hides. We came before the Committee of the Whole and asked for 6 cents and were denied. Then we asked for 5 cents and were denied. Now it is proposed that we be granted 4 cents and, as I have stated, 4 cents means nothing but skim milk to the farmer, whereas if the rate were made 5 cents there might be added just a little

cream. In order that this may be fully understood and the necessities of the stock-raising interests appreciated, I shall ask the attention of the Senate for just a few moments to pertinent facts.

The average price for hides at Chicago for the five years beginning with 1909 and ending with 1913 was 15.6 cents and the average price of a pair of dress shoes during that period was $2.68. In other words, 17 pounds of green hides would during that period purchase a pair of dress shoes. But to-day, through the unnecessary competition with which the American farmer is confronted, he has to pay 44 pounds of green hides for the identical shoe. This is a fact that can not be controverted. It indicates the plight of the industry.

I do not feel that any further argument is necessary than to state these bare facts. I might add that the amendment of the Senator from Nevada would result in the farmer being able to purchase that pair of shoes for 34 pounds instead of 44 pounds of green hides. I might further add, inasmuch as the Senator from Nevada stated that his proposal is a compromise, that however much I hesitate and regret to disagree with him, in my opinion his heralded compromise is nothing but a surrender.

Mr. NORRIS. Mr. President, will my colleague yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to his colleague?

Mr. HOWELL. Certainly.

Mr. NORRIS. My colleague has stated that it would require 34 pounds of green hides to buy the identical pair of shoes. If the so-called Oddie amendment were agreed to and the tariff were added to the shoes, that same pair of shoes, assuming that the tariff was added, which I think is a fair assumption, could not be bought for the price the Senator has given, but would be increased.

Mr. HOWELL. They could not be bought for 34 pounds of green hides, but to-day the farmer is paying 44 pounds of green hides for a pair of shoes which he could purchase during the 5-year period ending 1913 for 17 pounds of green hides.

As I said, in my opinion, the amendment proposed by the Senator from Nevada is a surrender. Why do I say it is a surrender? He proposed in Committee of the Whole a 5-cent rate. With the tariff he has provided on a pair of average shoes manufactured in this country, the price of which is $2.63, the tariff on that pair of shoes would be 43½ cents specific if the tariff on green hides were 5 cents a pound, and with a rate of 4 cents a pound on green hides, the duty on that pair of shoes would be 40 cents, a reduction of 3½ cents. When he agreed to surrender 20 per cent of the tariff he was asking on green hides, and then, in accord with the demand of the shoe producers, he only reduced the tariff he proposed on shoes 3½ cents, I insist that was a surrender and not a compromise.

Mr. ODDIE. Mr. President——

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

Mr. HOWELL. I yield.

Mr. ODDIE. I will ask the Senator to correct the last statement he made. I know he does not mean to insinuate anything of the kind he has stated. Nobody has caused me to surrender anything; nobody has dictated anything to me at all. The Senator has been misinformed, because this amendment has been worked out by consultation with a great many people. The shoe manufacturers have not dictated to me. On the other hand, some of them are fighting me, I think, harder than any Senator in this body has ever been fought by any industry. They have sent out circulars to retail dealers all over the United States condemning my amendment and using my name. The result will be that I shall not be a welcome customer in retail shoe stores from now on unless I can persuade their proprietors that my amendment is the correct thing. I know the Senator from Nebraska will correct what he has said in view of the statement I have just made.

Mr. HOWELL. Mr. President, my remarks are not intended in a personal sense. I realize that the able Senator from Nevada is tremendously interested in securing a tariff on hides, and I feel that in his great anxiety to gain his point he has surrendered. It is no reflection except upon his judgment in this connection; that is all.

It is my feeling, so far as this matter is concerned, that whoever agrees to a reduction of 25 per cent of what we have asked for the farmer and receives merely a reduction of 3½ cents per pair of shoes, or from 43½ cents to 40 cents, that is not a compromise.

The farmer is entitled to 5 cents on his green hides, and I feel that that is the lowest limit to what he should accept. Therefore, in view of the facts I have stated, I trust that the Senate may do justice by the farmer and afford him at least this relief, that he need not pay 44 pounds of raw hide for a pair of shoes that he purchased before the war for 17 pounds of raw hide, but that at least we shall give him a tariff such as will afford him the opportunity of purchasing a pair of shoes for 32 pounds of raw hides. That is all that I am asking, and I am ashamed to ask so little. I do feel that 5 cents a pound specific duty is the minimum the farmer should accept.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Nebraska [Mr. HOWELL] to the amendment of the Senator from Nevada [Mr. ODDIE].

Mr. HOWELL. I ask for the yeas and nays on the amendment to the amendment.

Mr. ODDIE. Mr. President, I should like to make one observation before the vote is taken. I can not agree with the Senator's statement regarding the increased price of shoes because of the duty proposed on shoes. The chart which I have had placed on the wall, and which is taken from official figures, shows that the price of shoes goes along in a very stable way, while the price of hides fluctuates to a large extent. I share very largely the feelings of my friend from Nebraska [Mr. HOWELL] on this subject. We are both working for the same object; we both want to help the farmers of the country and the livestock growers and the different branches of the industry. There may be a difference between us of 1 cent as to the tariff on hides, but as my amendment has been worked out with the leather, the shoe, and the hide industries, I feel I can not support the Senator's amendment, because I would not thereby be doing justice to other branches of the industry.

Mr. FESS obtained the floor.

Mr. HOWELL. I wish one thing to be distinctly understood.

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Nebraska?

Mr. FESS. I was going to suggest that if a vote is now to be had we ought to have a quorum present. Is there any Senator who desires to speak?

Mr. HOWELL. I merely wish to make one observation.

Mr. FESS. I yield to the Senator.

Mr. HOWELL. I am absolutely agreeable to providing a proper compensatory tariff if a duty of 5 cents shall be levied on green hides, just as the Senator from Nevada has provided for a compensatory tariff on the basis of 4 cents. I am not proposing now that a rate of 5 cents should be imposed without any change in the compensatory tariff rates. I believe we should be perfectly fair in this matter, and it was my intention to offer the proper amendments hereafter in order that the necessary changes in the other rates might be made.

Mr. PITTMAN obtained the floor.

Mr. ODDIE. Mr. President, will my colleague yield for an observation?

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

Mr. PITTMAN. I yield.

Mr. ODDIE. I wish to correct the statement made by the Senator from Nebraska. The Senate voted down a 4-cent rate when this question was previously under consideration. I offered a 4-cent rate when the first proposal was defeated, and that was voted down.

Mr. PITTMAN. Mr. President, what my colleague has just spoken of is largely the matter I had in mind. I was unavoidably absent from Washington at the time this question came up as in Committee of the Whole, but I am informed that a rate similar to the one that is now offered by the Senator from Nebraska was voted on at that time, but was defeated, and that another provision was offered in the amount now suggested by the junior Senator from Nevada, and that, too, was defeated.

I do not think there is any difference of opinion between the Senator from Nebraska and the junior Senator from Nevada or the senior Senator from Nevada as to the requirements of the hide-producing industry nor with regard to the relative purchasing power of hides and shoes. The thought that occurs to my mind is that legislation is in the very nature of things a compromise of judgments. It is not improper that there should be such compromise, for the only way we have of determining what is right or wrong in a legislative body is by the majority judgment of the body. What I am getting at is that there is no doubt that those who agree with the Senator from Nebraska and agree with the two Senators from Nevada and others who have heretofore supported a duty equal to that now proposed by the Senator from Nebraska would like to have such a duty levied. The question may arise, If we should be successful in that effort at this time, would such an amendment result in the defeat of the amendment of the junior Senator from Nevada, as amended, or would it strengthen it? It would strengthen it with some of us, but I have in mind the opposition that previously defeated the proposal.

We do not frame a tariff bill except every seven or eight years; it will probably be that long a time before we shall con-

sider another. Would the Senator rather have no tariff duty levied on hides for seven or eight years or would he prefer to have 4 cents a pound on green hides? So far as I am concerned that may sound like a surrender; it is a surrender of my judgment as to the validity of the claim of the producers of hides; there is no doubt about that; but it is not a surrender of my judgment with regard to the parliamentary strategy or with regard to legislation, because I have already said I must bow to the judgment of the majority, as must everyone else, and I would rather have 4 cents a pound protection on raw hides and 8 cents on dry hides than to have nothing. That is the position I am in, and I hope, even if the Senator from Nebraska does consider it a surrender of our judgment as to what should be done in the event his amendment is defeated—and I hope it will not be defeated—that still he will support the amendment of the Senator from Nevada. Let us see if we can not get some help, because I realize, as I have realized all the time, that it requires a desperate fight to get the same treatment with regard to a tariff for industries producing raw materials as that accorded to industries producing manufactured products.

Mr. HOWELL. Mr. President——

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

Mr. PITTMAN. I yield.

Mr. HOWELL. I should like to ask the senior Senator from Nevada if he does not think that there should be a just relation between the tariff imposed on shoes and the tariff granted to the farmer on hides?

Mr. PITTMAN. I certainly do, and I am not prepared to say, because I am not capable as yet of saying, not having studied the statistics or heard the arguments, whether the compensatory duties carried on the other articles, manufactured or partially manufactured, are too high or whether they are right. I am now only considering the first paragraph and when we get to the others in due time we will consider them.

I feel that the greatest complaint that may be made against tariff laws, other than those rates that make for monopoly and unjust profits, is that they result in unjust discrimination in their burdens and benefits. It is just like living in a community where all wages are $5 a day, where foods and clothes are on that level, and one individual is compelled to work for $1 a day in the same community, when we have manufactured articles with a high tariff on them while those engaged in the production of raw materials, such as farm products and minerals, find their products either on the free list or on a much lower level.

I thoroughly agree that one of the most important things we must consider here is the question of discrimination. When we shall once adopt, if we ever shall, a duty on the raw material, then we shall, in view of that duty on the raw material, whatever it may be, consider the relation of the industry producing the raw material to the manufacturing industry. That is the question that I will take up next for consideration.

Mr. HOWELL. Mr. President, the average cost of children's shoes is about $1.60; 10 per cent ad valorem is 16 cents; add 14 cents, which, together with 16 cents, makes 30 cents; divide that by $1.60, and see where we are.

The same rate, except the ad valorem factor, would apply to a pair of men's shoes costing to manufacture $4. It is the inequality that I am emphasizing.

Furthermore, it is recognized that men's shoes are not entitled to a protective factor in any rate. Less than 1 per cent of the shoes produced in this country in 1928 were imported. In that year only 1.6 per cent of the women's shoes produced in this country were imported. The manufacturers of men's shoes have been here and urged before the committee that they wanted free hides; that they did not want any protection whatever. In the amendment that the junior Senator from Nevada [Mr. ODDIE] has offered, however, he affords the same protective factor to those who do not need any protection that he affords, for instance, in the case of women's shoes of the Mackay type of manufacture that do need protection.

That is what I am objecting to. I feel that to apply a uniform tariff on all grades of shoes, to make the specific duty absolutely uniform, so far as the model is concerned, whether they are children's shoes or whether they are shoes that cost eight or ten dollars to manufacture, is inequitable; it is not right; and we can not justify such a course. If the farmer gets only 4 cents a pair or 4 cents a pound on green hides and 8 cents on dry hides, I am fearful that the tariff that he pays on shoes will amount to more than the tariff he receives on his hides.

Mr. SMOOT. Mr. President, I ask unanimous consent that when the Senate concludes its business to-day it take a recess until 11 o'clock to-morrow morning. To-morrow being Saturday I trust we shall have a quorum present. While I do not expect to have a night session, I should like to have a few hours at least spent in the consideration of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and it so ordered.

Mr. WALSH of Massachusetts. Mr. President, I have pending an amendment which I shall discuss at length and in detail after the amendment offered by the Senator from Nevada [Mr. ODDIE] is disposed of. I feel that those who favor a duty upon hides and a duty upon leather and a duty upon shoes should have the right of way, have an opportunity to present their case to the Senate, and have a vote recorded. After the vote on the pending amendment I shall ask the indulgence of the Senate to listen to the presentation of a claim for extending protection to the leather industry and to the shoe industry.

Briefly stated, the duties which I ask to have levied in the case of leather are about one-half the rates compensatory and protective named in the House bill and in the amendment recommended by the Finance Committee. That is largely due to the fact that the duty upon hides is eliminated in my amendment. The duty upon shoes in the amendment which I propose to offer because of no duty on hides is about one-half the duty levied in the House bill upon shoes, and about one-half the duty levied in the amendment favored by the Finance Committee.

My amendment has been arrived at as the result of a large number of conferences with various groups in the tanning business and various groups in the shoe business who believe that the Senate should levy a protective duty for their industries independently of the action of the Senate upon the question of hides. Of course if a duty were levied upon hides, the cost of leather would be increased, and the rates on shoes would have to be correspondingly increased.

The rates that are proposed in my amendment are the lowest that can possibly be levied and give any semblance of protection to the leather industry and to the shoe industry and result in the least possible increase in the price of shoes to the American public.

My amendment asks no protective duty upon men's shoes. It asks only for a compensatory duty on men's shoes based upon the duty which it is proposed to levy upon sole leather and upper leather.

I want to be perfectly frank and fair with those Senators who want to have a test of the strength of the Senate on the question of a duty upon hides, a duty upon leather, and a duty upon shoes taken together; but in the event that that amendment fails I do hope that the Senate at least will listen to the petition of the leather industry and the boot and shoe industry for a protective duty, granted separately from hides.

Let me say here that there are only two substantial manufacturing industries in the whole United States of America that are on the free list—the tanning industry and the shoe industry. Every other large industry is on the protected list. I submit that these important industries have a right, because of the fact that they operate in a protective business field, to be heard now and here with special and sympathetic consideration.

Mr. HOWELL. Mr. President——

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

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

Mr. HOWELL. Is it not a fact that because leather has been on the free list, and the free list has been accorded to hides, the United States has become the greatest producing and exporting nation of leather in the world? And is it not a fact that nowhere else in the world has the shoe business been so prosperous as in the United States of America?

Mr. WALSH of Massachusetts. I concede, sir—I could not do otherwise—that up to the present time the men's shoe industry has been prosperous; that up to within two or three years the women's shoe industry was also prosperous, but is not now; and that up to within perhaps four or five years the leather industry was generally prosperous, but now is far from prosperous.

I appeal therefore for thoughtful consideration of the petitions of two industries that have not sought to come under the mantle of tariff protection in all these years, that have been content to carry on and succeed as they have succeeded without seeking tariff protection of any kind. But, as I have said before, and I repeat it, in the last few years a tremendous economic change has taken place in the world in regard to these industries.

Up to within a few years Americans had the advantage in many particulars over any other group of investors engaging in the boot and shoe or the leather industry in any part of the

world. We had free hides, as they had free hides, and in that respect were on a basis of equality. But we had more highly skilled and trained workmen. The shoe industry was born here. The inventions that made it so profitable a business and that gave to the public such a comfortable and attractive shoe were the product of American genius and American brains. The machinery invented and made here, the patents owned and controlled here, gave us an advantage over all the world; the most modern, the latest, the best and fastest machines, and in comparison with the old-fashioned and the old-style hand and obsolete methods of making shoes in Europe so that competition with our shoes from abroad was inconceivable and unbelievable and could not exist. Then, though we had higher wages, our special highly developed machines offset the disadvantage that came to our American shoe manufacturers by reason of the cheap labor of their European competitors.

All this has changed, unfortunately—unfortunately for the manufacturer, unfortunately for the consumer. No longer has America any advantage with respect to shoes, upon the method of tanning leather, or upon the machines for making shoes. The advantage is gone, never again, I fear, to return. We are now entering into a terrific struggle for the maintenance of the American leather and shoe market for our own producers.

Only within three days I received a telegram from a leading citizen of my State, a shoe manufacturer with whom I had the privilege of discussing this question several months ago. The telegram was most significant. It was decidedly impressive, not so much for what it said as for the circumstances under which it was sent to me.

He said:

> I am in Czechoslovakia, courteously received, visiting the factory of Bata. They have as fine machinery as we have, and they have the mass production; the competition is growing and dangerous.

For the first time he saw at first hand that we no longer had the advantage of mass production, or the latest patented machinery. We are at no disadvantage with respect to hides, as we pay the world price; but when it comes to labor, there is the difficulty. There is the problem. If there ever was before this body a question of protection that could be justly asked for to offset the difference in the cost of labor here and abroad, we have it now in the consideration of this question.

Let me say with pride what I have said before, I can not find the words to describe to Senators the thrill of joy and pleasure I have experienced in the years I have campaigned in my State, when I have entered a community where boots and shoes are made in contrast to a community where the textile workers live. It is the difference between contentment and struggle.

The boot and shoe industry pays higher wages to women operators than any other industry in the United States.

Mr. HAWES rose.

Mr. WALSH of Massachusetts. I find myself making the speech I intended to make later. If the Senator wants me to yield for a quorum call, I am willing to do so, because I think there ought to be a fair representation of the Senate present.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

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

Mr. WALSH of Massachusetts. Mr. President, I appreciate what a tax it is upon the patience and strength of Senators to have to remain in this Chamber hour after hour and listen to discussion of these various tariff topics, but I want particularly to request the Senators who are interested in a duty on hides to listen to me, because I think I can convince them that a specific duty levied upon hides would be a very grave burden to the leather industry and to the shoe industry, and I think I can also convince them, on the other hand, that unless some protective duty is levied upon leather and shoes, the hide producers of this country are going to be among the sufferers. I have some figures before me showing the very large number of hides now used in shoes worn by Americans which are manufactured in Europe, of course, from hides that are obtained in Europe.

But first I want to finish the picture of the present condition of the industry I was attempting to draw. The shoe industry alone employs 250,000 people, with an annual pay roll of $250,000,000, and a production of shoes in value of about $1,000,000,000 annually.

It is proposed first of all to put a duty upon hides. What would be the effect of that action upon the leather industry and the shoe industry?

One of the visitors to my office used a very good word a few days ago when we were discussing a raw material tariff question, and said, "You can put on compensatory duties." He said, "That is not it; it is an impediment, and that can not be fully offset by compensatory duties. It is an impediment when you increase the cost of production and interfere with the choice of materials."

What are we proposing to do? If we put a duty upon hides, of course, that is going to increase the cost of leather and the cost of shoes. We are immediately putting our shoe manufacturers and our leather manufacturers at a further disadvantage in their competition against the tanners of Europe and the shoe manufacturers of Europe, who get their hides duty free. So the very levying of this duty would be putting a further impediment in the way of these industries, two branches of which—the tanning and the production of women's shoes—are in a depressed condition.

What is the second burden we would put upon the industry by our own acts, our own deeds, our own votes here? I put into the RECORD in 1922, as appears on page 2373 of the RECORD, a list of 79 materials that are used in the production of a shoe. On every one of those materials an increased duty was levied in the act of 1922. To be sure, some of them were trivial articles. There were thread and eyelets, various chemicals, linings, rubber, pegs, and a large number of other things.

In the pending bill we have increased those duties in several particulars. And yet we are asking the shoe industry and the leather industry to compete with European industries, without duties on their raw materials, and with all the modern machinery, and with the newly created methods of mass production, and with cheap labor against our high-priced labor.

This movement to produce shoes in Europe was not a suddenly devised scheme. The managers and superintendents and some of the operatives came over to the United States, studied our system of production, worked in our factories, and went home and copied in every detail the methods under which we produce here.

I am going to ask Senators to examine, while I am talking, some of the shoes which I have here as samples. They will notice upon the back of each shoe a designation showing which is imported and which is domestically produced. Every one of the shoes exhibited, if purchased here, would show a variation in price in favor of the imported shoe of from $1 to $3.

Mr. President, the first question we ought to ask ourselves in determining whether an article on the free list ought to be given the benefit of a protective duty is whether the industry is distressed. If it is, what is the cause of the distress? Is it inefficiency, mismanagement, the marginal producer who is being destroyed by reason of the mergers that have made it possible for the consolidation of capital and the enlargement of production to squeeze out the smaller man? Or is the cause of the depression imports and foreign competition? I do not think there is a man in the Chamber, Democrat or Republican, who does not want the American market preserved for honestly managed and efficiently conducted American industry. I think he believes in equality of opportunity for American industry in the enjoyment of the American market, just as he believes in equality of opportunity for the individual in the recognition of his civic rights.

Is the leather-tanning industry depressed? I am sure I do not have to argue that question. Even President Hoover concedes that it is. It was one of the few industries designated by him as "lagging behind." It is the one industry that has shown, in all the financial reports that have come to us in recent years, that both its large and small units are in red ink. It is in a serious financial condition. No industry in America, not even the women's shoe industry, is in such a plight to-day as is the tanning business. I doubt if any amount of tariff protection we levy can save it. However, protection will help some and

will encourage the industry. Production of leather has dropped in recent years to 40 or 50 per cent. In some lines of leather the imports are 40 per cent of the American production and the imports continue to flow in here. I am going to assume that Senators agree with me that all financial reports and returns indicate this depression. I do not think it is necessary to argue that point in view of the information that has been given heretofore to the Senate.

Mr. SHORTRIDGE. Mr. President——

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

Mr. WALSH of Massachusetts. I yield.

Mr. SHORTRIDGE. Not to interrupt the Senator unduly, I understand his position to be in favor of free raw hides.

Mr. WALSH of Massachusetts. Yes. I believe that is the sound position to take, for a duty on hides will not help the farmers. If anyone is helped, it will be the packer. I would vote for a small duty on hides to help get protection for leather and shoes.

Mr. SHORTRIDGE. But with a certain tariff duty levied on leather and also on shoes?

Mr. WALSH of Massachusetts. Yes. I will say to the Senator that I would vote, if opportunity were given me, for the Senate Finance Committee duty on hides or for the House rate on hides in order to help the shoe and leather industries. Personally, I think, and perhaps it is because I have the atmosphere of the shoe manufacturer, that the little duties upon hides will not benefit the farmer one iota, but, on the contrary, will be a burden to him in increased costs of leather products. That may be due to the locality in which I live. I think the duties proposed are insignificant to the farmer; that they will benefit, if anybody, only the packer. I think that it is better to drop all hide duties and to confine ourselves to fixing a very moderate duty on leather and shoes. I would suggest no protection on men's shoes, but a small protection of 5 per cent in addition to the compensatory duty of 7½ per cent on women's shoes in order that they may get under cover and see if this slight protection, without burdening the American people, will stop imports and preserve the American market for the American manufacturer.

Mr. SHORTRIDGE. Of course, among the many things we can protect are the three steps or branches of the whole industry; that is, by levying an appropriate duty on hides and then an appropriate duty on leather and then an appropriate duty on the manufactured article.

Mr. WALSH of Massachusetts. I want to discuss that matter and show that the moment we get beyond 2 cents per pound on hides, or 10 per cent, we rapidly begin to increase the cost of shoes. The figures presented to me indicate that the Oddie amendment rate should provide a compensatory duty to the shoe manufacturer of 37 cents per pair. There is as a fact a compensatory duty provided in the Oddie amendment of only 14 cents per pair. Are we going to take the women's shoe industry, which is prostrate now, and put a duty upon hides and a duty upon leather and then a compensatory duty of one-half on the manufactured product?

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

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

Mr. WALSH of Massachusetts. I yield.

Mr. NORRIS. I was very much interested in what the Senator said about the 79 different materials that enter into the manufacture of a shoe.

Mr. WALSH of Massachusetts. A good many of them are chemicals.

Mr. NORRIS. I was wondering if the compensatory duties which the Senator feels ought to be placed upon shoes should include something besides the compensatory duty upon leather, or that would come from leather. Are the other items of such importance that we will have to take them into consideration to equalize fairly the compensatory duty?

Mr. WALSH of Massachusetts. No; they have been absorbed already. I was reciting that fact as some evidence to the credit of the industry, that it had borne this burden and had made profits and given employment to a large army of Americans without any compensatory or protective duty. All duties on materials in the shoe are additional impediments.

If I may pass on from leather, does anybody in this Chamber doubt that the leather industry is the most distressed of all our industries? I am not speaking alone for my own State, because, after all, there is a limited number of tanneries in my State. Small tanneries are to be found in every State in the Union, from California to Maine, from the far North to the far South. They are not only up against the problem of importations from Europe, but they are subjected to a backfire from the packer, because they have to go out in the open market and buy their skins and their hides from independent sources, whereas the packer has his raw material if he wants to go into the tanning business—and he is in it to a very definite degree—at first-hand cost.

Some of the objections to a tariff on hides are understood better, I think, by this illustration than anything I know of: After all, what is the hide? It is the wrapper, it is the covering, it is the container in which is encased the thing of value, the meat. The value is inside the hide. The hide is only the outer incasement, of little value, never considered in terms of value when the cattle are purchased. It is the meat, the flesh, that is inside of the hide that the packer thinks of, and the value of the cattle depends upon the demand of the American people for the beef and not the demand for the hides.

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

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

Mr. WALSH of Massachusetts. I yield.

Mr. HOWELL. Is not the trouble with the tanners in this country due to just exactly what the Senator has stated, that they have been cutting each other's throats? The trouble is that they are overbuilt.

Mr. WALSH of Massachusetts. I think in a measure that may be true. I think one of the great troubles in America to-day is excessive production and excessive capacity for production. I think one of the painful things we have had to deal with in the discussion of this tariff is that every producer in the country who is suffering from the difficulties of overproduction has been here wringing his hands and claiming, mistakenly, that tariff duties would help him. I frankly concede that never before in tariff procedure have I been so impressed with the distressing plight of men driven against the wall by excessive production in every line, and each one hoping against hope that he will get a little relief from the tariff.

Mr. HOWELL. But, I call the Senator's attention to the fact that in sole-leather production alone there is more sole leather exported than there is imported. There were only about 9,000,000 pounds of sole leather imported in 1928, and there were 10,000,000 pounds exported. That does not indicate that the sole-leather industry is in trouble.

Mr. WALSH of Massachusetts. The sole-leather industry is not in as bad a plight as is the calf-leather industry, but there has been and is a steady increase in the importations even of sole leather. The tide is turning very rapidly toward the imports becoming in excess of the exports of sole leather.

Mr. HOWELL. Has the Senator the data for 1929?

Mr. WALSH of Massachusetts. I have it; yes, and I will come to it a little later.

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

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

Mr. WALSH of Massachusetts. I yield.

Mr. TYDINGS. Assuming that hides are on the free list, what tariff does the Senator think is fair on tanned leather?

Mr. WALSH of Massachusetts. I have an amendment, as I stated in the absence of the Senator, which I shall later discuss. I will come to that in a moment or two. All leather is tanned. You mean finished leather?

Mr. TYDINGS. If the Senator will be good enough to give me the approximate figure, I would like to ask him another question.

Mr. WALSH of Massachusetts. Between 5 and 8 per cent ad valorem, dependent on the kind of leather.

Mr. TYDINGS. What is the tariff now?

Mr. WALSH of Massachusetts. There is no tariff duty now.

Mr. TYDINGS. What does the Tariff Commission recommend in reference to this duty?

Mr. WALSH of Massachusetts. The Tariff Commission can not recommend any duty. It is not allowed by law to do so.

Mr. TYDINGS. What do the experts say?

Mr. WALSH of Massachusetts. The Tariff Commission is not allowed by law either privately or publicly to recommend any tariff. If a tariff upon hides is proposed, they can state what would be the compensatory duty. Is that what the Senator has in mind?

Mr. TYDINGS. I thought the Tariff Commission from its statistics had perhaps shown that a tariff to some extent might be justified. I was wondering whether the Senator's amendment was based upon the results of research of experts in this particular matter.

Mr. WALSH of Massachusetts. I will say that the amendment was drafted upon consultation with the tariff experts, but the rates named were not suggested by them and they had no part in naming them. My amendment I shall discuss in

detail a little later. I would like to give the Senate first an outline of the picture of the condition of the industry.

Mr. TYDINGS. If the Senator will permit another interruption, I was wondering whether the amendment emanated from the tanneries or was predicated upon statistics and research of the Tariff Commission.

Mr. WALSH of Massachusetts. My amendment is the result of the tanners and the representatives of the shoe industry getting together with the best experts they could find and proposing the lowest possible duty that could be levied to give the minimum degree of protection. It is down to bedrock.

Mr. TYDINGS. If the amendment proposed by the Senator is adopted on tanned leather, what percentage of the cost of the manufactured shoe is represented by the increased tariff on tanned leather, approximately?

Mr. WALSH of Massachusetts. I can not give that definitely to the Senator. But it is estimated about 5 cents a pair more to the manufacturer of shoes. Possibly it would reach 10 cents per pair.

Mr. TYDINGS. I was just wondering to what extent it would add to the cost of the finished product if the Senator's amendment on tanned leather were adopted.

Mr. WALSH of Massachusetts. I will say to the Senator from Maryland in answer to his question that the shoe manufacturers do not think that very much of an increase would be made in the cost of shoes—about 5 to 10 cents—but I am one of those who believe that every tariff duty does ultimately at some time result in an increased cost to the consumer. However, the shoe manufacturers say the increased cost is so small it will not immediately increase the retail price.

Mr. TYDINGS. My question was prompted, may I say to the Senator, by the fact that I have heard that several tanneries tanning the same character of leather are subject to very severe competition, particularly from Canada. I was wondering, if we should adopt the Senator's amendment, to what extent the duty would be translated into the ultimate cost of the shoe.

Mr. WALSH of Massachusetts. I will discuss that later, if the Senator will wait. May I ask not to be interrupted, because later I am going to discuss in detail the proposed rates and compare them with those carried in the amendment offered by the Senator from Nevada [Mr. ODDIE].

I have discussed the depression in the leather industry. Now, may I call attention to the shoe industry? I make no plea for the men's shoe industry. I think I ought to say, however, that a large number of the manufacturers of men's shoes are fearful of what is happening in Europe. They very naturally would like to get under cover; they would like to have their product taken off the free list.

High-class men's shoes are now being imported in increasing quantities from England, but in volume such imports are not as yet dangerous. Switzerland sends children's shoes, slippers, and high-grade ladies' shoes; France sends Deauville sandals; Czechoslovakia almost entirely ladies' shoes.

There has been an increase in the imports of all these shoes, but an especially heavy increase in the ladies' oxford shoes, the increase being graphically exhibited by the chart I have had placed in the Senate Chamber. Only a short time ago I asked a leading manufacturer this question: "Do not women wear the high shoe?" I was surprised to find that the poorest of the poor wear to-day the low shoe—the oxford. The importations from Czechoslovakia of women's shoes are especially heavy.

Let me segregate the shoe industry into its chief branches. Of the total production of shoes, women's represent 30 per cent of pairs and 40 per cent of value; men's, 25 per cent of pairs and 30 per cent of value; boys' and youths', 8 per cent of pairs and 7 per cent of value; slippers, 10 per cent of pairs and 5 per cent of value; misses' and children's, 15 per cent of pairs and 10 per cent of value; infants', 8 per cent of pairs and 4 per cent of value.

There are 1,300 units manufacturing shoes in this country, and no unit controls more than 15 per cent of the output. It is the one large industry supplying a commonly used commodity that is not trust controlled. Food supplies of all kinds, clothing of all kinds, cotton goods, woolen goods, almost every conceivable kind of a manufactured product to-day is more or less controlled by large financial units so far as prices and output are concerned. If there were operating in the United States large plants manufacturing at the same time men's shoes, the various kinds of women's shoes, slippers, and children's shoes, we would not feel so quickly the sudden importations from Czechoslovakia of the women's shoes. In that event the imports could be absorbed until they became larger than they are now; but unfortunately the industry is specialized, so that of the 1,300 plants a number of them manufacture just one grade and class of shoes. Some companies manufacture only low-grade men's shoes, others only medium-grade men's shoes, and others only the high-grade men's shoes. The shoe industry is largely specialized and divided into many branches.

Senators will be surprised to know that in my State we manufacture many high-class men's shoes, but men's shoes made in Massachusetts are mainly of the medium and low price grade. In certain localities in my State only women's shoes are manufactured. Eighty-five per cent of all shoes made in America sell for less than $6. You and I, Mr. President, hear about $12, $15, and $18 shoes; but the common shoe which is worn by the workingman, retails for under $5 a pair. Eighty-five per cent of all shoes sell for less than $6 a pair. I think that is astounding information for the Members of this body, who think only of the expensive shoe.

Mr. SMOOT. The Senator is speaking of the retail price?

Mr. WALSH of Massachusetts. I am referring to the retail price. I recently talked with a gentleman who is the president of the Shoe Manufacturers' Association, who has a factory in Nashua, N. H., which turns out one of the most popular brands of shoes. The Senator from New Hampshire [Mr. KEYES] knows to what shoe I refer. It retails for $4, and the factory has a tremendous output. The gentleman to whom I refer says that the working man gets more in quality and style in shoes to-day than he ever got before, more than he got before the war; that he is paying a dollar more than he did before the war, but in quality and style and improvements it is a better shoe, and the purchaser gets more for his money.

Now, let me eliminate men's shoes from the discussion with this one further comment: It is my honest judgment that the manufacturers of men's shoes are going before long to meet foreign competition to a substantial degree. Nevertheless, as it has not yet come, I am asking in this amendment no protection for them; I am leaving them on the free list.

But the foreign competition for women's shoes is here, and women's shoes are made largely in small factories. I suppose in the city of Haverhill—and I am now speaking generally—there are perhaps 30 to 40 factories employing from 100 to 200 hands each and turning out various types of women's Oxford shoes. The same situation exists in Lynn. It is a strange thing that the women's shoe factories congregate in one community and men's shoe factories in another; a women's shoe factory is rarely, if ever, found in the same town where men's shoes are made. Therefore when we begin to discuss the importations of women's shoes we must think of the communities that are making that character of shoes. It is because certain factories and localities produce only women's shoes that the increasing importations are causing these particular factories keen distress.

The chart which I have had placed on the wall shows the tremendous increase in the importations of women's shoes. In 1922 the number of pairs of women's shoes imported into this country was 47,000, whereas the number imported in 1929 was 5,514,499 pairs—47,000 pairs in 1922 as against over 5,000,000 in 1929, an increase of several thousand per cent. In 1928 the imports were something over 2,000,000 pairs. Mark that! The importations grew from 2,000,000 pairs to 5,514,000 pairs in one year.

I have here the figures for the month of January, 1930, which disclose an importation of over 600,000 pairs of women's shoes for that month. During the course of the 12 months, at the same rate, there will be an importation of over 7,500,000 pairs for 1930 as compared with 5,514,000 pairs in 1929.

Where is it going to stop? Do we owe any responsibility to stop it?

Mr. SHORTRIDGE. How are we going to stop it unless we put a tariff on the article?

Mr. WALSH of Massachusetts. Is there any obligation on our part to stop it or shall we fold our hands and let it go? It is a serious question.

What has been the effect on these communities? Maine has some women's shoe factories; New York State has some factories where women's shoes are made; Massachusetts has some, and I think there are others scattered throughout the country. All are facing unemployment, a serious depression in business, with concerns going out of business almost every day. Why should we wonder at that in view of the competitive conditions? A woman can go into a store and have two comparable pairs of shoes shown her such as these [exhibiting], and one pair is offered to her for $3.95 and the other is offered to her for $5.50. Which is she going to take? She will take the cheaper shoe, which is the imported shoe.

I have had placed upon the wall another chart. Upon it is pasted a page advertisement from the Chicago Tribune containing an announcement issued only a few days ago that Bata,

the manufacturer of women's shoes in Czechoslovakia, was to open five retail stores in the city of Chicago and sell shoes which he describes as "Paris style" shoes for $3.95 a pair. There [indicating] is the advertisement.

Mr. SMOOT. Will the Senator read the guaranty on it?

Mr. WALSH of Massachusetts. At the request of the Senator from Utah I will read the guaranty. It is as follows:

GUARANTY

We guarantee the Bata Paris style shoes to be the equal of shoes selling as high as $8. If, for any reason, you are not satisfied with a pair of Bata shoes, your money will be cheerfully refunded. This is the broadest guaranty ever made in the shoe business.

How long can the American manufacturers face competition of that kind? How would a Senator feel if he were an American businessman with a little money invested in a women's shoe factory; how would he feel if he were a man with a family who had given his whole life to learning the shoe-manufacturing trade, and read such an advertisement in the newspapers threatening the very existence of his business? Has he a right to turn to his Government for relief? This is a case where imports can be seen, can be understood, and the effect of them appreciated. This is a case where imports cause depression, and where it is in the power of our Government to lift its hand and put up a bar against the competition of the cheap labor of Europe.

Mr. SHORTRIDGE. Mr. President, will the Senator suffer another interruption?

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

Mr. WALSH of Massachusetts. I yield.

Mr. SHORTRIDGE. I very fully agree, I think, with the Senator and in the conclusions he reaches; but what becomes of the consumer argument of which we have heard so much here?

Mr. WALSH of Massachusetts. The consumer argument should be made again and again; we can not hear too much about the consumer. I say to my colleagues it is not pleasant for me to make this plea here because I realize what the effect is of even slightly increased tariff duties, but in this case there is a prospect of destroying a whole industry, an American invention, an American business, and in such an extremity we are *compelled* to go to the consumer and say, "Are you not willing to bear a slight burden in order to protect this industry?" I think this step is necessary in the case of the manufacture of women's shoes. I do not think it is reached in the case of men's shoes; I am not asking for a duty on men's shoes and yet the men engaged in the manufacture of men's shoes must soon be given protection.

Mr. SMOOT. Mr. President——

Mr. WALSH of Massachusetts. I yield.

Mr. SMOOT. Mr. President, I fully agree with the Senator in every respect. The Senator asks how we would feel. I say I would feel just the same as the Senator does, and just the same as I felt when I saw the sugar industry in the United States at the brink of destruction.

Mr. NORRIS. Mr. President——

Mr. WALSH of Massachusetts. I will yield to the Senator from Nebraska in just a moment.

Unfortunately, we can not all get into the environment and atmosphere of all the industries of our vast country. It is very hard to visualize the conditions in other parts of the country. I observe two of the Senators here smiling at my urging a protective duty in this case; but I have never run away from voting for a protective tariff duty of a reasonable amount where it was clearly demonstrated that the existence of the industry was threatened by importations.

I repeat what I have previously said, that I have seen many American manufacturers asking for tariff protection whose trouble was due not to importations but to overproduction, and I have tried to distinguish between such cases of distress due to domestic competition and those accountable to foreign competition.

I now yield to my friend from Nebraska.

Mr. NORRIS. Mr. President, response has come to the Senator's inquiry as to what Senators would do. The Senator from Utah [Mr. SMOOT] says, "That is what we are up against in sugar." The Senator from California [Mr. SHORTRIDGE] says at once, "What is the remedy? Increase the tariff on everything." But the Senator from Massachusetts was exceedingly fair in his argument. He called attention to the environment in which he lives. I think he has been fairer in his argument and presentation of his case than any other person I have heard asking for a duty on anything contained in this bill, because he recognizes human nature as it is; and he asks, "What are you going to do about it?"

Mr. President, we can not pull ourselves over the fence by our boot straps. We can not cure all the evils by a tariff. Perhaps we can do it in this case. When I am convinced that that is the way to do it, so far as I am concerned, I shall not hesitate to do it; but when the answer comes, "Increase the tariff; give us a tariff, no matter what it is," then if somebody says anything about the consumer they say, almost with a sneer, "Why, put him out. You must not talk about the consumer"; and yet it is upon the back of the consumer that this burden must rest—all of it; every bit of it.

When you say, "Put on a tariff," what is the answer to the farmer who is producing wheat? Everybody knows that a tariff will not do him any good. You add to the burden of that man, already bowed down almost to the earth, producing the food of the entire country at a financial loss. What are you going to do about him? If we say "debenture," if we say anything else that will equalize his condition under the tariff, we are called Bolshevists and socialists; and yet we are passing a burden on to him, already overburdened, where a tariff will not save him.

I think the Senator from Massachusetts was honest and fair when he said, "Perhaps a tariff will not always do it. Perhaps I am biased." Somebody said, "It is not only the shoe industry; other major industries are suffering in the same way"—some of them that we know a tariff will not help.

God knows all honest men want to help the unfortunates if they can; and I think I have felt for some time that this branch of the shoe industry for which the Senator is pleading does deserve our honest and fair consideration.

We ought to give it relief if we can without ruining somebody else, and perhaps we can; and I share with the Senator the belief that the men manufacturing men's shoes, while not now up against this proposition, if they are ordinarily intelligent men—and we know they are—can look into the future and see the same thing confronting them.

Personally, I can not see any other outlook. The men who have come over here and copied our machinery and gotten together machinery and erected factories in Czechoslovakia to make women's shoes can do the same thing with men's shoes. There is no reason on earth why they can not.

Now I want to ask the Senator a question, in an honest attempt to do the best we can—and when we do our very best we will relieve our countrymen only in part, in my judgment.

Several years ago, when I was still in the House of Representatives, there was quite an extended investigation conducted by the Judiciary Committee over there—of which I was a member, and I participated in it to some extent—of what was then termed the "Shoe Machinery Trust." I want to ask the Senator, are the American manufacturers of shoes handicapped now in any degree by a combination of the makers of shoe-manufacturing machines, so that they have to pay tribute to some trust, and thus add to the cost that they must ask the consumer to bear?

Mr. WALSH of Massachusetts. They never can buy outright their machines. They lease them, and pay a royalty.

Mr. NORRIS. What do the foreigners do about that?

Mr. WALSH of Massachusetts. The foreigners are pretty smart. They have stolen the machines. They have exported some of these machines and reproduced them—copied them.

Mr. NORRIS. Have not our manufacturers of shoes paid royalties and operated under leases long enough so that they could afford the machines too without being morally reprehensible?

Mr. WALSH of Massachusetts. Unfortunately, there is a law in this land against violating or infringing on patents and violating leases.

Mr. NORRIS. Perhaps, to give relief, we ought to change some laws of that kind.

Mr. WALSH of Massachusetts. Perhaps that is true.

Mr. NORRIS. Perhaps we shall have to go into that matter to solve this problem if it can not be done entirely by a tariff without an unjust burden being put upon somebody else.

Mr. WALSH of Massachusetts. But I am informed—I wonder if the Senator's information is as mine is—that these foreigners have taken the American machines and reproduced them, patents and all, and are using them. The patents have expired, I assume, in many instances, but the leases for 99 years hold the American manufacturer to his bargain with the United Shoe Machinery Co.

Mr. NORRIS. If the Senator will permit me, I should like to make just one further suggestion along that line. I am speaking from memory, and have not read about this matter for a long time, and more than 15 or 16 years have elapsed since I heard the testimony; so I may be somewhat in error.

As I remember, however, one of the things brought out very clearly in that investigation that impressed me very deeply, was that the expiration of a patent did not bring about the loosing of the grip of the trust on the shoe manufacturer.

New things were continually being invented; and they would get some patent that had not expired on some little part that had nothing to do, except in a small way, with the shoe, but in a modern factory was essential and necessary; and in order to get the use of that patent and the lease of it the manufacturers had to make an agreement to buy of the lessor other things, like wooden pegs or something of that kind, that went into the shoe, for which they had to pay an exorbitant price and which they could not go out in the open market and purchase. Does that condition exist now in shoes?

Mr. WALSH of Massachusetts. Not to the extent, I think, that it did exist at the time of the investigation. I think things have improved somewhat; but the United Shoe Machinery Co. still have a monopoly of all shoe machinery, and everybody who goes into the shoe business has to do business with them, has to pay them a royalty.

Mr. SMOOT. Mr. President——

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

Mr. SMOOT. There is another thing that has been worrying me somewhat of late, and it is this:

In the past we have had to compete with foreign money. I look for the time at a very early date when we shall have to compete with American dollars. I think American capital is going to Europe to go into different lines of manufacture. We have billions of dollars loaned over there now, and every once in a while we hear of this or that industry starting up in a foreign country, financed by American capital. I think that means that there will be American management; the systems in use here in the United States will be put in vogue in a foreign country, manufacturing there, just as they are in use in American mills here to-day, and will bring about mass production there.

Mr. WALSH of Massachusetts. I am told that is true more largely in regard to shoes than anything else. Does the Senator from Utah agree with me in that?

Mr. SMOOT. I could call the Senator's attention to some other things that are going on that I know of to-day.

Mr. WALSH of Massachusetts. But it is true about shoes?

Mr. SMOOT. Yes; and it is going to grow. That is one thing that we shall have to meet in the United States; I have not any doubt about it; and it is going to grow very rapidly, indeed. The competition is there. They will not only have the cheap labor that they have always had—and I think, of course, that will gradually increase—but they will have the advantage of all the patents and all of the administration that has been so highly perfected in the United States that it is going to be harder for the wage scale of America to be maintained and meet the competition that is bound to come from foreign manufacturers.

Mr. ODDIE. Mr. President——

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

Mr. WALSH of Massachusetts. I must hurry on, because I am afraid I am consuming too much time. I will yield for a minute; and then I shall ask to be allowed to finish my argument without interruption if I may.

Mr. ODDIE. Mr. President, in line with the thought that has just been discussed, I mentioned in my speech when the hide duty was previously considered that American capital invested in foreign countries at the end of 1928 amounted to fifteen and six-tenths billion dollars. Europe has received four and eight-tenths billions, and South America two and five-tenths billions.

Mr. WALSH of Massachusetts. Let me say to the Senator from Nebraska—and I know he will accept this in good part—I wonder if his farmers are worse off than industrial workers who are without a job? They have not even a home. They have not a postage stamp of land. Their children are hungry and can not be fed with the shoes made in the factories.

Mr. NORRIS. The Senator has expressed a wish that he should not be interrupted, but if he wants an answer to any of those questions I shall be very glad to respond to them.

Mr. WALSH of Massachusetts. I ought not to make such a comparison.

Mr. NORRIS. I am not objecting to it.

Mr. WALSH of Massachusetts. I want the Senator to have that picture as well as the picture of the farmer.

I never shall forget the impression made upon me in 1922, in the month of October, when I traveled for the first time through the western country, traveling extensively by automobile through the States of Utah, Idaho, and Colorado. I never shall forget that I had difficulty in keeping the tears from my eyes when I saw caravans, with a man and his wife in the front seat and a little table and bed and furniture in the back seat, leaving their home and their farm and all they had, going, going—God only knew where they were going—failure; everything lost; ruin. I saw many instances of it in the few days that I traveled in these States; and I have, therefore, been able to visualize how sincerely and deeply you Senators from the West must feel about the situation of the farmer and the need of some relief for him. But I never have been able to visualize, exactly, poverty on the farm. I have seen it in the industries. I have seen, in the faces of children, lines that I never thought I could see, that were depicted by the cartoonists in the newspapers—sunken cheeks, pale, emaciated faces and bodies, placed there by dire want. There never was a time in my public career when there was so much of it as there is this very night, I think in all parts of the country, but particularly in the part of the country from which I have the honor to come. But let me pass on from this picture.

I want to call attention to the fact that every country in the world except England places a protective tariff duty upon our leather and our shoes. England does not do it.

Mr. President, I want to call attention to another thing: That we, under existing law, the statute law of this country to-day, protect leather when it goes into ladies' handbags and into coats for women, but give no protection to the leather manufacturer who makes leather for shoes. How can that be justified? Leather is leather. The same process, workmanship, and expense are involved whether the leather goes into shoes or goes into a lady's traveling bag, or a suit case, or into a coat.

Further—this is surprising—there is a protective duty to-day upon shoes if they are made of something besides leather; a protective duty upon shoes even when the sole is leather, if there is above the sole rayon, felt, wool, cellulose, or straw, or anything except leather, although the sole itself may be leather. How can we draw such fine distinctions as that?

I think I have said enough to impress the Senate with a realization of the threatened extinction of the women's shoe business and the leather business. Let me be frank about that. I personally think the leather business is probably in a worse condition than the women's shoe business. That is a pretty hard thing for me to say, because the number of depressed families dependent on the shoe business is very much larger than in the tanning business, but I personally think the tanning business has reached the lowest stage a business can reach in the United States and yet exist. Unlike most other lines of business, all the tanners, particularly those making calf leather, all of them, whether they are big or small concerns, are depressed.

What are we going to do about protecting these industries—let them be destroyed? If I thought we were going to have another revision of the tariff in three years I do not think I would feel quite so keenly and deeply about this. I am going to make a prophecy. I do not know how long I shall be in the Senate, but I am going to make the prophecy that not a man in this Chamber listening to my voice will be in this Chamber when there is another tariff bill taken up for a general revision of the tariff laws. I do not think any President of the United States ever again will advocate a revision of the tariff in a wholesale way. Just stop and think about that. Would any one of you do it? This is the last revision, and therefore it is very important, if what I say is true about this industry, that it should be extended the same advantages that others have; and if the flexible-tariff provision exists, it should in future years have the same right other industries have. Under the present law shoes are on the free list. However depressed the business may be, however ruined it may be, the producers have no opportunity given them at the other end of the Avenue under the emergency flexible provisions of the tariff law to get relief.

I am sorry to digress in the midst of an argument upon one commodity in a tariff bill to say that, in my judgment, in the long vision of the future, the best service we could render our country would be to make some rules and regulations in the Congress that would restrict and limit the consideration of the tariffs to specific schedules and specific items.

Mr. President, I now propose an amendment, which I am going to read. I am going to compare my amendment with the Oddie amendment, with the House provision, and with the Senate committee provision. My amendment is based upon the theory that it is impossible to levy a substantial duty upon hides that would be beneficial to the farmer, without putting such a burden upon the ultimate consumer that it is out of the question. The figures are astounding. I have heard it said that, if the Oddie amendment became operative, it would

amount, in the cost of a shoe, to an increase of 50 cents to $1 a pair. That may be large, but it would be somewhere between 50 cents and $1 a pair.

This amendment is based upon the theory that relief should be given to the tanning industry and to the women's shoe industry with the least possible burden to the consumer. It is the bedrock rates. It is this or no protection. If Senators have reached the state of mind where they will consider under no circumstances a duty upon leather and upon shoes without hides being included, you must vote against my amendment. Let us compare these rates.

Mr. ODDIE. Mr. President, will the Senator yield just for one observation?

Mr. WALSH of Massachusetts. Certainly.

Mr. ODDIE. I feel quite sure the Senator is in error in saying that the farmer will not get the benefit of the duty on hides, because it has been shown conclusively that he will get the benefit, and the farming organizations and the livestock organizations are very strongly in favor of the amendment.

Mr. WALSH of Massachusetts. Is it the truth that the hide is 6 per cent of the value of the animal?

Mr. HOWELL. Six and one-half per cent of the weight.

Mr. WALSH of Massachusetts. So we are starting out with the hide being 6½ per cent of the weight of the animal, and we are giving a duty of 4 cents per pound upon that part of the animal which represents 6 per cent of it.

Mr. ODDIE. Mr. President, I think it is not quite fair to use such an estimated calculation. It is so much a pound to the owner of the animal, and to help cut down the loss that exists to-day——

Mr. WALSH of Massachusetts. My dear friend from Nebraska referred to the 4-cent rate as being sour milk, and his rate of 5 cents as being cream. I wondered where the sweet milk comes in.

Mr. ODDIE. The cattle organization of the United States, the National Livestock Association, has agreed to the 4-cent rate as being very helpful. They are strongly for it. They have indorsed it, and they have said it is necessary for the cattle industry; and they are a very strong organization.

Mr. WALSH of Massachusetts. I will concede that for the sake of the argument, and ask the Senator what he has to say about these figures. The Senator's duty translated into benefits for the farmer, assuming it becomes effective, will take out of the pockets of the public $144,000,000, of which $30,000,000 will come out of the pockets of the farmers. The packers rather than the farmers will get what benefit the duty on hides causes.

Mr. ODDIE. Mr. President, I will have to disagree very strongly with the Senator in that statement. I contend that the duty will not necessarily raise the price of shoes. It will help stabilize the price of raw materials used in the manufacture of shoes, and it will enable the shoe manufacturers to draw on the American leather, which will be stabilized in price. They will know they can get a certain amount of leather at a certain price, and it will discourage and help to stop this enormous importation of foreign hides and foreign leathers.

Mr. WALSH of Massachusetts. I suppose we could discuss that all night, and we would not get anywhere. The Senator would still claim that the farmer is going to get some benefit, but the hide is the wrapping paper of the animal. This duty proposed means the wrapper of the carcass would cost proportionately more than the content per pound. The reflected cost, when you get to the shoe, is tremendous, as I will show before I finish, and analyze briefly the Senator's amendment and my own amendment.

The Oddie amendment places a duty of 4 cents per pound on green hides. The House put the duty at 10 per cent ad valorem, the Senate committee recommends 10 per cent ad valorem, and I place no duty in my amendment.

Let me point out a serious objection to the Oddie amendment. The compensatory duty represented by 4 cents per pound on hides is 26 per cent, as against the House recommendation of 10 per cent, and as against the Senate Finance Committee's recommendation of 10 per cent. So we are starting out, before we begin building and finding out how much this is going to burden the leather industry and the shoe industry, with a 26 per cent increase in the chief, the principal—largely the sole—raw product of the tanner and of the shoe, an increase of 26 per cent ad valorem. Of course, the Senator's 5 cents a pound duty adds to that still further, and brings it over the 30 per cent mark.

Now we come to sole leather.

Mr. HOWELL. Mr. President, I would like to ask the Senator at what price he figures hides on that basis.

Mr. WALSH of Massachusetts. At the average price during the recent years.

Mr. HOWELL. How many cents a pound?

Mr. WALSH of Massachusetts. It is the average fixed, from 15 to 17 cents.

Let us come now to sole leather. The Oddie amendment proposes a duty of 5.2 cents per pound upon sole leather, and 10 per cent ad valorem, which represents, in ad valorem equivalents, a duty varying from 22 to 54 per cent, depending upon the part of the hide that is made into leather. That is one of the serious objections to the Senator's amendment and to all specific duties, and especially in matters of leather.

A variation in the sole leather—and the same is true of upper leather—of from 22 to 54 per cent means what? The poor, inferior leather has an ad valorem duty of 54 per cent—the leather that goes into the shoes of the farmers and the farmers' children; and the leather which goes into the shoes of the most expensive kind, the most expensive leather, has a duty of only 22 per cent.

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

Mr. WALSH of Massachusetts. I yield.

Mr. ODDIE. I made a statement a short time ago which I will make again on this very matter. I said that the Finance Committee recommended a duty of 10 per cent ad valorem on green hides, which would have amounted to 1.71 cents per pound on the import value of green hides in the period from 1924 to 1928, on the basis of value of the 15 per cent ad valorem recommended by the Finance Committee on sole, belting, and harness leathers, would have amounted to 5.88 cents per pound. Had the Finance Committee recommended the same amount of protection on the basis of the 4-cent duty provided for hides under this amendment, it would have amounted to an equivalent specific duty on the same basis of value of 13.7 cents per pound. The total equivalent specific duty——

Mr. WALSH of Massachusetts. I want to be indulgent and kind, but I do not think the Senator should, in the midst of my speech, make another speech.

Mr. ODDIE. May I finish this one thought?

Mr. WALSH of Massachusetts. Very well.

Mr. ODDIE. The total equivalent specific duty on this group of leathers under this amendment amounted to 9.9 cents, a decline of 3.8 cents from the amount the Finance Committee would have allowed on the basis of the original recommendation, or a decline of 28 per cent.

Mr. WALSH of Massachusetts. Let me develop the argument I was about to make when interrupted. I was asking the question, What would these duties on sole leather mean in ad valorem terms? They would mean 22 per cent on bends, 25 per cent on belly, 45 per cent on shoulder, and 54 per cent on head, based upon the value of the average imports. It is again to be noted that the much higher duties fixed by the Oddie amendment are imposed on the leathers that go into shoes of the lower class. I am told that those shoes are made up largely of leather from the shoulders and the head, and their duty under the Senator's amendment is 45 per cent and 54 per cent, while the duty upon bends is 22 per cent and upon belly is 25 per cent.

On sole leather the House rate is 12½ per cent, 7 of it being compensatory and 5½ protective. In the Senate Finance Committee amendment the duty was raised to 15 per cent on sole leather, 7 of it being compensatory and 8 of it being protective. My amendment makes the sole and only duty 5 per cent, there being no compensatory duty. In other words, the House amendment of 12½ per cent, the Finance Committee amendment of 15 per cent, and the Oddie amendment of 22 to 54 per cent are completely wiped out and a bare duty of 5 per cent put upon sole leather.

Let us turn to side and patent leather. The Oddie amendment provides a rate of 5 cents plus 10 per cent. The equivalent, when we get it translated into its equivalent ad valorem, is 20 to 40 per cent on side upper leather. The House fixed the rate at 15 per cent, 10 per cent being compensatory and 5 per cent protective. The Senate Finance Committee fixed a rate of 17½ per cent, 10 of which is compensatory and 7½ protective. My amendment is 5 per cent as against 15 per cent in the House text, 12½ per cent as fixed by the Senate Finance Committee, and 25 to 40 per cent as fixed in the Oddie amendment.

Now, we come to calf and kip: The Oddie amendment provides 3 cents plus 10 per cent, or an equivalent of 18 to 25 per cent; the House rate is 15 per cent, 7 of it being compensatory and 8 protective; the Senate Finance Committee rate is 17½ per cent, 7 of which is compensatory and 10½ protective. The rate in my amendment, there being no compensatory duties, is 8 per cent. Even the protective rates in the amendment proposed by me are lower than those proposed in the House text or in the Senate Finance Committee proposal. The manufacturers prefer the committee rates because they are higher, but the purpose in the construction of the amendment was to keep down the cost to the ultimate consumer. Now, let us turn to shoes.

I will not discuss goat and kid leather, because the same principle has been carried out there, but I shall now turn to shoes.

The Oddie amendment proposes a duty of 14 cents per pair upon shoes, both men's and women's shoes, and 10 per cent ad valorem, the equivalent ad valorem duty being from 12 to 17 per cent only. The Senator from Utah knows how inequitable that is—12 to 17 per cent equivalent duty upon shoes, both men's and women's, when the equivalent ad valorem duty upon calf and kip leather is from 18 to 25 per cent, and on sole leather from 22 to 54 per cent. In other words, on leather which is less advanced in the process of workmanship than shoes there is a higher duty levied than upon the shoes themselves. As the Senator from Utah suggests, that is the trouble with it.

In other words, the Senator from Nevada is proposing to levy upon the women's shoe industry a duty for the leather that they use varying from 22 to 54 per cent in the case of sole leather, and from 18 to 25 per cent in the case of calf and kip leather, while he gives them a duty compensatory and protective of only about 17 per cent. The Senator from Utah has stated the proposition exactly. It is out of balance. It is bad enough for these industries to be depressed and ruined as the result of imports without having a law enacted which increases the cost of their leather and does not give them any appropriate compensatory duty. The compensatory duty which they ought to have is about 36 cents per pair of men's shoes and 30 cents on women's.

What did the House do on shoes? The House levied a duty of 20 per cent on shoes and the Senate Finance Committee levied a duty of 20 per cent on shoes. My amendment separates men's and women's shoes first of all, and it is the only amendment here that does so. It proposes a duty on men's shoes of 8 per cent, the exact and only compensatory duty based upon the sole-leather rate of 5 cents, and a rate upon the upper calf leather of 8 per cent.

Now, we come to women's shoes, 12½ per cent, as against 20 per cent in the Senate Finance Committee amendment, as against 20 per cent in the House text, and as against 12 to 17 per cent in the Oddie amendment, which does not give them any protection on shoes and which deprives them, as they claim, of half their compensatory rights. My amendment makes the duty upon men's shoes 8 per cent and upon women's shoes 12½ per cent. Of that 12½ per cent 7 per cent is compensatory by reason of going out and helping the leather industry, and an insignificant protective duty of 5 per cent is all I ask for women's shoes.

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

Mr. WALSH of Massachusetts. Certainly.

Mr. HOWELL. Is that the protective duty for women's shoes?

Mr. WALSH of Massachusetts. Yes.

Mr. HOWELL. Not taking into account the compensatory duty?

Mr. WALSH of Massachusetts. No. The total is 12½ per cent, the compensatory being 7½ and the protective about 5 per cent.

Mr. President, I want once more to refer to what is happening in regard to hides. The attention of the Senate has been insistently and ably called again and again during the tariff discussion to substitution. The record of substitution for the use of hides already is astounding. The extent to which substitutes are being used to-day is growing by leaps and bounds. If we increase the price of hides by 26 per cent ad valorem, which is the proposal here, do not Senators think that substitutes are going to be used for sole and other leathers?

This is a digression. One of the pairs of shoes which I have displayed here has fancy leather upon it as a decoration, reptile leather coming in from Europe. It bears no duty because the leather is not of chief value. But if the whole shoe was leather it would bear a duty, yet it can be used for shoe purposes.

Mr. HOWELL. What is the objection to using substitutes?

Mr. WALSH of Massachusetts. There is no objection so far as I am concerned; but I am speaking of how an attempt to help the cattle producer by increasing the duty on hides might result in being an injury to him by reducing his market for hides.

Mr. HOWELL. But 32 per cent of the hides we use are imported. We are not producing hides enough within 32 per cent of our consumption, so there is no immediate danger of substitutes affecting the farmer.

Mr. WALSH of Massachusetts. Does not every substitute that is invented and used instead of hides diminish by that much more the market that our hide producer might keep?

Mr. HOWELL. There is no question about that, but if we give protection to the American hide producer we have 30 per cent to go before we can meet the requirements of this country, so there is no immediate danger from that source.

Mr. WALSH of Massachusetts. Artificial leather in this country has grown from $6,000,000 in value in 1914 to $40,000,000 in value in 1925. That is the extent to which it has grown.

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

The PRESIDING OFFICER (Mr. McCULLOCH in the chair). Does the Senator from Massachusetts yield to the Senator from Nevada?

Mr. WALSH of Massachusetts. I yield for a question only.

Mr. ODDIE. In regard to the question of substitute leather that the Senator from Nebraska has just mentioned, I can also see the danger from it, but if we have an adequate tariff on hides the price will be stabilized and the price of leather will be more stabilized, and it will increase the use of leather and prevent much of the substitution.

Mr. WALSH of Massachusetts. I want to put one question to the Senator. If we can succeed in shutting out this large importation of shoes alone, leaving out of consideration now the question of leather, how much more leather or hides, to say nothing of the workers employed, will be put upon the market for use by the domestic manufacturer of shoes?

How many more American workmen will go to work? Considering now the importation of 6,000,000 pairs of shoes last year, promising, according to the imports of the first months of this year, to reach 7,500,000 during the year 1930, if we could succeed in preventing that importation, 4,000 men for one year would be given employment in the manufacture of shoes alone, to say nothing of the number of men who would be employed in the making of leather, in the making of lining, and in the making of the other materials which are used in the manufacture of shoes. The average rate of wages for the operators in the shoe industry is about $1,000 a year, the number of employees being about 250,000, and the pay roll being about $250,000,000.

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

Mr. WALSH of Massachusetts. I yield.

Mr. ODDIE. Mr. President, in line with what the Senator has just said, if the five and a half million pairs of shoes which were imported in 1929 had been made in the United States they would have required the hides of 110,285 head of cattle and the skins of 827,000 head of calves.

Mr. WALSH of Massachusetts. The Senator has anticipated me. He realizes, of course, that if we can shut out the imports of shoes it will markedly increase the domestic demand for hides. I have some figures that may not exactly correspond with those of the Senator from Nevada, but I will give them to the Senate. The shoes imported are estimated at about 6,000,000 pairs. If those shoes were made in this country they would consume approximately 12,000,000 square feet of leather, or nearly 800,000 hides or skins, for the upper leather alone. The sole leather used in the making of 6,000,000 pairs of shoes, including both heels and soles, would require over 80,000 hides. In other words, if we could shut out imports of shoes alone—I am not talking about leather now, although that is a very important factor—the American manufacturers would be in the market for 800,000 more hides.

Mr. HOWELL. Yes, Mr. President; and those hides would come from Argentina and from Europe, because we are not producing sufficient hides in this country, within 32 per cent, to meet the domestic demand.

Mr. WALSH of Massachusetts. That has already been referred to and discussed.

Mr. ODDIE. Mr. President——

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

Mr. WALSH of Massachusetts. I yield.

Mr. ODDIE. The number of cattle in the United States has decreased to a very large extent during the last few years, and one reason assigned for the decrease is the lack of protection on hides. If we could stimulate the cattle industry to a greater extent, as a tariff on hides would stimulate it, the number of cattle would increase, and in a very few years we would not be dependent in any manner upon foreign importations.

Mr. WALSH of Massachusetts. Mr. President, I am not going to burden the Senate much longer. I will not move my amendment until after the amendment offered by the Senator from Nevada has been acted upon. Then I hope the Senate will conclude that it is justified, in view of the evidence presented, in levying the modest duties which I seek to have levied in my amendment upon various kinds of leather and upon women's shoes.

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

Mr. WALSH of Massachusetts. I yield.

Mr. SMOOT. I want to ask the Senator a question. Suppose the Senate votes a duty upon hides—and I think there is a strong inclination on the part of the majority of the Senate to do so—would the Senator then think that the compensatory

duties provided in his amendment on all the different items in this schedule would be satisfactory to the shoe manufacturers?

Mr. WALSH of Massachusetts. No, sir. I repeat, my amendment is drafted upon the assumption that it is not expedient or desirable to levy a duty upon hides, because of the fact that the farmer would get so little in return for a meager duty, and if a large duty were imposed, the burden would be too great for the consumer, as I have tried to show by the figures produced. Therefore, I have sought to present to the Senate the situation with regard to the leather-tanning business, and to the shoe business, and requested that there be given consideration to the levying of a very small duty upon leather and women's shoes, with the idea of protecting this great industry from further depression as a result of the large and growing importations. If a leather duty shall be imposed in the Senate, of course, there will have to be a readjustment of the compensatory and the protective duties on shoes.

Mr. SMOOT. Mr. President, I asked the question for this reason: The Finance Committee reported a duty on hides, and I should feel it my duty, if not my inclination, to do what I can, having reported the bill, to have placed in the bill the duty which the Finance Committee reported.

Mr. WALSH of Massachusetts. I would vote for that if I could get a chance, although I think there are Senators here who think there ought not to be any duty.

Mr. SMOOT. What I mean to say is this: I also understand the terrible condition in which the women's shoe industry of the United States is because of the very severe competition from Czechoslovakia.

Mr. WALSH of Massachusetts. A competition which is growing and increasing and becoming more and more destructive every month.

Mr. SMOOT. The chart which the Senator has placed on the wall is sufficient to tell the story. What I wanted to say is that if we had a duty placed upon hides I think that no Senator who is in favor of such a duty would not be willing to allow compensatory duties to the shoe manufacturers.

Mr. BORAH. The Senator means as to women's shoes?

Mr. SMOOT. Certainly.

Mr. BORAH. And not as to men's shoes?

Mr. SMOOT. The Senator from Massachusetts is only asking for a duty in respect of women's shoes.

Mr. WALSH of Massachusetts. Of course, the compensatory duty must be applicable to both kinds of shoes, and in addition there should be a slight protective duty on women's shoes. Does the Senator agree with me that under the Oddie amendment the compensatory duty upon shoes would be about 36 or 37 per cent?

Mr. SMOOT. The compensatory duty, of course, would be based on the rate on hides. I have not figured it out, but I hardly think it would be as much as the Senator suggests on shoes.

Mr. HOWELL. What is the price of the shoe under consideration?

Mr. SMOOT. The compensatory duty, of course, would be made to cover the average shoe just as in the case of all other commodities.

Mr. HOWELL. Then, I presume the Senator in referring to the "average shoe" means the figure derived by taking the total number of shoes produced and dividing it into the value of those shoes?

Mr. SMOOT. No; the ad valorem duty on a cheap shoe would not amount to as much, of course, as a similar duty in the case of a real expensive shoe.

Mr. HOWELL. That is true, but it is necessary to have an average shoe from which to determine the ad valorem duty. The average shoe costs about $2.60. Is the Senator from Massachusetts talking about 36 per cent upon a shoe priced at $2.60?

Mr. SMOOT. I do not know upon what the Senator from Massachusetts bases the ad valorem duty, but we would have to treat the ad valorem duty on shoes just as we would any other commodity on which an ad valorem duty is levied.

Mr. HOWELL. But when the Senator talks about a compensatory duty he must give us a price of the shoe.

Mr. SMOOT. Of course the Senator understands that the rate would have to be figured out as nearly as it could be figured. As I have said to the Senator, I do not know whether 36 per cent is correct or not.

Mr. WALSH of Massachusetts. Let me quote a paragraph from my notes here about the compensatory rate.

The necessary compensatory rates, if the Oddie amendment of 4 cents per pound on green hides and the resultant compensatory and protective duties on all kinds of leather goes into effect, on women's shoes made of all leather would be 30 cents a pair on the average and a duty of 37 cents a pair on men's shoes.

Of course, a protective duty would have to be added to that.

For each 1 cent of duty on hides there is an additional expense to the shoe manufacturer of 6 cents per pair on men's shoes and 5 cents a pair on women's shoes. For each 1 per cent of protective duty on the various leathers consumed in the manufacturing of shoes there is an increased manufacturing cost of approximately 1 cent per pair.

Mr. SMOOT. May I call the Senator's attention to the fact that the ad valorem duties apply to the foreign value of the shoe and not to the American value of the shoe at all? And, of course, the foreign value of the shoe is very much less than the American value of the shoe.

Mr. WALSH of Massachusetts. It is much less. The Oddie rate is 14 cents a pair plus 10 per cent ad valorem. That is the duty on shoes under the Oddie amendment. I ask that several tables and communications that I have in reference to this subject be annexed to my remarks.

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

The matter referred to is as follows:

THE PROPOSED DUTY ON SHOES

In the debate in the Senate reported in the RECORD of September 16 this statement was made:

"I have here upon my desk a statement signed by 40 per cent of the manufacturers of shoes in the United States who are opposed to this duty, either upon men's shoes or women's shoes."

This statement, as well as others upon the same subject, indicates that the attitude of the manufacturers, and the shoe industry generally, is not clearly understood. The further statement:

"In support of the proposition that it (the duty on shoes) is unreasonable just as many manufacturers of shoes will appear against it as for it."

This does not, I believe, correctly represent the attitude of any manufacturers in this industry. The manufacturers whose names are signed to the statement referred to are at most indifferent in regard to protective duties on shoes. It is not likely that one of them objects to it, or would appear against it, on its own merits. They are opposed to it only as an item in a schedule which carries with it a duty on hides and skins. If a duty is levied on hides and skins, the cost of all classes of shoes will be increased. These manufacturers know full well the serious consequences of having the cost of their product increased, and, as they have been told many times there will be no duty on shoes unless there is a duty on hides, they are disposed to give up the protection on shoes for the sake of preventing any tax on hides and skins, and only for that reason.

It may be said if the shoe manufacturers have been able to operate successfully for 15 years without any protection, why do they need it now?

It is only within the past few years that a foreign manufacturer, trained in this country, has succeeded in so organizing his business, both in the manufacturing department and the marketing end of the business, as to equal the American-made women's shoes in style and appearance, at a materially lower price. This explains the rapidly increasing importations of women's shoes, which have so demoralized American manufacturers and led to the urgent demands for a protective tariff.

This condition is a real injury to the American manufacturer, and unless checked will certainly cause continued unemployment among workmen engaged in the making of shoes of that class. That this is a "distress" situation no one will deny—and it is in no way helpful to point out that the importations amount to slightly less than 2 per cent of the total number of shoes produced.

Is it desirable to put out of business the makers of one kind of shoes simply because that sort represents less than 2 per cent of all shoes produced?

It is important to consider the very significant fact that this particular manufacturer has found the way to meet American demands in style, and has found a large market for his goods in the leading cities of the East where competition is very keen and prices of American goods are on the lowest possible level. If these imported shoes can be sold in these cities, they can be sold anywhere as soon as the maker of them is able to organize to distribute them satisfactorily. If nothing is done toward protection in this situation, it looks like a certainty that before many years they will be introduced into all the principal markets, west as well as East, and their sale will be so large and the unemployment resulting so widespread that serious injury will result to shoe workers in this country.

The debate, as reported, shows that the most determined champions of the farmers concede the need of a tariff on this particular kind of shoe. It shows also that they resent the suggestion that men's shoes be protected also. Again the situation is misunderstood.

It would do the farmer no injury to put a duty on all shoes, as the prices of shoes to the wearer would not be increased in consequence. Women's shoes from the foreign manufacturer have been sold to the dealers at from 30 to 40 cents per pair less than the American manufacturer can afford to sell them, but the price of the shoes at retail

has been the same for both. Later on competition among dealers here might lead to a reduction in the price of the foreign shoe, but for various trade reasons this is not likely. On men's shoes no change in price would result, for the reason that very few men's shoes are imported, and these few are of a class in which the farmer is not interested. So a duty on men's shoes will certainly not do any harm.

What use is it, then? If not needed, why levy such a duty?

It should be levied for insurance. We think it would be wise to prevent such an experience as we have had with these women's shoes. Men's shoes are being made abroad to-day at much less than they can be made here. This is just as true of men's as of women's.

If that is true, why have they not been imported in the same quantities as women's

Only for the reason that no foreign maker of men's shoes has as yet had the enterprise and courage to meet the American style demands and the problems of distribution. Together these present difficulties to which the foreign manufacturer is not accustomed, and these difficulties present the only barrier which has kept foreign shoes out of this country for several years. This means that if shoes of both men and women are left without protection by this bill, some foreign manufacturer will be encouraged by the success of the women's goods in this market to equip to introduce men's in a large way, and we shall see large quantities of shoes of all kinds coming in from abroad. It has seemed wise to shoe manufacturers to prevent this, and so a very small protective duty is desired to safeguard the industry and prevent extensive unemployment.

If there is any good reason why it should not be granted, that reason has not yet been stated.

NATIONAL BOOT AND SHOE MANUFACTURERS' ASSOCIATION,
NEW ENGLAND SHOE AND LEATHER ASSOCIATION,
By CHARLES H. JONES.

STATEMENT IN RE TARIFF ON HIDES, LEATHER, AND SHOES TO MEMBERS OF THE SEVENTY-FIRST CONGRESS

While report of the Ways and Means Committee is before the House we wish to sum up very briefly the tariff situation in the shoe and leather industries. These industries employ large numbers of highly skilled and highly paid operatives. They are threatened at this time with a recently developed and genuine competition from abroad. They have appeared before the committee and have asked for protection. There would seem to be no room for doubt that they are entitled to such rates as the investigation of the committee indicated were necessary.

The fact that we have been for years without protection is wholly the fault of the Democratic Party, which removed, against our protest, the low rates which had been in force up to 1914. We believe that the committee was impressed with our need and was disposed to grant us the protection required.

We are informed by some who represent the farmers that with the protection we ask must go duties on hides and skins as part of the program of farm relief or we get no protection at all. The bill as reported indicates that the representatives of the agricultural interests are strong enough to prevent any protection being granted to us, unless we compromise on their terms. We wish to protest in the strongest language which can be used against the injustice of this proposal. The two subjects are entirely separate, and each should be considered on its merits. It has been shown over and over again, and can be definitely proved, that a duty on hides and skins will prove but a small and very uncertain advantage to the stock raiser. The ordinary farmer will receive no benefit at all, and as an economic proposition it is preposterous.

The Farm Bureau Federation declared in December, 1921 (see brief of Mr. Grey Silver filed with Ways and Means Committee):

"Cattle production needs stimulation, but the increased return from 15 per cent on 6½ per cent of the weight of the animal is so small as to be of no importance as a means of increasing cattle production. The cost to consumers of leather products would more than offset the increased return to hide producers, even if all the increased price was passed on to the producers, of which there is no assurance. Therefore we believe that hides, leather, and leather products should remain on the free list."

Coming from this source, this statement should be considered conclusive on this point.

No competing country imposes such a tax, and, if imposed here, the compensating duties on leather and shoes would necessarily be so high that the country would be burdened with additional charges for footwear and leather goods of hundreds of millions of dollars and the industry would be completely revolutionized. Such a schedule, which would inevitably increase the current prices for shoes very seriously, would make it necessary for every manufacturer to readjust his line of shoes to meet the new conditions. Old customers would not be able to use the shoes at the new prices, and a new distribution would be necessary. Substitutes tending to cheapen the product would be rapidly developed and generally used. Pending the adjustment of this situation, which would take many months, production would be reduced, many long-established connections would be broken. The many grades of shoes long advertised at fixed prices would necessarily be readjusted to match increased cost of material and a condition in the industry would result that would be wholly undesirable from every point of view. It is fair to assume that quite a serious unemployment situation would develop before the industry could be made to run smoothly under the new conditions.

We share in the very general desire to help the farmers but protest that such "relief" as this would be nothing but a purely deceptive gesture for him and a very costly one for the industry and the people as a whole.

We believe also the political effect of such an act would be most unfortunate. To have 20,000 retail shoe dealers explaining to their customers that the large advance in the cost of shoes was due to the tariff schedules forced on the trade by the farmers would certainly bring a reaction most unfavorable to existing political conditions.

Under the present circumstances there is but one sound straightforward course to pursue.

Keep hides and skins on the free list and place low protective duties on leather and shoes. No other schedule will help the farmer and at the same time meet the needs of industry.

If this is done, no business will be disturbed, all branches of the industry will be strengthened, and the wrong done the whole industry by the Underwood bill will be at last wiped out. The farmers and stock raisers will be better off financially than they could be under taxed hides, and all the rest of the people will be saved the unnecessary burden of higher priced footwear.

We call attention to the fact that representatives of the agricultural interests claimed in their statements before the committee that they wanted only what was fair and did not desire to put a burden on any of their fellow citizens. Is this statement consistent with the attitude which they now take? They have claimed that the protected industries received far more benefit from the tariff than they did; that duties on manufactures averaged over 49 per cent, and their protection amounted to but 22 per cent. What is the justification for their refusal to grant the shoe industry any protection at all? This industry has asked very few tariff favors—those asked at this time are simply to prevent importations which will cause a considerable unemployment.

If those representing the farmers refuse this modest request they must answer later on an aroused and critical public sentiment. They will be obliged to explain to their constituents why they insisted on conditions burdensome to the people and productive of no advantage to anyone.

CHARLES H. JONES.

(Representing National Boot & Shoe Manufacturers' Association and New England Shoe & Leather Association.)

[Reprinted from Shoe and Leather Reporter, February 13, 1930]

THE LATEST TARIFF DEVELOPMENTS FROM HIDES TO SHOES—SENSATIONAL CHANGES PROJECTED—DOUBLE DUTIES SPECIFIC AND AD VALOREM—HIDES, LEATHER, AND SHOES ALL TAXED—TREMENDOUS EFFECT UPON TRADE

As briefly announced in this paper last week, a compromise has been effected in Washington between the Senators from the far Western States and the Senators representing States where tanning and shoe manufacturing are important industries. After the passage of the Borah amendment, which relegated hides, leather, and shoes to the free list, there was general dissatisfaction. To the tanners it appeared that all the work of two arduous years had been wasted. But the men who have been foremost in the fight for protection from the cheap labor of Europe determined to carry on. They decided to accept the inevitable high tariff on hides and calfskins if in return they could get compensatory taxes on leather and shoes plus reasonable protective duties. Senator ODDIE, of Nevada, the man who proposed 4 cents a pound on green salted hides and 8 cents a pound on dry hides, was informed that these abnormal rates would be accepted if in return he consented to specific duties on the pounds and feet of leather imported and in addition reasonable ad valorem duties.

THE COMPROMISE

Senator ODDIE agreed to this, and it was determined that when the opportunity comes, which will be upon the second reading of the bill, he (Senator ODDIE) would present the amendment to the Senate which apparently will be accepted by all parties to the controversy. Of course, it should be understood that Senator ODDIE represented the coalition group of Senators and the tanners present spoke for all branches of the industry, including the shoe manufacturers, who have been adversely affected by the great increase in the imports of shoes.

The leather schedule as amended will read as follows:

THE NEW DUTIES PROPOSED

Green salted hides and calfskins, 4 cents per pound.

Dry hides, 8 cents per pound.

Sole, belting, and harness leather, 6 cents per pound and 10 per cent ad valorem.

Welting, 6 cents per pound and 10 per cent ad valorem.

Side upper and patent leather, 5.2 cents per foot and 10 per cent ad valorem.

Calf and kip leather, 3.6 cents per foot and 10 per cent ad valorem.

Goat, kid, fish, bird, and reptile, 17½ per cent ad valorem.

Rough or semitanned from genuine reptile, 10 per cent ad valorem.

Vegetable tanned goat, sheep, pig, hog, and skivers, 15 per cent ad valorem.

Leather grained, printed or ornamented, or made into fancy leather, 5.2 and 10 per cent.

Shoes of leather, 14 cents per pair and 10 per cent ad valorem.

Shoes with textile uppers, 6 cents per pair and 35 per cent ad valorem.

Leather shoe laces, 20 per cent ad valorem.

This double system of duties is first to compensate for the high tax on hides and calfskins and second to provide a duty for protection.

REVOLUTIONARY CHANGES

This reconstruction of the hide and leather clauses is extreme and revolutionary. It is the most drastic and sensational program ever suggested. A few years ago such a list of tariffs would have been received with scorn and derision. It may be that conservative opinion will be strenuously against it. It must be realized, however, that conditions have radically changed since our industry made its historic and successful campaign for free hides in 1909. To-day the balance of power in the Senate is held by the far western Senators and there is no possibility of obtaining free hides and even moderate duties on leather and shoes.

THE RAISON D'ETRE

Our industry is squarely confronted by the alternative of an unparalleled duty on its raw material as the price to be paid for any protective rates on leather and shoes. The question of abstract right, political economy or even common sense had to be waived in a spirit of expediency and compromise. It was necessary to enter the proceedings with the premise that hides must be taxed whatever else were done. It should be obvious that nothing could possibly be gained by reopening the old contention that hides should be free. It was necessary to face at the outset the fact that anything bearing the label of farm relief could not be defeated.

PROPOSED DUTIES ADEQUATE

Tanners who have worked out the percentages feel that the specific and compensatory duties will suffice to give our trade the needed relief from the higher cost of raw material, as well as from imports of leather and shoes made abroad at a labor expense about two-thirds below the wages paid in the United States. There is some complaint that the rate is too low on kip leather, and that it should be rated between the amounts fixed for side leather and calf leather. Under skillful buying methods a liberal share of the hide duty will be absorbed by the foreign exporters.

HIGHER PRICES CERTAIN

It would be idle to ignore the fact that the market prices of leather and shoes must be raised. The amount reduced to a pair of shoes, however, should not be excessive. One of the advantages of the change should come through the complete breaking down and building anew of the entire price structure in our industry. During the past lustrum prices have been so low that the making of profits in the business was almost impossible. Many corporations have liquidated and the plants have been scrapped. Others have declared that without tariff protection against foreign imports they would discontinue manufacturing. The revision of prices upward should include commensurate profits to tanners and shoe manufacturers. If this is not done, the long and arduous struggle for relief from free-trade conditions will have been in vain.

GOOD PROSPECT OF PASSING

Our enthusiasm must be qualified by the consideration that the new bill has not been enacted. The outlook is favorable for the measure passing both the Senate and the conference committee. Of course, the element of risk is always present. There will be orations to go into the CONGRESSIONAL RECORD and later be mailed to the constituencies of the Senators, but the compromise bears the visa of farm relief, and thus is sacrosanct in a Congress that tried to give debentures to agriculture.

FAVORABLE REACTION

Let us hope that all departments of our industry will react favorably to this compromise. It is the best that could be done. It should not be condemned untried. The probability is strong that the elastic clause will be retained in the new revenue law. As long as we were on the free list nothing could be done for us pending another general revision of the tariff 10 years hence. Once hides, leather, and shoes are on the dutiable list there is always opportunity to effect changes up or down. Under the present law the President has power to raise or lower tariffs 50 per cent. If the proposed rates do not prove workable or just the necessary alterations can be made later.

LYNN, MASS., *February 20, 1930.*

Senator DAVID I. WALSH,

United States Senate Office Building, Washington, D. C.

DEAR SIR: Referring to the amendment recently offered by Senator ODDIE, of Nevada, proposing a specific duty of 4 cents per pound on green hides, it is my firm belief that this amendment should be defeated because it would make the cost of leather high and inevitably mean substitutes.

I sincerely hope that you will find it in accordance with your ideas to use your efforts to have the bill go to conference with free hides and free leather.

Very respectfully yours,

LOUIS M. NEWHALL.

(This is the seventh in a series of editorials based on the belief that New England is no mere corner but rather the corner stone of the United States and that her demands must receive due consideration at Washington.)

If John Smith can manufacture shoes cheaper than James Jones, who is in business peril? How foolish!

But it is not so foolish when John Smith represents a foreign shoe manufacturer exporting his product to the United States and James Jones represents the American manufacturer of women's shoes, especially as in Essex County, Mass.

Let us bring it home to you—and maybe, by some miracle, to the present tariff tinkerers at Washington—in dollars and cents and increasing amount of shoes imported to this country.

Czechoslovakian manufacturers of women's footwear, who exported millions of pairs to the United States during 1929, figure their labor cost per pair of shoes at only 32 cents.

This is according to statement by a representative of the T. & A. Bata Shoe Co. of Zilina, Czechoslovakia, at a tariff readjustment hearing at Washington last year.

The average labor cost in a pair of Lynn-made shoes, as stated in a brief filed at Washington by the Lynn Shoe Manufacturers' Tariff Committee, is 95 cents per pair.

Do you wonder that the Essex County manufacturer of women's shoes and the employees on his pay roll call for a protective tariff on shoes?

Furthermore, the Lynn manufacturers submitted in their brief that the difference in the cost of producing shoes in Lynn and in Czechoslovakia is more than $1.10 per pair, as based on the manufacturing cost price of Lynn shoes of more than $3.22 per pair average against the wholesale price of imported Czechoslovakian shoes in New York City of $2.25 per pair.

The difference between 32 cents labor cost in Czechoslovakia and 95 cents in Lynn accounts for 63 cents of the $1.10 of total manufacturing difference.

That leaves 47 cents in manufacturing difference to be explained. Lynn manufacturers, in their brief to Washington, account for the remainder thus:

"It must be apparent that the other 47 cents or over to make up the difference of over $1.10 per pair is caused by the cheaper cost of materials abroad, due to the cheaper cost of labor entering into the manufacture of such material."

So the Czechoslovakian and general European manufacturer hits his American manufacturing rival with both barrels—cheaper labor and cheaper materials.

So long as Uncle Sam permits these shoes to come in duty free this peppering of the American shoe manufacturer with duty-free, foreign-made competition will keep up—and wax bigger and bigger.

This importation of foreign-made women's shoes is increasing about two and one-half times every year. The 1928 imports amounted to 2,019,275 pairs. In 1929 the figures leaped to 5,514,447 pairs.

Beginning this year these imports of women's footwear amounted in January to 623,776 pairs.

Is it any wonder that the Massachusetts manufacturer of women's shoes anticipates that sister Europe will shove some eleven or twelve million pairs of their duty-free product into the complacent United States ere New Year bells ring merrily again—merrily for the Czechoslovakian manufacturer who gets his labor at 32 cents per pair.

How about it, Congress?

HE LEARNED IN LYNN—AND NOW SEE WHAT MR. BATA, OF CZECHOSLOVAKIA, IS DOING TO LYNN'S SHOE INDUSTRY

Great colored signs on Essex Street near Atlantic Avenue tell the visiting shoe buyer that here is "headquarters for Czechoslovakian shoes" or sandals.

They need no such signs in Lynn to tell the shoe worker and shoe manufacturer of the menace to their happiness which has been thrown up in the region of the Blue Danube by a Czech who learned his trade, in part, at Lynn benches.

This foreign manufacturer, who made a large part of the 4,500,000 pairs of shoes which came to the United States last year, is Thomas Bata.

With a brother, now dead, and two other young Czechs, Bata came to Lynn a number of years ago and for more than a year was employed in one factory. His friends went to three others. On their way back home they were employed in like manner in shoe factories in England and Germany. Then they returned to Zilina and opened their first factory. * * * To-day there are many Bata factories. They have

adopted the mass-production methods of the most modern American establishment. They make 35,000,000 pairs of shoes a year!

The Bata shops are said to be "strangling" the shoe industry of Lynn, for Bata makes women's shoes—good shoes, up to Lynn quality—that are sold at retail throughout the United States of America for from $2.50 to $3.95 a pair.

And how is this possible?

This has been made possible because there is no tariff—none whatever—on shoes.

So far as paying a nickel for the privilege of placing his shoes on the American market is concerned, Mr. Bata might be turning them out in Augusta or Manchester or Haverhill or Lynn—where he learned the trade.

We can not believe it possible that the United States Senate, advised of this situation, will be deaf, dumb, and blind to the interest of those American homes whose well-being depends upon the well-being of the shoe industry.

THE FARMER AND THE HIDE TARIFF

By Armand Schmoll, jr., president Schmoll Fils Associated (inc.)

How will a duty on hides or leather or leather manufactures, or on all three commodities react on agricultural and industrial America? That is what is puzzling the farmer, the packer, tanner, and leather manufacturer.

The agricultural sections of our country are of the impression that a duty on hides will benefit the farmer.

I refer you to the very illustrative years of 1918 and 1919. In April and May of 1918 light native cow hides brought from 16 to 21 cents a pound. In August of 1919 these same hides reached the highest price in history, that of 61 cents a pound.

Did the farmer receive as much more for his cattle? Let the facts speak for themselves. In June, 1918, when hides were valued at the lower price, prime to good cattle at Chicago brought $17.25 a hundred pounds, while in August, 1919, when hides were at their highest in history, the same cattle brought $17.70 per hundred pounds. The hide brought some $22 more per animal, but the farmer received only $4.50 on the whole animal. It is evident, therefore, that the farmer did not benefit from the higher price of hides.

Again, if we examine the price of meat we find the very interesting fact that in June, 1918, the wholesale price of choice dressed meat at New York, when hides were 16 to 21 cents a pound, was $25.98 per 100 pounds, while in August, 1919, when hides were 61 cents per pound, the same grade of meat sold at $24.35 per 100 pounds. This clearly establishes the fact that the higher price of hides did nothing but help reduce the cost of meat.

On the other hand, if we look back and verify what the average American citizen, including the farmer, paid for his shoes in the same period of 1918 and compare it with the extraordinarily high shoe prices which followed the high peak of hide prices in 1919, we see that not only did the farmer receive no benefit from the advanced price of hides, but that he paid a good deal more for his shoes. The index of wholesale shoe prices shows up as follows:

Wholesale shoe price index

1918	
(When hides sold at 16 to 21 cents)	
April	89.5
May	91.4
1919	
(When hides reached the 61-cent peak)	
August	156.2
September	161.3
October	159.2
November	159.8
December	160
1920	
January	160.1
February	164.9
March	165

All one needs is to recall those high shoe prices, and considering the effect on the farmer, it seems clear to me that, as he can derive no advantage but he most likely will have to pay more for his shoes, a duty on hides is not desirable from his point of view.

DANVERS, MASS., *February 21, 1930.*

Senator DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SENATOR: Attached hereto find article in last night's Salem Evening News, written by Mr. Fred Gannon, who has charge of the shoe and leather column, and it contains some horse sense.

Of what use is it for us to have free hides if the tanners of this country have their plants only running 30 per cent capacity and can not buy hides or skins? Free hides, free leather, and free shoes means no business, unemployment, and an empty stomach. We have had seven years of it, and it is enough.

Yours very truly,

CREESE & COOK CO.,
By WALTER T. CREESE.

NOBODY KNOWS THE EFFECT OF TARIFF ON COST—WHETHER DUTY ON HIDES WOULD BOOST PRICE OF SHOES IS PROBLEMATICAL; SOME SHOPS TO RUN

FEBRUARY 22

Maybe a duty on hides would increase the prices of shoes and maybe it wouldn't. Nobody knows for sure. This is the new view. It follows after a few tons of declarations that a duty on hides would increase the price thereof and that an increase in the prices of hides would cause an increase in the prices of leather and shoes. But prices of hides have been going up and down, and down and up for the past 10 years, and all the while prices of shoes have been going down and down.

Native cowhides, of the Chicago packer class, a common raw material of local tanners, have been as high as 29 cents a pound and as low as 11 cents a pound during the past decade, and all the while prices of shoes have been tending downward, regardless of whether hides were high or low, for major movements. During the year 1928, the latest of the Government index of prices, these native cowhides were up as high as 25 cents a pound and were as low as 18 cents a pound. They varied month by month. If a shoe merchant were following a policy of fixing his prices on footwear according to the way the hide market was acting, then he would have had to change his price tags every month, instead of keeping them at the fixed quotation of $5 a pair.

While hides have been doing their dips and climbs during the past 10 years the price of men's Goodyear welt shoes made of cowhide leather has dropped from $5.34 a pair wholesale to $3.70 a pair wholesale. This downward movement of prices on footwear has gone on with little if any regard to the way that hide quotations went. The chances are that the consumers fix prices anyway, and producers, tanners, and shoe manufacturers and farmers, too, have to meet them. So it is quite possible that a duty on hides, providing it was within the bounds of reason, would not start prices of shoes to climbing above the present popular quotations.

[From Hide and Leather, March 1, 1930]

THE WEEK'S RECORD—JANUARY IMPORTS OF SHOES AND CALF MAKE BIG INCREASE—CAUSTIC COMMENT ON UNITED STATES SENATE—LEATHER DRAGS PENDING TARIFF ACTION—APPROXIMATELY 130,000 PACKER HIDES SELL AT STEADY PRICES

The first month of the new year starts off well—that is, for foreign tanners and shoe manufacturers. Imports of calf and kip leather for January amount to 3,505,025 square feet valued at $1,115,588, against 2,082,602 square feet valued at $739,080 in January, 1929. Shoe importations amounted to 683,753 pairs valued at $1,706,215 against 424,531 pairs valued at $1,197,989. The export of shoes shows a material decline, dropping from 193,239 (men's); 149,892 (women's); 79,387 (children's) in January, 1929, to 144,073 (men's); 117,607 (women's); and 27,957 (children's) last January. Foreign tariffs are shutting out American manufacturers from the foreign field while free trade permits the entry of cheap foreign-made shoes into the United States.

ARE SHOE PRICES REALLY HIGH?

A careful survey develops the fact that at least 85 per cent of all the men's and women's shoes in the United States retail for $6 and less. The statement attached, compiled from Department of Commerce census figures for 1927 on boots and shoes, would indicate that the average would be under $5, figuring that the retailers' mark-up was 50 per cent. But even if it were necessary for 100 per cent mark up, 85 per cent of the American consumers would still buy their shoes at $6 and less. It is very easy to see from the figures presented here how unfair and misleading were the statements made on the floor of the Senate that shoes retail from $14 to $16.

Shoes retailing at $6 and down are made by mass production and, in most cases, are made of good leather and will give sturdy wear and satisfaction as purchasers of the lower-priced shoes expect and demand more wear than those who can afford to buy luxury shoes.

When it is considered that not over 15 per cent of all the shoes in the United States retail over $6 per pair and that the ones that do are shoes that represent highly advertised or specialized style shoes, and are sold to people who can afford to pay for the very best workmanship and style. The best brains, thought, labor, and artists in this country develop these luxury shoes and, considering how specialized they are, the prices charged for them are most reasonable.

Type	Number of pairs [1]	Value [1]	Wholesale price per pair	Retail price, allowing 50 per cent mark up
Men's leather shoes	93,012,560	$298,683,879	$3.21	$4.85
Boys' leather shoes	26,914,871	60,810,145	2.26	3.40
Women's leather shoes	123,516,708	394,327,726	3.19	4.80
Misses' and children's leather shoes	51,386,467	89,499,333	1.74	2.70
Infants' leather shoes	24,101,295	25,335,287	1.05	1.60
Athletic and sporting shoes	1,403,137	4,159,603	2.96	4.50
Canvas, satin, and brocade	5,276,244	20,059,069	3.80	5.70
Leather slippers for house wear	12,940,606	14,541,137	1.12	1.75

[1] Figures taken from p. 21, Census of Manufactures, 1927—Leather and Its Manufactures, of the Bureau of the Census, Department of Commerce.

PENN LEATHER CO.,
PHILADELPHIA, PA., *February 15, 1930.*

Hon. DAVID I. WALSH,
United States Senator for Massachusetts, Washington, D. C.

MY DEAR SENATOR: We vigorously protest against a duty on hides as benefiting only the big packer tanners. Unless the packers are dead to its opportunities, a duty on hides will ultimately create a packer-tanning shoe monopoly, to which every man, woman, and child will pay tribute. We stand for free hides, free leather, and free shoes, as a square deal to the American public.

Respectfully,

PENN LEATHER CO.,
W. S. ANDERSON, *President.*

SOLE & BELTING LEATHER TANNERS,
TARIFF COMMITTEE,
Philadelphia, Pa., January 13, 1930.

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

MY DEAR SENATOR: Supplementing our letter to you of yesterday, requesting transfer of sole and belting leather from the free list to the dutiable list at 20 per cent in the pending tariff bill (Par. No. 1530), may we call attention to the following sentence in President Hoover's recent message to Congress:

"Progress has, of course, been unequal among the industries and some, such as coal, lumber, leather, and textiles, still lag behind."

The President, of course, would not characterize any specific industry as still lagging behind without first making a painstaking and thorough investigation. Mr. Hoover's conclusion as regards leather substantiates the picture we have been attempting to place before you in our briefs and previous correspondence.

Any further facts you may desire with reference to this very important schedule will be gladly furnished if you will communicate with us.

Very truly yours,

CHARLES S. WALTON, Jr.,
Chairman Tariff Committee, Sole and Belting Leather Tanners of the United States.

UNITED LEATHER WORKERS,
Philadelphia, Pa., February 7, 1930.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: Speaking for the thousands of tannery workers in the United States, I desire to call to your attention some outstanding and important facts in support of the tariff protection we are seeking on finished leather, the importation of which has been increasing in leaps and bounds, while the exports have been decreasing.

Aside from the importance of the industry in the United States as a going business enterprise it is more important that we do not lose sight of the vital interests of the thousands of wage earners and their dependents directly dependent upon steady employment in the tanneries for their daily subsistence.

I commend for your study and consideration the disinterested statistical reports upon the leather-producing industry showing the alarming decline of employment in recent periods, the financial deficits and quoted prices of the stock, this being conclusive that the entire producing leather industry is doomed to destruction unless our home market is protected against the foreign invasion.

It is important for you to know that the great bulk of imported leather is of "top grades," leather which is only used in the production of high grade shoes, and other expensive leather products. This has the effect of depressing the market for choice hides and skins resulting from the inability of our American tanners to compete with the foreign product in finished leather, the labor cost of which is 58 per cent below the cost in this country.

I respectfully solicit your support of section 1530, and the several paragraphs thereof, in the pending tariff legislation, not upon the basis of a selfish interest, but as an obvious necessity for protection for the industry and the dependent employees.

Respectfully submitted.

W. E. BRYAN, *General President.*

BROCKTON, MASS., *February 7, 1930.*

DAVID I. WALSH,
Senator, Washington, D. C.

MY DEAR SENATOR: The recent action of the United States Senate in eliminating from the pending tariff bill the protection accorded to the shoe and leather industries of Massachusetts is viewed with much concern by the shoe trade interests of this State. In the past few years the sale of foreign-made shoes in this country has assumed such proportions as to cause much unemployment among the workers engaged in the manufacturing line. Lack of protection on certain styles of shoes has made it possible for large department stores and retailers to sell these products at a lower price than they can be made for in the shoe centers of Massachusetts. During the summer of 1929 while the shoe workers in many of the manufacturing centers of Massachusetts were suffering from unemployment, these foreign-made shoes were sold over the bargain counter in some of the large department stores in the cities of this Commonwealth. The shoe workers of Massachusetts now turn to their Senators in the National Congress with the appeal to protect the workers and their families in this crisis. At a meeting of the regional conference of the Massachusetts Federation of Labor held at Brockton, Mass., on Sunday February 10, 1930, at which delegates were assembled from all parts of southeastern Massachusetts where the shoe trade predominates, it was voted unanimously to take this action.

Very truly yours,

EUGENE J. SWEENEY.

SOLE AND BELTING LEATHER TANNERS
OF TANNERS' COUNCIL OF AMERICA,
Washington, D. C., February 6, 1930.

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

DEAR SENATOR: At a meeting of the Heavy Leather Tanners, assembled in Washington, D. C., on February 4, 1930, the following resolution was adopted:

"*Resolved,* That we are unalterably opposed to a duty of 3 cents or 4 cents per pound on green hides, even though a compensatory and a protective duty is placed on leather. Any such duty will increase the price of leather to such a degree that substitutes will inevitably displace leather.

"We therefore request that the schedule (par. 1530), so far as it relates to the heavy leather group, as passed, stand as it is until the bill is placed in the hands of the conference committee."

Submitted by the Sole and Belting Leather Tanners:

American Oak Leather Co., Cincinnati, Ohio; Cover & Co., Philadelphia, Pa.; the Deford Co., Baltimore, Md.; the Graton & Knight Co., Worcester, Mass.; J. W. & A. P. Howard Co., Corry, Pa.; International Shoe Co., St. Louis, Mo.; McAdoo & Allen, Philadelphia, Pa.; Michigan Tanning & Extract Co., Petoskey, Mich.; Moench Tanning Co., Boston, Mass.; Pine Grove Tanning Co., Boston, Mass.; Proctor-Ellison Co., Boston, Mass.; Hans Rees' Sons Co., New York City; Chas. A. Schieren & Co., New York City; Toxaway Tanning Co., New York City; United States Leather Co., New York City; and Wagner Leather Co., Stockton, Calif.

Very truly yours,

ALBERT M. PIERCE.

PHILADELPHIA, PA., *January 27, 1930.*

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

DEAR SENATOR WALSH: Last week I was very much interested in attending the debate on the Senate floor on the hide, leather, and shoe schedule.

As tanners of sole and belting leather our position is desperate. It is not only the influx of rough leather and sole leather from foreign nations, but it is the fact that when a tanner tries to put a price on his leather which will give him a living wage he is immediately met by quotations from abroad, and both the tanner and buyer of the leather knows that any higher prices for American leather open the "flood gates" for foreign leather. The result is, that the tanner is being "squeezed" out of business.

It is my belief that from a 15 to 20 per cent duty on leather would not increase the cost of leather at all as it would allow the American tanners to run at a higher rate of capacity, which always reduces the cost of their finished product. Leather could not advance much beyond to-day's level because of the "over-hanging cloud" of substitutes replacing leather whenever there is an abnormally high market for it.

The tanners must have protection on leather, and if it is necessary to give 10 per cent, or even 15 per cent, on hides to secure this it should be done, provided the tanner receives an addition to the compensatory duty, enough to equalize the difference in labor and manufacturing costs between Europe and here. We estimate this to be about 10 per cent.

We want to thank you for your work on the Senate floor for the American tanners. The American sole and belting leather tanners must be protected. Leather is a war commodity, and at the rate that the tanneries are now being scrapped and abandoned, it would be impossible, in case of emergency, to supply the United States Army with leather sufficient for shoes should this emergency arise.

Knowing that you are favorable for fair treatment to the American tanners, would you kindly write us, giving us the benefit of your knowledge, advising just what the sole and belting leather tanners might do toward a compromise which would give them protection against the lower cost leather of Europe?

Would appreciate your taking the time to answer this in detail, as I know that you are thoroughly experienced and familiar with the proper procedure, and your advice would be most helpful.

Awaiting your reply, we are

Yours very truly,

CHARLES S. WALTON & CO. (INC.),
By CHARLES S. WALTON, Jr.

WASHINGTON, D. C., *February 26, 1930.*

DEAR COLLEAGUE: Here are the official figures of the Endicott-Johnson Co., manufacturers of boots and shoes in my district, that show, by comparison, the average wage of the Endicott-Johnson workers with the average wage of the shoe workers in Missouri.

In addition to high wages there are numerous other benefits that the Endicott-Johnson workers enjoy—wonderful playgrounds, swimming pools, etc., and the kindliest soul, who is always available to every shoe worker, is the directing genius, the beloved George F. Johnson.

We feel the hide-shoe-leather schedule of the tariff bill, as passed by the House of Representatives, is fair. That a tariff is very necessary for the future can be gleaned from the advertisement in the Chicago Tribune of February 18, 1930, which says, regarding the foreign Bata Shoe Co., with its cheap labor:

"Our factory is located in Zilina, Czechoslovakia. In it we employ over 12,000 craftsmen, whose fathers and their fathers before them have made shoes. They know as only old craftsmen know how to fashion shoes from pure leather so that every Bata shoe is a quality product of the finest make.

"Directing this big factory are fashion experts, who, like myself, are always on the lookout for the new and the different. We see the new styles that the Parisian designers sponsor and we adapt the new colors and the new lines expressly for the women to whom we sell. Bata shoes for this reason have met with favor all over the world. We have 700 stores in 600 cities throughout the world—stores in France, England, Germany, Egypt, Persia, India, China, Argentina, and America—every store selling shoes that are made to please the women of the many different nations."

Cordially yours,

JOHN D. CLARKE.

Earnings of workers in the boot and shoe industry

(Endicott-Johnson, as compared with the industry generally and with the States of New York and Missouri)

Year	U. S. Department of Labor, average per capita yearly earnings of wage earners	Average Endicott-Johnson workers	U. S. Department of Labor, average per capita yearly earnings of wage earners, New York	U. S. Department of Labor, average per capita yearly earnings of wage earners, Missouri	Endicott-Johnson percentage above average	Endicott-Johnson percentage above Missouri
1921	$1,116.90	$1,570.89	$1,338.20	$955.77	40.64	64.35
1923	1,111.58	1,469.55	1,325.50	965.93	32.20	52.13
1925	1,090.81	1,537.66	1,384.63	954.01	40.96	61.17
1927	1,108.22	1,573.82	1,450.51	942.22	42.01	67.03

Endicott-Johnson Corporation—Annual earnings of workers

Year	Actual wages	Bonus	Medical, relief and legal	Total
1921	$1,275.04	$200.20	$95.65	$1,570.89
1922	1,249.56	245.44	84.61	1,579.61
1923	1,270.88	92.56	106.11	1,469.55
1924	1,257.88	96.72	142.84	1,497.44
1925	1,321.84	87.36	128.46	1,537.66
1926	1,309.36	30.68	128.30	1,468.34
1927	1,343.68	97.76	132.38	1,573.82
1928	1,306.76	23.92	150.20	1,480.88
1929	1,300.00		135.86	1,435.86
Average	1,292.77	97.18	122.71	1,512.66

SPRINGFIELD, MASS., *March 3, 1930.*

Senator DAVID I. WALSH,

United States Senate, Washington, D. C.

DEAR SENATOR: Am inclosing an article which I recently read relative to the New England shoe industry.

No doubt you have read the article or know about the fact contained herein. It certainly shows a deplorable condition in the face of which the present administration shows little concern.

Everyone in Massachusetts and in New England is conscious of the great fight you are waging for the shoe industry and confidently hopes that your efforts will be crowned with success.

Yours for more democracy.

Very truly yours,

JOHN J. CALDON.

SOLE AND BELTING LEATHER TANNERS OF
TANNERS' COUNCIL OF AMERICA,
Washington, D. C., March 6, 1930.

Hon. DAVID I. WALSH,

United States Senate, Washington, D. C.

MY DEAR SENATOR: Referring to our letter to you of March 4, in opposition to Senator ODDIE's amendment to paragraph 1530 of the pending tariff bill, providing for 4 cents per pound duty on hides, I inclose herewith a statement showing by States what this proposed duty on hides would mean to the shoe bill of the country.

We have made up the figures showing what this additional cost would mean to your individual State. We have also taken into consideration what your State would receive if it obtained the entire 4 cents per pound derived from this duty. In figuring this credit, we use figures furnished by the Department of Agriculture, showing the cattle shipped from each State.

The fourth column shows the net cost to each State, based on the assumption that each person used two and a half pairs of shoes per year.

With these figures before you we hope that you will vote against the Oddie amendment.

Very truly yours,

JOSEPH J. DESMOND.

Cost of ¼ cents per pound duty on hides, by States

State	Additional cost of shoes as a result of 4-cent duty on hides assuming conservatively that 50 cents per pair will be added to the retail price of the shoes	Additional income from duty on hides of 4 cents per pound, assuming that the price will be increased by the full amount of the duty and that the farmer will get the full benefit of the duty	Net cost to each State
New England:			
Maine	$993,750	$12,160	$981,590
New Hampshire	570,000	60,266	509,734
Vermont	440,000	173,866	266,134
Massachusetts	5,362,500	94,533	5,267,967
Rhode Island	895,000	14,400	880,600
Connecticut	2,083,750	75,200	2,008,550
Middle Atlantic:			
New York	14,437,500	1,006,400	13,431,100
New Jersey	4,776,000	85,866	4,690,134
Pennsylvania	12,317,500	710,400	11,607,100
East North Central:			
Ohio	8,532,500	866,133	7,666,367
Indiana	3,970,000	717,866	3,252,134
Illinois	9,245,000	1,037,333	8,207,667
Michigan	5,738,750	764,800	4,973,950
Wisconsin	3,691,250	1,578,666	2,112,584
West North Central:			
Minnesota	3,402,500	1,416,533	1,985,967
Iowa	3,035,000	1,984,000	1,051,000
Missouri	4,403,750	1,124,800	3,278,950
North Dakota	801,250	535,466	265,784
South Dakota	880,000	803,633	76,367
Nebraska	1,760,000	1,533,333	226,667
Kansas	2,293,750	1,314,666	979,084
South Atlantic:			
Delaware	305,000	26,133	278,867
Maryland	2,020,000	146,666	1,873,334
District of Columbia	690,000		690,000
Virginia	3,218,750	403,200	2,815,550
West Virginia	2,155,000	262,400	1,892,600
North Carolina	3,672,500	282,133	3,390,367
South Carolina	2,330,000	163,200	2,166,800
Georgia	4,005,000	460,266	3,544,734
Florida	1,761,250	284,265	1,476,985
East North Central:			
Kentucky	3,191,250	534,933	2,656,317
Tennessee	3,127,500	510,933	2,616,567
Alabama	3,216,250	3,818,132	[1] 601,882
Mississippi	2,238,750	468,800	1,769,950
Arkansas	2,430,000	435,680	1,994,320
Louisiana	2,437,500	308,800	2,128,700
Oklahoma	3,032,500	918,933	2,113,567
Texas	6,858,750	2,990,400	3,868,350
Mountain:			
Montana	686,250	595,733	90,517
Idaho	682,500	313,600	368,900
Wyoming	308,750	402,666	[1] 93,916
Colorado	1,362,500	702,400	660,100
New Mexico	495,000	542,400	[1] 47,400
Arizona	592,500	291,200	301,300
Utah	762,500	251,733	510,767
Nevada	96,250	262,933	[1] 166,683
Pacific:			
Washington	1,983,750	286,800	1,696,950
Oregon	1,127,500	362,666	764,834
California	5,695,000	1,054,000	4,641,000
Total	148,112,250	32,991,325	115,120,825

[1] Figures indicate a profit to the State.

THE SMITH-WORTHINGTON SADDLERY CO.,
Hartford, Conn., February 24, 1930.

Hon. DAVID I. WALSH,

Senate Office Building, Washington, D. C.

In re paragraph 1530, H. R. 2667.

DEAR SENATOR WALSH: Knowing of your interest in this paragraph, am taking the liberty of referring to advices which reached me through Hide and Leather, a Chicago trade paper, referring to liberal-spaced newspaper advertising by Bata, of Czechoslovakia, announcing the opening of shoe stores in Chicago.

I quote from this publication of February 22:

"The Bata advertisement declares, 'We are able to sell you shoes for which, ordinarily, you would have to pay three or four times the price we ask.' There are cuts of Zlin, Czechoslovakia, and map of the Eastern Hemisphere, dotted with the '700 stores in 600 cities throughout the world' maintained by Bata."

Hide and Leather also quote Trade Commissioner Douglas Cook, of Berlin, who states that the Federal Association of German Shoe Dealers of Berlin has applied for an injunction against Bata to prevent this company advertising "factory" prices, which petition is also supported by the Purchasing Association of German Shoe Dealers. Bata has advertised that his local stores retail their shoes at Zlin "factory" prices. Bata wholesales shoes at a price about 20 per cent lower than those quoted by the Bata retail stores.

My company is very much interested in paragraph 1530, and is earnestly hoping that the Senate will work out in the proposed Oddie amendment a ratio of rates and duties that will be equitable and fair to all interests concerned.

Respectfully, J. A. ROBERTS.

ESSEX CLUB,
Peabody, Mass., February 10, 1930.

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

DEAR SENATOR: In accordance with a vote of the executive council of the Essex Club, the men's Republican organization of Essex County, I inclose copy of resolution relative to the tariff adopted at a meeting in Salem, February 6, 1930. The fact that the executive committee of this club, representing nearly 1,000 members, believes this matter to be of great importance to the Commonwealth at large at least would signify that the people of Essex County are almost in despair concerning the future of these basic industries in Massachusetts under the present conditions.

I might add a personal word in saying that the members of the Essex Club generally are very grateful for everything that the representatives from Massachusetts in the House and Senate at Washington have done in reference to the tariff on leather, shoes, and textiles.

Very sincerely yours,

S. HOWARD DONNELL,
President.

[Inclosure]

At a meeting of the executive council of the Essex Club held at Salem, February 6, 1930, the club having a membership of nearly 1,000 members throughout Essex County, the following resolve was unanimously adopted:

"*Resolved,* That the industrial prosperity of Massachusetts imperatively demands the enactment of a tariff on leather, shoes, and textiles sufficient to protect American labor in these industries from the menace of cheap foreign labor and sufficient to protect these industries from the flood of importations of foreign products manifestly threatening the very life of these basic industries of Massachusetts.

"*Be it further resolved,* That a copy of this resolution be forwarded to each member of the Massachusetts delegation in the House of Representatives and the United States Senate at Washington, D. C."

ESSEX CLUB,
By S. HOWARD DONNELL,
President.

NEWBURYPORT, MASS., *February 24, 1930.*

Hon. DAVID I. WALSH,
United States Senator, Washington, D. C.:

Respectfully ask for your cooperation in securing adequate protection for the shoe industry. Please use your influence with conference committee. We approve the position as outlined by the National Boot and Shoe Manufacturers' Association. We need your support.

ROWE & THURLOW,
Shoe Manufacturers.

NEWBURYPORT, MASS., *February 24, 1930.*

Hon. DAVID I. WALSH,
United States Senator, Washington, D. C.:

Respectfully ask for your cooperation in securing adequate protection for the woman's shoe industry. We approve the position as outlined by the National Boot and Shoe Manufacturers' Association. Please use your influence with conference committee. We need your support.

FERN SHOE CO.

LYNN, MASS., *February 28, 1930.*

Senator DAVID I. WALSH,
The Capitol, Washington, D. C.:

Cutters Local No. 2, United Shoe Workers' Union, with a membership of 800 members, went on record by a unanimous vote last night for a tariff on shoes in order to save the industry in New England.

EDWARD M. DEAN,
Business Agent Cutters Local No. 2.

BOSTON, MASS., *February 27, 1930.*

Hon. DAVID I. WALSH,
United States Senate:

Feel sure leather and shoes will be more certain to receive adequate protection if Senate schedule with everything free is allowed to stand. Believe this would be far better for all branches than the schedule reported by the Finance Committee. The Oddie amendment would ruin the entire industry.

CHARLES H. JONES.

NEWBURYPORT, MASS., *January 28, 1930.*

Senator DAVID I. WALSH,
Washington, D. C.:

Please do all in your power to continue fight for tariff on manufactured shoes. Deplorable situation will occur if tariff not put on. The matter is very serious.

HARRY M. HUSK CO.

NEWBURYPORT, MASS., *January 28, 1930.*

Senator DAVID I. WALSH,
Washington, D. C.:

Unless tariff is placed on manufactured shoes New England manufacturers are going to be seriously handicapped. Urge you to use every effort to see that we are protected.

CHARLES H. PHELPS.

SPRINGFIELD, MASS., *February 18, 1930.*

Senator DAVID I. WALSH:

Kill Oddie amendment on hides. Its passage would be disastrous to shoe industry and increase shoe-wearers' bills $1 to $5 annually.

MORSE & HAYNES CO.

WORCESTER, MASS., *February 18, 1930.*

Senator DAVID I. WALSH,
Senate Office Building, Washington, D. C.:

Washington amendment to tariff bill proposed by Senator ODDIE on hides would mean approximately $1 per pair men's shoes; small sizes proportionately; great injury to consumer and retailer. Please do what you can to stop it.

SHEAN'S SHOE SHOPPE,
H. P. SHEAN.

HOLYOKE, MASS., *February 18, 1930.*

Senator DAVID I. WALSH:

Hope you will vote against the coming amendment by Senator ODDIE for a duty of 4 cents on green hide and 8 cents on dry hide, as this would be a great injury to the shoe industry. We urge you to do all you can to defeat this amendment.

THOS. S. CHILDS (INC.).

LYNN, MASS., *February 20, 1930.*

Hon. DAVID I. WALSH,
Care United States Senate, Washington, D. C.:

No tariff on shoes means death to that part of the industry making women's shoes. Over 200,000 people depend on this industry for their daily bread. These people must live whether the tariff goes on or not, and the only answer to their problem will be the "dole" and God help the farm bloc and all the other blocs when we are forced to take on the "dole" in America.

RALPH S. BAUER.

BROCKTON, MASS., *January 23, 1930.*

Hon. D. I. WALSH,
United States Senator, Washington, D. C.:

Members of Cutters' Local No. 35, Brockton, Mass., numbering 1,300 in session this evening voted that you use all your influence in the passage of the tariff bill on the importation of shoes to this country which they consider of vital importance to the shoe industry of this district.

Respectfully yours,

CUTTERS' LOCAL NO. 35,
CHARLES HALL,
Recording Secretary.

SALISBURY, MASS., *February 24, 1930.*

Hon. DAVID I. WALSH,
United States Senator, Washington, D. C.:

Respectfully ask for your cooperation in securing adequate protection for the shoe industry. We approve the position as outlined by the National Boot & Shoe Manufacturers' Association. Please use your influence with conference committee. We need your support.

RUTH SHOE CO.

BROCKTON, MASS., *February 24, 1930.*

Hon. DAVID I. WALSH,

United States Senate, Washington, D. C.:

The W. L. Douglas Shoe Co. representing a large production of footwear with many of its own retail outlets agrees with the tariff committee of the National Boot & Shoe Manufacturers' Association that the Oddie amendment will not give proper protection to boots and shoes. We urge you to do everything possible to have this question decided with conference committees rather than through adoption of Oddie amendment.

HERBERT L. TINKHAM, *President.*

NEWBURYPORT, MASS., *February 24, 1930.*

Hon. DAVID I. WALSH,

United States Senator, Washington, D. C.:

Earnestly and respectfully request your cooperation in securing adequate protection for the women's shoe industry. Please use your influence with conference committee to this end. We approve position outlined by National Boot & Shoe Manufacturers' Association appreciating all you have done. We need your continued support.

BLISS & PERRY CO.

BROCKTON, MASS., *February 24, 1930.*

Senator DAVID I. WALSH,

United States Senate:

Appreciate your splendid cooperation with representative National Boot & Shoe Manufacturers' Association on shoe tariff. Hope for continued effort to protect our industry from unfair competition.

M. A. PACKARD (INC.).

NEW YORK, N. Y., *March 3, 1930.*

Hon. DAVID I. WALSH,

United States Senate, Washington, D. C.:

Understand Oddie amendment relative to hide and leather duties comes up for action to-day or to-morrow. We are depending on your very best effort that this unjustifiable measure be defeated.

HARALD B. REES,
President Hans Rees Sons (Inc.),
Boston, New York, and Asheville, N. C.

LOWELL, MASS., *March 14, 1930.*

Hon. DAVID I. WALSH,

United States Senate:

Heartily indorse your compromise plan for tariff on shoe and leather, but must have free hides or consumer will be obliged to pay more for shoes.

JOHN PILLING SHOE CO.

LYNN, MASS., *February 10, 1930.*

Senator DAVID I. WALSH:

As a director of National Boot and Shoe Manufacturers' Association and chairman of Lynn Shoe Tariff Committee, I believe that the trade would suffer severely if the amendment as outlined by Senator ODDIE is passed. Would be in favor to leave this to conference committee.

W. W. BURDETTE,
BURDETTE SHOE CO.,
Lynn, Mass.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Nebraska [Mr. HOWELL] to the amendment of the Senator from Nevada [Mr. ODDIE].

Mr. BORAH. Mr. President, I was not in the Chamber when the Senator offered the amendment. I ask to have the amendment of the Senator from Nevada stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. The Senator from Nebraska proposes to strike out the numeral "4" in line 4 and insert "5"; and in line 5, to strike out the numeral "8" and insert "9," so that it will read:

Raw or uncured, or salted or pickled, 5 cents per pound; if dried (including dry salted), 9 cents per pound.

Mr. BORAH. What is the Senator from Nebraska proposing to do, as the result of that, on leather and shoes?

Mr. HOWELL. I have certain amendments to offer, and I propose to afford the necessary compensatory duty.

Mr. BORAH. Mr. President, I should like to see the other amendments, and know something about them. I do not propose to pay an exorbitant price for a more or less illusory protection on hides. If we are going to put a duty on hides and then put a duty on leather and shoes so that it will come back to the farmer with about centuple addition to his expense, I am going to vote for free hides.

Mr. HOWELL. Mr. President, so far as shoes are concerned, the only character of shoes that needs protection at this time consists of women's shoes of the Mackay type of manufacture. I propose a compensatory duty on all other shoes that will correspond to the rate placed upon hides; and, in addition, in the case of women's shoes of the Mackay type of manufacture, I propose a 20 per cent duty, because that is necessary, and, in addition thereto, an 8-cent specific duty. The 8-cent specific duty or the 10-cent specific duty would be what was necessary in connection with 5 cents a pound on green hides.

It is admitted that in the average woman's shoe there is not included more than 2 pounds of green hides. When I speak of an average woman's shoe I am speaking of a shoe with a cowhide sole and a kid upper. Ninety-five per cent of all women's shoes are made of cattle hides for soles, with kid uppers. That is what I propose in connection with shoes.

Men's shoes are not entitled at the present time to any protective duty; but the manufacturers of these shoes will be entitled to a compensatory duty in accord with the rate placed upon hides. My amendments take these matters into account, and they will be offered hereafter; and they accord in a measure with the proposals made by the Senator from Massachusetts [Mr. WALSH].

Mr. BORAH. Mr. President, there has not been any proposition offered here yet that will not be very expensive to the producers of hides. Therefore, when I cast my vote upon these different proposals, I do not want it to be any indication of what I shall do when we finally get all these different propositions before us.

Mr. HAWES. Mr. President, we should consider this subject from the standpoint of its national cost.

I occupied considerable time upon this matter upon a previous occasion. I shall not occupy much time now. One thing is certain: This duty will add to the shoe bill of our people over $100,000,000 a year.

Comparing the benefit to the farmer as against his shoe bill, he will lose money. It is conceivable that we may take five States in the Union and place the advantage of an increased duty on hides as against the shoe bill and show a profit for the farmer, but in no others.

Our sugar bill will run over $100,000,000 a year. This amendment, if it is adopted, according to figures which I have, will cost over $148,000,000. The benefit to the cattle States will be $29,000,000 and the cost to the various States in an increased shoe bill will be over $117,000,000.

While we are discussing rates let us think something of the general cost. These figures may not be exactly right. But they were prepared by experts, and they are certainly approximately correct. I have not heard them disputed.

I can read to each Senator what this will cost the people of his State. It interests me to know that it will cost the people of Missouri $4,403,750; and we raise cattle in Missouri. It would bring to the cattle raisers $1,124,800; but the cost to the people of Missouri, including the farmer, will be $3,278,950.

Mr. WHEELER. Mr. President, what has the Senator on Montana?

Mr. HAWES. Montana's shoe bill will be $686,250. The cattle raisers will be benefited $595,733. There is a loss of $90,517.

Mr. President, we make more shoes in the State of Missouri than in any other State. We do not require a duty upon hides, because we know it will add to the cost of shoes, and will, in addition, force the use of many substitutes that take the place of leather and compete with the leather shoe. So this is a very simple story; but in order that it may be understood, I ask permission to place in the RECORD what the shoe bill of each State will be if this amendment is adopted. I am attempting to show the exact benefits to the cattle raiser in each State, and the total cost. It is an astounding bill that we are asked to pay.

On the question of sugar, we had some 9 or 10 States raising beets, and 1 that raised sugarcane that depends almost exclusively upon the success of its cane product. When we discuss this question, we find that only five or six States will be benefited, and the bill to the American people is over $100,000,000, and the question each Senator must answer is, Is he willing for his State to pay the bill and to have the wearers of shoes pay the bill?

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, the matter referred to by the Senator from Missouri will be printed in the RECORD.

The matter referred to is as follows:

Cost of 4-cents-per-pound duty on hides, by States

State	Additional cost of shoes as a result of 4 cents duty on hides, assuming conservatively that 50 cents per pair will be added to the retail price of the shoes	Additional income from duty on hides of 4 cents per pound, assuming that the price will be increased by the full amount of the duty and that the farmer will get the full benefit of the duty	Net cost to each State
New England:			
Maine	$993,750	$12,160	$981,590
New Hampshire	570,000	60,266	509,734
Vermont	440,000	173,866	266,134
Massachusetts	5,362,500	94,533	5,267,967
Rhode Island	895,000	14,400	880,600
Connecticut	2,083,750	75,200	2,008,550
Middle Atlantic:			
New York	14,437,500	1,006,400	13,431,100
New Jersey	4,776,000	85,866	4,690,134
Pennsylvania	12,317,500	710,400	11,607,100
East North Central:			
Ohio	8,532,500	866,133	7,666,367
Indiana	3,970,000	717,866	3,252,194
Illinois	9,245,000	1,037,333	8,207,667
Michigan	5,738,750	764,800	4,973,950
Wisconsin	3,691,250	1,578,666	2,112,584
West North Central:			
Minnesota	3,402,500	1,416,533	1,985,967
Iowa	3,035,000	1,984,000	1,051,000
Missouri	4,403,750	1,124,800	3,278,950
North Dakota	801,250	535,466	265,784
South Dakota	880,000	803,633	76,367
Nebraska	1,760,000	1,533,333	226,667
Kansas	2,293,750	1,314,666	979,084
South Atlantic:			
Delaware	305,000	26,133	278,867
Maryland	2,020,000	146,666	1,873,334
District of Columbia	690,000		690,000
Virginia	3,218,750	403,200	2,815,550
West Virginia	2,155,000	262,400	1,892,600
North Carolina	3,672,500	282,133	3,390,367
South Carolina	2,330,000	163,200	2,166,800
Georgia	4,005,000	460,266	3,544,734
Florida	1,761,250	284,265	1,476,985
East North Central:			
Kentucky	3,191,250	534,933	2,656,317
Tennessee	3,127,500	510,933	2,616,567
Alabama	3,818,132	601,882	3,216,250
Mississippi	2,238,750	468,800	1,769,950
Arkansas	2,243,000	435,680	1,994,320
Louisiana	2,437,500	308,800	2,128,700
Oklahoma	3,032,500	918,933	2,113,567
Texas	6,858,750	2,990,400	3,868,350
Mountain:			
Montana	686,250	595,733	90,517
Idaho	682,500	313,600	368,900
Wyoming	308,750	402,666	93,916
Colorado	1,362,500	702,400	660,100
New Mexico	495,000	542,400	47,400
Arizona	592,500	291,200	301,300
Utah	762,500	251,733	510,767
Nevada	96,250	262,933	166,683
Pacific:			
Washington	1,983,750	286,800	1,696,950
Oregon	1,127,500	362,666	764,834
California	5,695,000	1,054,000	4,641,000
Total	148,714,132	29,775,075	117,735,193

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

Mr. HAWES. I yield.

Mr. BRATTON. Will the Senator tell us who prepared the table of costs to which he refers?

Mr. HAWES. This table was furnished by one of the big shoe manufacturers of St. Louis.

Mr. BRATTON. It does not come from the Tariff Commission?

Mr. HAWES. No, sir.

Mr. BARKLEY. Mr. President, if the Senator will yield there, I think some of the tanners, especially the independent tanners, collaborated in working out this table with some of the shoe manufacturers. The Senator will recall that here in Washington recently there was a conference or convention of tanners, claiming to represent about 80 per cent of the tanned product of the United States, who passed a resolution opposing this tariff on hides; and I think they worked together with the shoe industry referred to by the Senator in arriving at this expense to which he refers.

Mr. HAWES. That is my information.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

The PRESIDING OFFICER. Seventy Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Nebraska to the amendment offered by the Senator from Nevada.

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

Mr. DILL. Let us have the amendment to the amendment reported.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. The Senator from Nebraska proposes to amend the amendment of the Senator from Nevada, on page 1, in line 4, by striking out "4" and inserting in lieu thereof "5," and in line 5 by striking out "8" and inserting in lieu thereof "9," so as to read:

Raw or uncured, or salted or pickled, 5 cents per pound; if dried (including dry salted), 9 cents per pound.

Mr. HOWELL. Mr. President, I wish it understood that if these rates are agreed to, absolutely compensatory rates will be provided in the remainder of the amendment.

Mr. DILL. Mr. President, I want to ask the Senator from Nebraska a question. The Senator says the compensatory rates will be changed. As I understand it, this amendment contains tariffs on leather which are more than the compensatory rates. There is a tariff protection in addition to compensatory rates on the leather.

Mr. HOWELL. Mr. President, the amendment upon which we are now about to vote has to do with green and dried hides only. The amendment which follows adds compensatory protection on a 4-cent basis, and what I wished to convey was that if this amendment which I propose is adopted, then the compensatory features thereafter will be in accord with the 5 cents a pound on green hides.

Mr. DILL. The point I was trying to make was this, that there is a 10 per cent ad valorem tariff in addition to the compensatory rate in these next paragraphs.

Mr. HOWELL. Yes; but I wish to say to the Senator from Washington that I have an amendment affecting the protective factors on these rates which I will proceed to offer after this amendment has been voted upon.

Mr. DILL. Does the Senator propose to strike out the protective feature and simply leave the compensatory rates?

Mr. HOWELL. What I propose to do is this, to strike out the protective factor in these rates and substitute therefor the protective factor granted by the House.

Mr. DILL. I do not know what that was.

Mr. BORAH. Mr. President, naturally, representing the portion of the country from which I come, I should like to see a duty on hides. But my study of these propositions convinces me that we can not put a duty on hides without putting not only a compensatory duty but a very sufficient protective duty on leather and shoes.

I am aware of the fact that both the Senator from Nevada and the Senator from Nebraska have given a vast amount of time and study to this question, and I have no doubt they have worked out the best possible plan that could be worked out, in the hope of serving the producer of hides; but the very fact that they can not do it, and have not been able to, is convincing to me that if we put a duty on hides, we will not only put an additional tax on the farmer, but we are going to put an additional burden on all the people of the United States.

I have made up my mind, therefore, to vote against all these proposals, with the idea of leaving the matter as it is. I believe that is the best we can possibly do for the farmer. He buys leather goods, he buys shoes, and at the end of the year he would be the loser. I believe furthermore that the leather people and the shoe people can get along. They may not make great profits, but they will make more than the farmers are making.

Mr. BARKLEY. Mr. President, I want to ask the Senator from Nebraska a question. If the levying of a duty on hides makes necessary a compensatory duty on leather and shoes, then the higher the duty on hides the higher will have to be the compensatory duty on leather and shoes. Therefore the Senator's amendments means, if it is adopted, that a higher compensatory, and, if a protective duty is also added, a higher protective duty, will have to be put on leather and shoes than would be the case if the Senate adopted the amendment offered by the Senator from Nevada. That is true, is it not?

Mr. HOWELL. Mr. President, I think probably it would be best for me to state now what these amendments will be.

If 5 cents a pound is granted on green hides, then the other amendments will be changed as follows: Those who have the Oddie amendment before them, if they will follow it, will note the language. On sole, belting, or harness 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, belting, harness, or saddlery I propose a duty of 7½ cents a pound instead of 6 cents, as provided by the Senator from Nevada, and 5.4 per cent ad valorem instead of 10 per cent ad valorem provided in the amendment of the Senator from Nevada.

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

Mr. HOWELL. I propose on leather welting 7½ cents a pound, and 5.4 per cent ad valorem.

Mr. BARKLEY. The point I am seeking to draw to the attention of the Senator is that whatever may be the proper compensatory rate, assuming that it would be proper, whatever the rate on hides may be, the compensatory rate will have to be higher if the amendment of the Senator from Nebraska is adopted on green and dried hides than it would be on the basis of the rate fixed by the Senator from Nevada.

Mr. HOWELL. That is true, but so far as the protective factor is concerned, my protective factor is less. It is in accord with the protective factor afforded by the House, and as a consequence the resulting equivalents in ad valorem are, in some cases, below the rates appearing in the Finance Committee amendment and some are just a trifle higher.

Mr. BARKLEY. Of course that would indicate, if the Senator's compensatory rates are proper, that the rates of the Senator from Nevada are too high; but regardless of anybody's rates it is undeniable that the amendment which the Senator from Nebraska has offered will require higher compensatory rates on leather and shoes if a proper proportion is carried out than would the amendment offered by the Senator from Nevada.

Mr. HOWELL. Of course that is true, but, as I stated earlier in my remarks, before the war we could buy a pair of shoes for 17 pounds of green hides while to-day it costs 44 pounds of green hides to buy the same pair of shoes. That is the situation in which the American farmer finds himself. Why is it? It is because of the importations of cheap hides from Argentina, because of the competition we have from Argentina where they can raise hides at a cost of one-half of that which attaches here in the United States.

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

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

Mr. HOWELL. I yield.

Mr. McKELLAR. If that is the case, why does not the Senator let his amendment apply to the tariff on hides and not upon leather and shoes, and especially not upon shoes? I will say to the Senator that when the matter was up in Committee of the Whole I voted for quite a rate, I think in the first instance 8 cents and in the next instance 6 cents, as a duty on hides, but when it came to putting a corresponding duty on leather and shoes I voted against it for the very reason that the Senator has just stated—that we bring in the free hides and in that way the manufacturers here have been able to increase their profits. I think they make profits enough now. If the Senator is going to couple shoes in his amendment with hides, I can not vote for a duty on hides, much as I would like to vote for it in the interest of the farmer. Of course I understand that it is argued by many that the tariff on hides will go to the packer, and probably to some extent that is true. But I do think I would give the farmer the benefit of the doubt, and I am willing to vote for a duty on hides, but I am not going to include the manufactured products.

Mr. HOWELL. I would beg the Senator to consider that we can amend the amendment offered by the Senator from Nevada, and finally, when we are through, if we do not approve of the amendment as the whole, we can reject it. But I urge upon the Senator to give the farmer the benefit of the doubt, to afford 5 cents upon green hides, and of course, if we afford 5 cents on green hides, we must give a compensatory duty on the manufactured product.

Mr. McKELLAR. I would be very happy to do that, but when the Senator couples it with an increased duty on leather and shoes, I am afraid I have to part company with him. If we are going to be induced to vote for a tariff duty on hides and then after that determine whether we should give a duty on the manufactured product, I am afraid I can not go with the Senator, much as I would like to do so. I would like to help the farmers. I want to give them the benefit of the doubt, but I am not going to vote to put an enormous tax on the consumers of shoes throughout the United States.

Mr. HOWELL. But may we not take one step at a time? The steps will not be irrevocable.

Mr. McKELLAR. I understand that, and I might even do that, but I doubt if that is the way to get at the matter. I am afraid the Senator, having coupled the two propositions, as is done in the Oddie amendment, is not going to get me to support him.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. HOWELL. I yield.

Mr. BORAH. It is very apparent to my mind that, if we put 5 cents on raw hides, the Senate will put a sufficient compensatory rate and also a protective rate upon leather. It will do the same thing with reference to shoes, possibly with the exception of men's shoes. The Senator has figured this out very carefully. Does he not know, according to his own figures, that any rate which can be placed upon hides will be a loss to the farmer if it is followed up by any other possible rate the Senate may adopt on shoes?

Mr. HOWELL. I believe after the investigation I have made that if we can get 5 cents a pound on green hides, the result will inure to the benefit of the farmer. I am fearful if we drop below 5 cents, I am frank to say. I believe we ought to have 6 cents; in fact, I thought we ought to have 7½ cents, because hides can be produced in Argentina for 7½ cents a pound, and they can be laid down in New York at less than we can produce them for in the United States. But the farmers agreed they would be satisfied with 6 cents. We abandoned that rate and ask only for 5 cents. We voted upon 5 cents when the bill was in Committee of the Whole and rejected it. I think 5 cents is the dead line. That is my opinion and, as I said before, if we get 4 cents, it will be but skim milk for the farmer, and if we get 5 cents there will be a little cream in it for him. That is the situation which is presented at the present time. If we want to do something for the farmer, here is the opportunity to do it.

It is suggested that a hide is simply a wrapping for the animal. Swift & Co. notify their buyers every morning of the price of hides. Why? Because the value of the hide enters into the value of the animals, and they take it into account.

Mr. BORAH. But Swift & Co. do not increase the price of the animal in accordance with the increase in the price of the hide about which they notify their buyers.

Mr. HOWELL. An increase of a small amount, half a cent, would not be passed on, but in all the accounting in the packing houses they charge to hides what the market is upon hides and credit the operation with the returns from the hides. It is a fact that the packers do not receive enough for the carcass to pay the expenditure for the animal alive on the hoof. The profits arise almost entirely from the hides and the other by-products, and the hides constitute the largest portion of the by-products of the animal.

The United States Tariff Commission went into this matter carefully, and I am going to read just one or two paragraphs that will present the matter in the light in which, after investigation, the Tariff Commission saw the situation:

> Briefly, then, there appears good reason to believe that competitive buying in the livestock markets forces the packers to pay the true market value for live cattle purchased and for the hides they carry. Competition among the live-cattle buyers and hide sellers thus quickly tends to correct any apparent discrepancies which may occasionally exist between the values of hides and live cattle. It therefore seems probable that in the long run packers would be compelled by competition to add a duty to the price paid for live animals, getting this addition back when hides or leather are sold.

Again—

> It has already been indicated that owing to the necessity to import nearly one-half of the hides and skins required a tariff on hides probably would raise the price of domestic hides over the foreign level laid down in our ports by approximately the amount of the duty, assuming that there is a world hide market.

Again—

The immediate effect of a duty probably would be a temporary restriction of imports. Heavy stocks on hand in the United States should then move more freely, and country hides should be in greater demand than at present. Their price then should rise, relatively to packer hides, until approximately the normal price relation was reached. Assuming no increase in domestic demand, the chief permanent effect of a duty, unless it were prohibitory, probably would be to increase the removal and marketing of domestic "fallen" hides—from animals which die—and thus make a small addition to the domestic production.

What I have read is the considered view of the United States Tariff Commission, that ultimately any tariff put upon hides will be reflected in the price paid for the animal, and the farmer will get it.

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

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

Mr. HOWELL. I yield.

Mr. STECK. Right along the line as to whether or not the price for hides has any relation to the price for the animal or whether or not the price of the animal has any relation to the price of the hides, I would like to read the Senator a few statistics. I am reading from the hearings before the Senate Finance Committee, from the brief of the United States Leather Co.:

From December, 1916, to December, 1917, prices on cattle advanced 29 per cent; beef prices advanced 36 per cent; while hides advanced but 5 per cent.

From June, 1918, to December, 1918, cattle prices advanced 7 per cent; beef, 3 per cent; while hide prices declined 12 per cent.

From June, 1921, to December, 1922, cattle prices advanced 27 per cent; beef declined 3 per cent; while hides advanced 43 per cent.

From December, 1922, to December, 1923, cattle prices declined 1 per cent, while beef advanced 18 per cent and hides declined 33 per cent.

From December, 1926, to April, 1927, cattle prices advanced 30 per cent, while both beef and hide prices remained unchanged.

From April, 1928, to August, 1928, cattle prices advanced 14 per cent; beef, 20 per cent; while hide prices declined 8 per cent.

It is particularly curious to note that at the beginning of January of this year cattle on the hoof averaged $14.87 per hundredweight, while on the 1st of June they averaged $14.37 per hundredweight, or a drop of about 3 per cent. On the same dates hides sold at 22 cents per pound in January against 16.5 cents per pound in June, which is a reduction of 28 per cent.

I think the Senator should admit, if those figures are correct at all, that the price of hides has nothing whatever to do with the price of beef cattle, and the price of beef cattle has nothing whatever to do with the price of hides.

Mr. HOWELL. Mr. President, the deduction made by the Senator from Iowa——

Mr. STECK. It is not a deduction; I am reading from the record.

Mr. HOWELL. Well, the conclusions which the Senator feels are proper from the statement made are erroneous, in my opinion. Cattle prices in the United States are determined by the supply and demand within the United States. It is very well known that beef cattle are not imported into this country and are not in competition in the packer's market with native steers; but, Mr. President, that is not so as to hides. The hide market is a world market. The cattle market in the United States is a United States market; the prices do not vary alike. The hide market is affected just as the price of every other agricultural product is affected, where there is absolutely free trade or a surplus, by the world market. That is the reason why the prices for hides and cattle do not parallel, because of the competition from Argentina, because of the competition of the world in the hide market. The world market in hides was our market and has been our market. That is exactly the trouble with the American farmer to-day, and that is the reason why he is compelled to-day to pay 44 pounds of green hides for a pair of shoes that he could buy before the World War for 17 pounds of green hides. Are you willing to help the farmer? Is there not enough in this one proposition to settle the question as to whether he needs help and as to whether something is not wrong?

Mr. BARKLEY. Mr. President——

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

Mr. HOWELL. I yield.

Mr. BARKLEY. Speaking of the law of supply and demand, it would seem natural to assume that as our population has increased, and we have worn more shoes and used more leather goods of other kinds, the demand and supply would both increase; but in the last 30 years, while our population has increased from 77,000,000 to 120,000,000, about 33⅓ per cent, during the same time the number of beef cattle has declined from more than 37,000,000 to 23,000,000, a decline of about 30 per cent. How does the Senator from Nebraska explain, in view of the increased demand of the people for leather goods, including shoes, harness, bags, and other articles made of leather, that the supply of our own product has declined 30 per cent, while our population has increased 33⅓ per cent, and by analogy our demand should have increased by the same per cent?

Mr. HOWELL. Mr. President, as the country has settled up, the cattle producer has gradually retired to the West. We do not produce as many cattle because grain crops are in competition with the cattle industry. That is the reason.

Mr. BARKLEY. Mr. President, I agree with the Senator about that; but how is the tariff on hides and shoes going to repopulate the lands of the West with cattle and depopulate them with people? That same situation is bound to continue. It has not been brought about by any increase in importations in proportion to our demands, because we have not for 50 years been ably to supply our own demand for leather. We shall probably never be able to do it, because as our population increases and the broad acres in the West which were formerly devoted to cattle grazing are taken up by small farmers, leaving still less land to be grazed by cattle, the proportion of our supply will decrease as our demand increases.

I can not anticipate that we shall ever be able to supply anything like our demand for leather in the United States. How is a tariff on hides, whether it be 4 or 5 cents on the green and 8 or 9 on the dry, and then a duty on leather and a duty on shoes, going to reverse the situation so as to make it possible for us to supply our own demand for leather? How can it ever be arranged so as not to cost us more than we shall get out of the tariff, whatever the rate may be?

Mr. HOWELL. Mr. President, I think the Senator from Kentucky will agree that in any case where an agricultural product is subject to a world market, either because of a surplus or the lack of a tariff, nothing can be done for the farmer. It is only where our consumption exceeds our production that the tariff can ever be effective to the farmer. So when we meet those cases where we have a surplus, we say a tariff is useless so far as the farmer is concerned, and then when we come to a case where our production is less than our consumption we say there is not any hope of production ever catching up with consumption, and, therefore, we ought not to burden the people of the United States with a tariff.

Mr. President, the only way we can help the farmer in connection with the tariff is to place it upon some product of which we do not produce a surplus. Here is one of the few such products. Casein was another; but the Senate refused to give an adequate tariff on casein, although it was one of the few products in connection with which the tariff might be effective. Here is another case where the tariff might be effective. Are we to conjure up all the objections in the world to cheat the farmer out of a tariff where he deserves it and when the conditions in which he finds himself are such as ought to bring tears to the eyes of those who would weep for the boot and shoe manufacturers and the employees of the boot and shoe factories?

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

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

Mr. HOWELL. I yield.

Mr. BARKLEY. I am not weeping for the boot and shoe manufacturers; I am more in a frame of mind to weep for the farmer; but the Senator's argument would be more impressive with me if I felt that the farmer would get some benefit out of it which was not going to be taken away from him in the next sentence. However, assuming that the farmer will receive the full benefit of this 5-cent duty—which I do not think he will—we are going to lay a foundation by undertaking to grant him that benefit to take not only that benefit away from him but to take more away from him by what will be done to him as a consequence of what we are trying to do for him. In other words, by trying to do something for him, we are laying the foundation for doing more harm than good to him, by levying tariff duties on shoes and harness and other products which he must buy.

Mr. HOWELL. All that is necessary for us to do is to see that the compensatory duties are just; that no protective rate in any tariff levied is in excess of what it ought to be, and we can assure ourselves that the farmer will be benefited if he shall receive 5 cents on green hides.

Mr. BARKLEY. The Senator knows, of course, and we all know that the average farmer does not sell one cow a year; he

does not sell one head of beef cattle a year. Of course, whatever benefits, assuming that benefits will accrue from the duty, will accrue to those who are engaged in a large way in the production of cattle. The great bulk of farmers of the United States have no cattle for sale; but, assuming that they will receive the full benefit of the duty on whatever cattle they have for sale, assuming that every cattle buyer who goes to a farmer and buys any kind of a cow or a calf or a yearling will sit down on a log and take out his pencil and paper and figure how much the hide will weigh, how much the tariff on that hide will be, and will then add that to the price he intended to pay anyway—which, I think, is a fantastic picture—the additional amount which the average farmer in the United States—I should say probably 95 out of every 100 of them—may receive will not pay him for the added cost which will be charged up to him when he buys his harness, when he buys his saddles, when he buys shoes for his family, whether the additional duty be limited to a compensatory duty or whether a protective duty also be levied.

It may be that in isolated instances the large cattle raisers, because they have more cattle than they have family for whom they have to buy shoes might receive a greater benefit than the damage done them; but to the average farmer who has more family than he has cattle and who has to buy more shoes than he has hides to sell will be decidedly "in the red" at the end of the year if this tariff shall be inflicted upon him.

Mr. HOWELL. The able Senator from Kentucky is mistaken when he assumes that the average farmer seldom sells an animal. He sells his calves, and finally he sells his cows, and he sells them for canners. What is the price paid for canners? It is 4 cents a pound, and the hides before the war were 16½ cents a pound. Does not the Senator think that means something to the farmer who sells a cow that is to be used for canning purposes? As a matter of fact, it is in connection with that type of cattle that there is to be a very marked return.

Mr. BROOKHART. Mr. President——

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

Mr. HOWELL. I yield.

Mr. BROOKHART. Mr. President, the discussion on the rates now under consideration is somewhat embarrassing to me. When I was asking for a 4-cent rate on lard Senators on the other side of the aisle opposed it because as to lard we were on an export basis. Now the Senator from Nebraska is asking for a duty of 5 cents a pound on hides, and Senators on the other side are opposing it because as to hides we are on an import basis. So it seems the farmers will have to lose both coming and going.

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

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

Mr. HOWELL. I yield.

Mr. ODDIE. I think the Senator from Kentucky has overlooked the importance of a tariff on hides to the dairy industry. I do not know whether that has been mentioned.

Mr. HOWELL. There is no question about its importance to the dairy industry, and the dairy interests in the Eastern States are very important.

Mr. President, here is one of the few opportunities to do something for the farmer in connection with a product as to which the tariff can be effective, and I feel that we ought to do it.

Mr. BORAH. Mr. President, before the Senator sits down, let me say to him that if it can be demonstrated that here is an opportunity to do something for the farmer I am going to vote to do it. I have had several calculations made, however, by people who are competent to make them. If there were nothing to it but hides, this would be a perfect case for protection. There is no doubt about that. When, however, we know that the farmer must buy leather and leather goods and shoes, we are putting a duty upon the product which he sells, but inevitably we are increasing the price of the product which he must buy.

Under the circumstances I can not see how the Senator can say that this is a self-evident proposition in favor of the farmer. He has to buy his leather goods; he has to buy his shoes; and we are increasing the price of his leather goods, and we are increasing the prices of his shoes. Therefore, if the Senator can explain that to me, I am going to vote for his proposition.

Mr. HOWELL. Mr. President——

Mr. BORAH. Let me say just a word further.

We know that the leather industry is in trouble. I think it is in a distressed condition. I am not sure as to the reason for it. I am not sure that it is a question of tariff, but I am sure that it is in trouble. In our zeal to put a duty upon hides we can not refuse to consider the condition of those who are going to buy the hides and use them, because if we destroy the tanners we will not have any market for our hides.

Mr. ODDIE. Mr. President——

Mr. HOWELL. Mr. President, there are about 28,000,000 farmers and their dependents upon the farms of this country. As a consequence, they only buy in the neighborhood of 20 per cent of the shoes that are used in this country; but they produce 70 per cent of the hides that are used in this country.

Mr. McKELLAR. Mr. President——

Mr. BORAH. Let me finish this, because I am interested in it.

Mr. HOWELL. That is where that problem arises in connection with the farmer. He produces 70 per cent of the hides that are used in this country, and he uses only 20 per cent of the shoes that are used in this country.

Mr. BORAH. How about leather?

Mr. HOWELL. In connection with leather, these are comparatively small items. The use of leather for harness has decreased very materially; and, so far as saddles are concerned, the Senator is aware that that is a comparatively small item. I refer to it because it was spoken of here.

Mr. McKELLAR, Mr. WALSH of Montana, and Mr. ODDIE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. HOWELL. I yield, first, to the Senator from Tennessee.

Mr. McKELLAR. I desire to ask the Senator a question.

There are about 300,000,000 pairs of shoes consumed in the United States every year. The farmers, being about 30 per cent of the people, would wear about 90,000,000 pairs of those shoes. By a simple calculation of 14 cents additional for tariff on these shoes, we would be putting a tax on the farmers, for their shoes alone, of $12,600,000. Is not that true?

Mr. HOWELL. Of course, if the Senator's calculation is correct, it must be true.

Mr. McKELLAR. It is substantially correct. I will not say that it is mathematically accurate, but it is substantially so. What would happen would be that in this tax of 14 cents on every pair of shoes, regardless of whether they were good, bad, or indifferent, the farmers would have to stand an additional levy of taxation of about $12,600,000.

Mr. HOWELL. Very well. I wish to add this: In my State alone the farmers would receive $3,000,000 a year more for their hides at 4 cents a pound.

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

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

Mr. HOWELL. I yield.

Mr. ODDIE. I should like to state, in reply to what the Senator from Idaho has just said, that in my opinion this duty on hides and the compensatory duty on leather and shoes, whatever rates are adopted, will not have a material effect on the price of shoes.

I have here a letter from one of the largest shoe manufacturers in the United States, Sheppard & Myers, the manufacturers of the Hanover shoe. They are an enormous concern in Pennsylvania. In this letter they say that the duty on hides will have practically no effect on the price of shoes.

Mr. BORAH. Mr. President, the Senator does not believe that, does he?

Mr. ODDIE. They say:

> We are of the opinion that a tariff on leather, shoes, and hides would have a tendency to stabilize prices and would perhaps overcome some of the extreme fluctuations that we have had in prices of hides and leather. These fluctuations have been detrimental to all concerned.

And they say:

> We do not think that a duty on hides and leather will do any particular harm; nor do we think that it should raise the price of shoes in general. We are quite positive that such a duty alone will not cause us to raise our own prices; nor will we cheapen our shoes in any way in order to maintain those prices.

Mr. BORAH. Mr. President, what is the date of that letter?

Mr. ODDIE. It is dated March 11, 1930.

Mr. WALSH of Massachusetts. Mr. President, on that principle the Senator ought to make his rate 10 cents a pound or a dollar a pound.

Mr. JOHNSON. Mr. President——

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

Mr. HOWELL. I yield to the Senator.

Mr. JOHNSON. I simply want to inquire of the Senator from Nevada whether this great shoe manufacturer said that a duty on hides, on leather, and on shoes would decrease the price of shoes.

Mr. ODDIE. No, Mr. President; he did not. He stated, however, that an adequate duty on hides and leather would stabilize the price and improve conditions in the industry.

I ask that this letter be placed in the RECORD; also a telegram from the Endicott-Johnson Shoe Co., of New York.

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

The letter and telegram are as follows:

HANOVER, PA., *March 11, 1930.*

Hon. TASKER L. ODDIE,
United States Senator,
Senate Office Building, Washington, D. C.

DEAR SIR: In order that we may introduce ourselves, we do not think a short résumé of our business would be amiss.

This company was organized in 1900 to make men's and boys' shoes to be sold under the trade name of "The Hanover Shoe." We do and always have retailed all of the shoes that we make through our own stores. We operate at present about 110 stores.

Since the business was founded, it has been our policy to try to give the best possible value for the money. Our present prices are: Men's shoes, $5; boys', $3.50; little men's, $3; and a few men's work shoes at $4. This price has not changed in the past 10 years nor during that period have we ever taken a thing out of the shoe, and have increased our per capita wage steadily from year to year.

We might add that we have never failed to make a profit in the 30 years that the business has been in existence.

We are quite certain that our records will show and that the trade in general will confirm that we have operated nearer 100 per cent of our capacity during the entire 30 years that we have been in business, or any part of it, than any other shoe manufacturer.

We are writing you this letter to express our hope that your amendment to hides, leather, and shoes will pass, and, further, that it will pass promptly. We do not fear a duty on hides and leather but we do fear continued delay. We feel that the delay that has already occurred has done more harm than the bitterest opponents of a tariff on hides and leather claim such a tariff will do.

We do not think that a duty on hides and leather will do any particular harm; nor do we think that it should raise the price of shoes in general. We are quite positive that such a duty alone will not cause us to raise our own prices; nor will we cheapen our shoe in any way in order to maintain those prices.

Of course, you understand that we feel that if we do have a duty on hides and leather, it is absolutely essential that we have a duty on shoes.

* * * * * * *

We are of the opinion that a tariff on leather, shoes, and hides would have a tendency to stabilize prices and would perhaps overcome some of the extreme fluctuations that we have had in prices of hides and leather. These fluctuations have been detrimental to all concerned.

There is another feature that we would like to touch upon: We believe that America's greatest asset is her standard of living, and above all it must be protected. The standard of living in the United States is the best that was ever known on the face of the earth and is our best guaranty for future happiness.

We do not believe that any business man that is honest and has the interests of the country at large at heart would want to see our standard of wages, which affects our standard of living, interfered with in any way regardless of selfish motives.

We are very proud of our community because it is a prosperous one, and this concern materially contributes to its prosperity by its wages paid and the steadiness of its operation.

Of course, we must leave it to Congress to determine where protection is necessary and where it would be detrimental, but we trust in regard to your particular amendment, that it will receive favorable and speedy action.

Yours truly,

SHEPPARD & MYERS (INC.),
L. B. SHEPPARD.

[Telegram of March 5, 1930, from Mr. George F. Johnson, president of the Endicott Shoe Co., Endicott, N. Y.]

Please ignore telegram 4th, which was in error. Seventeen thousand Endicott-Johnson workers, making 125,000 pairs of shoes daily. Urge you to grant the farmers a duty on hides in return for a compensatory duty on leather and shoes plus the necessary protective duty on leather and shoes to offset the lower foreign labor cost. Failure to put shoes on the tariff list will place American shoe manufacturers in worse position than they are at present.

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

The PRESIDING OFFICER. The Senator from Nebraska [Mr. HOWELL] has the floor. Does he yield to the Senator from Kentucky?

Mr. HOWELL. I do.

Mr. BARKLEY. I desire to inquire of the Senator from Nevada, if the price of all these products is not to be raised, and no good is to be done by it, how is it going to stabilize anything?

Mr. ODDIE. Mr. President, the chart that is on the wall showing the extreme fluctuation in the price of hides in the last few years is an added reason for a tariff. On the left you will see a chart which shows a very stable price during the period of a protective tariff on hides. With a stable market for hides and leather the American manufacturers will have a market that they can depend on, and they will not have to go to foreign countries for hides to be manufactured by them into shoes for the American people.

Mr. BORAH and other Senators addressed the Chair.

The PRESIDING OFFICER. To whom does the Senator yield?

Mr. HOWELL. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, I desire to read a line from the Shoe and Leather Reporter, which is supposed to be the mouthpiece of the shoe and leather industry. After discussing the Oddie amendment, they say:

> It will be idle to ignore the fact that the market prices of leather and shoes must be raised.

Mr. ODDIE. Mr. President——

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

Mr. HOWELL. I do.

Mr. ODDIE. It is a recognized fact, and I have mentioned it to-day, that there is a tremendous propaganda going on by certain of the shoe manufacturers. They have propagandized the retail dealers all over the country; circulars have been sent out condemning the Oddie amendment, and it has not been a pleasant thing for me to face; but these people, the principal ones who are opposing this duty, are those who are importing hides from foreign countries.

Mr. BORAH. Mr. President, let me relieve the Senator's mind upon that matter. Here is a 2-page editorial, from which I quoted, advocating the Oddie amendment.

Mr. ODDIE. Oh! Then I consider that that is a very much more intelligent article than I thought when the Senator first referred to it. [Laughter.]

Mr. WALSH of Montana. Mr. President——

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

Mr. HOWELL. I do.

Mr. WALSH of Montana. The Senator from Nebraska stated to us that in the event the amendment now offered by him should be adopted, he would propose corresponding increases in the compensatory rates carried in the Oddie amendment; but he has not done so. Will the Senator kindly indicate to us what changes he would make in the compensatory rates on the other items included in the amendment?

Mr. HOWELL. Under paragraph 1, on page 2, in line 6, instead of 6 cents the specific rate would be 7½ cents. These compensatory rates are based upon a table furnished by the Tariff Commission. They are not guessed at. I have the original data here from which they were prepared. In line 7, substitute 5.4 per cent for 10 per cent.

The reason why I substitute 5.4 per cent for 10 per cent is this: The Tariff Commission has furnished a table by which we can dissect the rate provided by the House, which in this case was 12½ per cent. A computation shows that 5.4 per cent was the protective factor in that rate, and that the 7½ per cent remaining was the compensatory factor for a 10 per cent ad valorem duty on hides.

I have followed that plan throughout in connection with all of these specifications of leather, adopting the protective factor fixed upon by the House of Representatives.

In paragraph 2, 7½ cents is substituted for 6, and 5.4 per cent is substituted for 10 per cent.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to his colleague?

Mr. HOWELL. I yield.

Mr. NORRIS. The action of the Senate as in Committee of the Whole has put all these articles on the free list, I think. Is not that right? Assuming that it is right so far as shoes and leather are concerned—that they are on the free list, and that we want to put a proper protective tariff on hides for the benefit of the farmer—why does the Senator offer this ad valorem duty in his various items?

In other words, it seems to me the Senator is assuming that whether we have a tariff on hides or not we must have a tariff on shoes and leather. If we go on the assumption that shoes

and leather do not need a tariff, according to the action of the Committee of the Whole, then the Senator should have in no case any protective duty. He should stop at the compensatory duty. In other words, the duty that he put on the manufactured article should be only that which is made necessary by the duty which he put on the raw material.

Mr. HOWELL. Mr. President, when the House and the Senate Finance Committee gave the farmer 10 per cent ad valorem on hides and then 20 per cent ad valorem on all shoes, I came to the conclusion that there was sufficient influence among the tanners and the shoe manufacturers to provide a protective tariff for these industries, and that if we were going to get anything through for the farmer we would have to meet the tanners and the shoe manufacturers at a minimum point at least.

Mr. NORRIS. Does the Senator think we ought to levy a tariff here just because there is sufficient influence to get it, without merit, whether or not there should be such a tariff? Moreover, the influence of the tanners did not seem to be sufficient to prevent the Senate as in Committee of the Whole from putting this whole business on the free list.

Mr. HOWELL. Mr. President, I have not the confidence, I am sorry to say, in the ideal conditions which exist here for legislation such as to make me believe that there will not ultimately be given to the tanners some protection, and, of course, if we put a tariff on hides we ought to give compensatory duties to the tanners.

Mr. NORRIS. I think that is conceded.

Mr. HOWELL. And to the boot and shoe manufacturers.

Mr. NORRIS. Yes; we ought to give them a compensatory duty on everything that is made out of hides. I do not believe anybody will dispute that. I do not want to be put in the attitude of disputing it myself. But the Senator has not only had a compensatory duty but he has put on a protective duty.

Mr. HOWELL. Mr. President, it has been urged that the tanning industry in this country is in such a state that it is entitled to a duty. The distinguished Senator from Idaho voiced that view just a short time ago. The House of Representatives evidently came to that conclusion upon the advice of the Ways and Means Committee of the House, and the Finance Committee of the Senate came to a similar conclusion, but they increased the protective factor afforded by the House. My idea is this, that we should go back to the protective factor afforded by the House and add a compensatory duty. Those factors, in connection with leather, are not high, and I am satisfied from my study that a good deal of attention was given to the construction of the rates that were adopted by the House committee.

Would the Senator from Montana desire that I should go on?

Mr. WALSH of Montana. No; I think it is not necessary. The Senator has indicated the process by which he has arrived at the various rates. They would increase in the same proportion, 6 to 7½, and the protective rate would be reduced, so as to make it equal to the actual protective rate carried in the House.

Mr. HOWELL. That is true.

The PRESIDING OFFICER. The amendment of the Senator from Nebraska is in two parts, 5 cents upon the raw hides and 9 cents upon the dried. If there is no objection, the two amendments will be voted upon together.

Mr. FRAZIER. Mr. President, it is rather amusing to hear the argument some Senators use against a tariff on any agricultural product. They talk about the average farmer, about getting a benefit for the average farmer. No one on earth contends that a tariff on hides will benefit the farmer who produces and sells no livestock. If the farmer is going to have the benefit of a tariff on hides, he must have some cattle to sell.

If the cotton producers down in the South will raise enough cattle, along with the production of cotton and other products, so that they will have three or four cattle to sell, at least enough to offset the additional duty on shoes that would result from a duty on hides, then they will benefit by it. If not, they will not.

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

Mr. FRAZIER. In just a moment. Does the average manufacturer benefit by a tariff on steel products? Oh, no. But the other manufacturers do not fight the steel tariff, because they think they will get tariffs on their products; and they are getting them. If we can get a tariff on the various farm products, it is going to help all those farmers, it seems to me, who have those products to sell. I now yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, if the Senator is referring to the remarks I made about the average farmer, I will say that his illustration about cattle and cotton has no application to Kentucky. Kentucky is a very large cattle-producing State. We produce practically no cotton. So that if the Senator has Kentucky in mind, I will say that the situation is exactly reversed. We have some of the finest breeds of cattle in the United States, or in the world.

Mr. FRAZIER. I appreciate that; and it is unusual for the average farmer in Kentucky not to have at least half a dozen cattle to sell a year—at least two or three head for every member of his family. Unless he has two or three head to sell for each member of his family, this tariff on hides is not going to do him any good.

Mr. BARKLEY. I will state that if every farmer in Kentucky sold an average of five or six head of cattle every year, the total amount would be almost as many as were butchered in the United States last year.

Mr. FRAZIER. Oh, no; it would not. We have a long ways to go to come up to our home consumption.

When a tariff is asked for farm products of which we produce a surplus we find the same opposition by the same men. They say that the tariff can not possibly be of benefit to the farmer because we produce a surplus. But when we have a product like hides, they say the tariff will not be of any benefit to the farmer because it will penalize the farmers who do not have hides to sell. Of course it will penalize the farmers who do not have hides to sell, just as the tariff on steel products penalizes every manufacturer in the United States who does not manufacture steel products.

The manufacturer of woolen goods does not fight the manufacturer of steel products because the manufacturer of woolen goods wants a tariff on his goods. The manufacturer of steel products does not fight the manufacturer of woolen products or cotton goods because they want a tariff, too.

Mr. President, if we are going to get anything for the benefit of the farmers we have to have a tariff on their products where a tariff will benefit them.

If the argument is to be made that some farmer who does not raise livestock is going to be penalized because he has to pay a little more for his leather in shoes because we have a tariff on hides that benefits the farmers who have hides to sell, then we can not do anything for the farmers.

It makes me tired to have men here who I know are honestly interested in the farmers make every plausible argument under heaven as to why we should not have a tariff on farm products. All the maufacturers have a tariff, and have had for years, on their products. More than that, they are organized so that they can get the benefit of the tariff. They are organized so that they can steady the price of their products, and everyone along the line who handles the product pyramids the tariff and makes a profit because of the tariff.

The farmers can not do that. They are not organized to do it, and if the Senate of the United States or the Congress of the United States wants to help the farmers, it is up to the Congress to do something to benefit the farmers, and not idly sit back and say, "Oh, no; we can not benefit the farmer in a tariff on hides because some farmer over here in Maryland or Virginia or up in Connecticut does not raise any cattle, and it will penalize him, because he will have to pay 17 cents more for a pair of shoes for the baby."

Of course, it will penalize him. Let him raise a few cattle. Let him diversify. For years we have heard talk about diversification.

Mr. President, as long as there is no control of the profit the manufacturers make, it is pretty hard to do anything for the farmers, I will admit, but I am in hopes that at some stage of the game, and not in the too far distant future, some method will be worked out by which there will be some sort of control of the profits the manufacturers and others who sell their products may make, so that they will not be allowed to make exorbitant profits.

I have a paper here on my desk which advertises a pair of very fine looking shoes, men's low shoes, at $12.50 a pair. Does anyone think that the manufacturer of that shoe needs any compensatory duty on shoes because we have a 4 or 5 cent duty on hides? Certainly, he does not. He can manufacture and sell those shoes for half that price and still make more than the farmer is making on his hides.

In the great old State of Nebraska, it is a mighty poor farmer who does not have at least half a dozen head of cattle to sell each year. Yet the Senator from Nebraska wonders if it will not penalize the farmers there more than it will help them.

The Senator from Idaho spoke a while ago. If the farmers of Idaho do not sell enough cattle to more than pay for the shoes they buy, this tariff is not going to help them any. It is the same with the farmers of Kentucky, too. I will admit that

some of the eastern farmers, the New England farmers, unless they are in the dairy business, or are engaged in truck raising, would not be benefited by a tariff on wool or by a tariff on wheat or by a tariff on practically anything, except a tariff on the vegetables they raise.

If we are going to hunt every plausible excuse under heaven why we should not have a tariff on farm products, we might just as well quit trying to do anything for the farmers.

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

Mr. FRAZIER. I yield.

Mr. BARKLEY. The Senator from Nebraska a while ago said that there were 28,000,000 farmers in the United States. The statistics of the Department of Agriculture show that in 1929 there were in the United States 23,000,000 head of beef cattle, so that there was less than one head for each farmer in the United States. If they all accepted the advice of the Senator from North Dakota and went to raising cattle, and produced an average of five or six, where would we find a market for all the additional cattle produced, and would we not create a situation, if everybody tried to raise cattle enough to offset the additional price of shoes, where there would be more cattle than we could sell?

Mr. FRAZIER. Of course, there might be a period when that thing might happen, but I am not worried about it happening, for a long time at least, because we do not raise nearly the amount of cattle we need for our own use. We do not produce nearly the amount of hides we need for our own use, and, of course, all the farmers can not raise cattle. But, if a few of the farmers who raise cotton in the South will go to raising cattle and less cotton it will give them a chance to make something on both their cotton and their cattle. It is the same with other farmers.

Mr. BARKLEY. The Senator thinks, then, that by driving the price of cattle down and the price of cotton up, they would about strike an even balance?

Mr. FRAZIER. No; driving the price of cattle down will not mean a profit for the man who raises cattle, and the driving of the cotton price up will not help the farmer who does not produce cotton. It will make him pay more for cotton goods, and it is so in every line of industry, no matter what it is, manufacturing or farming. If the effort is to find some tariff on some product that will benefit every farmer, it can not be done, any more than you can find a tariff on manufactured products that is going to benefit the average farmer.

The PRESIDING OFFICER. On the amendment to the amendment the yeas and nays have been ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Allen	George	Keyes	Sheppard
Barkley	Goff	La Follette	Shortridge
Blaine	Goldsborough	McCulloch	Smoot
Blease	Grundy	McKellar	Steck
Borah	Hale	McMaster	Steiwer
Bratton	Harris	McNary	Stephens
Brookhart	Harrison	Metcalf	Swanson
Broussard	Hastings	Moses	Thomas, Idaho
Capper	Hatfield	Norbeck	Townsend
Connally	Hawes	Norris	Trammell
Copeland	Hayden	Nye	Vandenberg
Cutting	Hebert	Oddie	Wagner
Dale	Heflin	Patterson	Walsh, Mass.
Dill	Howell	Pine	Walsh, Mont.
Fess	Johnson	Pittman	Waterman
Fletcher	Jones	Robinson, Ind.	Watson
Frazier	Kean	Schall	Wheeler

The PRESIDING OFFICER. Sixty-eight Senators having answered to their names a quorum is present. The clerk will call the roll on the amendment offered by the Senator from Nebraska [Mr. HOWELL] to the amendment offered by the Senator from Nevada [Mr. ODDIE].

The Chief Clerk proceeded to call the roll.

Mr. GEORGE (when his name was called). On this vote I have a pair with the senior Senator from Colorado [Mr. PHIPPS]. I transfer my pair to the junior Senator from Utah [Mr. KING] and vote "nay."

Mr. SWANSON (when Mr. GLASS's name was called). My colleague [Mr. GLASS] is paired with the senior Senator from Connecticut [Mr. BINGHAM]. If my colleague were present he would vote "nay."

Mr. METCALF (when his name was called). I have a general pair with the Senator from Maryland [Mr. TYDINGS]. I understand that he would vote the same as I would vote. I vote "nay."

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]. On this amendment, he is paired with the junior Senator from Arkansas [Mr. CARAWAY]. If the senior Senator from Minnesota were present, he would vote "yea" and the junior Senator from Arkansas, if present, would vote "nay."

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

The roll call was concluded.

Mr. BLEASE. I have a pair with the Senator from Connecticut [Mr. WALCOTT]. I transfer that pair to the senior Senator from Maryland [Mr. TYDINGS] and vote "nay."

Mr. WALSH of Montana. The senior Senator from Wyoming [Mr. KENDRICK] is unavoidably absent. He is paired on this question with the Senator from Illinois [Mr. GLENN]. If the senior Senator from Wyoming were present, he would vote "yea." The Senator from Illinois [Mr. GLENN], I am advised, would vote "nay."

The Senator from North Carolina [Mr. SIMMONS] is unavoidably absent. He is paired with the junior Senator from Massachusetts [Mr. GILLETT].

Mr. HAYDEN. My colleague the senior Senator from Arizona [Mr. ASHURST] is unavoidably detained. He is paired with the Senator from New Jersey [Mr. BAIRD]. If present, my colleague would vote "yea."

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

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

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

The Senator from Oklahoma [Mr. THOMAS] with the Senator from Kentucky [Mr. ROBSION]; and

The Senator from Louisiana [Mr. RANSDELL] with the Senator from Maine [Mr. GOULD].

The result was announced—yeas 25, nays 43, as follows:

YEAS—25

Allen	Frazier	Norris	Shortridge
Bratton	Hayden	Nye	Thomas, Idaho
Brookhart	Howell	Pine	Waterman
Capper	Jones	Pittman	Watson
Connally	McKellar	Robinson, Ind.	
Cutting	McMaster	Schall	
Dill	Norbeck	Sheppard	

NAYS—43

Barkley	Goldsborough	Kean	Steiwer
Blaine	Grundy	Keyes	Stephens
Blease	Hale	La Follette	Swanson
Borah	Harris	McCulloch	Townsend
Broussard	Harrison	McNary	Trammell
Copeland	Hastings	Metcalf	Vandenberg
Dale	Hatfield	Moses	Wagner
Fess	Hawes	Oddie	Walsh, Mass.
Fletcher	Hebert	Patterson	Walsh, Mont.
George	Heflin	Smoot	Wheeler
Goff	Johnson	Steck	

NOT VOTING—28

Ashurst	Deneen	King	Shipstead
Baird	Gillett	Overman	Simmons
Bingham	Glass	Phipps	Smith
Black	Glenn	Ransdell	Sullivan
Brock	Gould	Reed	Thomas, Okla.
Caraway	Greene	Robinson, Ark.	Tydings
Couzens	Kendrick	Robsion, Ky.	Walcott

So Mr. HOWELL's amendment to Mr. ODDIE's amendment was rejected.

Mr. HOWELL. Mr. President, I offer the amendment which I am sending to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The CHIEF CLERK. On page 2 of the amendment of the Senator from Nevada [Mr. ODDIE] in line 7, strike out "10" and insert in lieu thereof "5.4," so as to read:

(1) Sole, belting, or harness 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, belting, harness, or saddlery, 6 cents per pound and 5.4 per cent ad valorem.

Mr. HOWELL. Mr. President, the House adopted for sole leather a tariff of 12½ per cent. From data afforded by the Tariff Commission it appears that the protective factor in the 12½ per cent rate is 5.4 per cent and the compensatory factor 7.1 per cent. The Senator from Nevada [Mr. ODDIE] has included in his amendment a rate of 10 per cent instead of 5.4 per cent, or an increase of 85 per cent in connection with sole leather.

Mr. SMOOT. Mr. President——

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

Mr. HOWELL. I yield.

Mr. SMOOT. I think the Senator ought to say that the figures of the Tariff Commission are based on a rate of 10 per cent on hides, but the Senator's amendment is 4 cents a pound on salted and pickled hides and 8 cents a pound upon dried hides.

Mr. HOWELL. I am only changing one figure in the amendment of the Senator from Nevada.

Mr. SMOOT. Yes, I understand that.

Mr. HOWELL. I am striking out the numeral "10" in line 7, page 2, and inserting in lieu thereof "5.4."

Mr. SMOOT. And the Senator's figure would be absolutely correct if he had 10 per cent on hides.

Mr. HOWELL. But the Tariff Commission has afforded data indicating, in connection with 10 per cent on hides, what is the protective factor and what is the compensatory factor. I separated them and I am using the protective factor which the House decided was necessary for sole leather. Therefore I am substituting 5.4 per cent for 10 per cent.

Mr. SMOOT. What I wanted to call to the attention of the Senator is that the 5.4 is based upon a 10 per cent rate on hides. That is true. The Senator is correct in that statement. But the amendment of the Senator from Nevada provides 4 cents a pound on salted and pickled hides and 8 cents a pound on dried hides, and that is more than 10 per cent.

Mr. HOWELL. That is true, but I am affording the same compensatory factor in this rate that the Senator from Nevada has adopted, but the protective factor is the factor that was adopted in favor of sole leather by the House.

Mr. SMOOT. Then of course the equivalent ad valorem for it would be 16.33 per cent.

Mr. HOWELL. The rate is 6 cents a pound and 5.4 per cent ad valorem. The 6 cents a pound is the compensatory rate for 4 cents on hides.

Mr. McMASTER. And the other is a protective duty?

Mr. HOWELL. The other is a protective duty, and it is the one that was adopted by the House.

Mr. McMASTER. But the Senator was speaking of a 10 per cent duty on hides. If he is going to compute the compensatory duty on that basis it would be included in the 6 cents a pound; that is the item in which it would be included in the bill.

Mr. HOWELL. No, Mr. President; here are the facts.

Mr. SMOOT. The Senator from South Dakota is wrong.

Mr. HOWELL. Here are the facts: 7.1 per cent ad valorem was the compensatory factor in connection with the 10 per cent ad valorem on hides. Subtracting that from 12½ per cent leaves 5.4 per cent, which was the protective factor accorded sole leather by the House of Representatives. I am adopting that same protective factor, and adding thereto the compensatory factor which the Senator from Nevada has provided, or 6 cents a pound.

Mr. WATSON. Mr. President, I should like to ask a question in order to get the Senator's viewpoint. Would 5.4 per cent still continue to be the protective factor, regardless of the rate on hides?

Mr. HOWELL. A separate compensatory duty is provided for the rate on hides.

Mr. President, this subject ought to be thoroughly understood.

Mr. STECK. Mr. President, will the Senator yield to me for a question?

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

Mr. HOWELL. I will yield in just a few moments. This matter ought to be thoroughly understood. The House provided a rate of 12½ per cent ad valorem on sole leather, and that 12½ per cent was made up of two factors. One factor was a protective factor, and the other factor was a compensatory factor. In that case the protective factor was 5.4 per cent ad valorem, and the compensatory factor was 7.1 per cent ad valorem. We are now no longer considering the 10 per cent on hides, but we are considering 4 cents a pound on hides; and the corresponding compensatory factor is 6 cents a pound on sole leather. So this rate is made up of two factors, one of which is 5.4 per cent ad valorem and 6 cents a pound specific. The amendment of the Senator from Nevada provides for 10 per cent ad valorem protective and 6 cents a pound compensatory.

Mr. SHORTRIDGE. On leather?

Mr. HOWELL. On sole leather.

Mr. SHORTRIDGE. Is that based on any tariff on hides?

Mr. HOWELL. That is based on a 4-cent tariff on hides.

Mr. SHORTRIDGE. Does the Senator contend that that is equivalent to 10 per cent?

Mr. HOWELL. It is equivalent to 6 cents a pound specific on sole leather.

Mr. SHORTRIDGE. If the Senator will pardon me, do I understand him to claim that 10 per cent ad valorem on hides is or is not equivalent to 4 cents a pound on hides?

Mr. HOWELL. No; that has nothing to do with the 4 cents a pound on hides. The Senator from Nevada adopted 10 per cent ad valorem as a protective factor.

Mr. SHORTRIDGE. That is to say, on hides?

Mr. HOWELL. On sole leather. The House adopted 5.4 per cent ad valorem as the protective factor on sole leather.

Mr. SHORTRIDGE. They may have been right or wrong. With great respect for the House, their ipsi dixit is not the final word.

Mr. HOWELL. True, it is not the final word; but it happens to be about the figure that is arrived at by the Senator from Massachusetts in that connection.

Mr. SHORTRIDGE. I see.

Mr. HOWELL. I am satisfied from the studies I have made that the House went into this matter very carefully.

Mr. SHORTRIDGE. I want to say to the Senator I want a tariff on hides; I want an adequate and proper tariff on leather, and I want a proper and adequate tariff on men' shoes, women's shoes, and children's shoes.

Mr. BORAH. So that the farmer will get nothing.

Mr. WATSON. I should like to ask the Senator how is 5.4 per cent a continuing factor of protection whether the tariff is 10 per cent on hides or 4 cents on hides?

Mr. HOWELL. It is not necessarily a continuing factor, but it happens to be the factor that the House adopted.

Mr. WATSON. Then, is it right or is it wrong?

Mr. HOWELL. I assume that the House arrived very nearly at the correct figure—5.4 per cent.

Mr. WATSON. Five and four-tenths per cent based on a 10 per cent tariff on hides?

Mr. HOWELL. No. The rate made by the House was based on two factors. One was the protective factor.

Mr. WATSON. I understand that.

Mr. HOWELL. They decided that protective factor should be 5.4 per cent. They determined what the compensatory factor should be based upon 10 per cent ad valorem on hides.

Mr. WATSON. I understand their factor was entirely right based on the percentages furnished by the Tariff Commission, but I can not understand if 5.4 per cent was an adequate protective factor when we figured a 10 per cent tariff on hides how 5.4 per cent is still a protective tariff factor when we figure a 4-cent tariff on hides?

Mr. HOWELL. Assume, Mr. President, that no tariff whatever was placed on hides. The House, in its view, concluded that sole leather was entitled to 5.4 per cent protection. But now suppose that we decide to put a duty of 1 cent a pound on leather. We have got to give a compensation, and what would be the compensatory factor? It would be 1½ cents a pound specific. If the duty is 4 cents, then four times 1½ cents is 6 cents a pound specific. I am sure the Senator from Utah will agree that the statement I have made is correct.

Mr. SMOOT. Yes; on the premises stated. Assuming the statement as to 1½ cents is correct, of course, four times that amount is 6 cents.

Mr. HOWELL. One and one-half cents is correct, because the Tariff Commission has afforded us data showing that 100 pounds of raw hides will make 66⅔ pounds of leather.

Mr. STECK. Mr. President, will the Senator from Nebraska yield for a moment?

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

Mr. HOWELL. I yield.

Mr. STECK. The Senator, of course, like many others of us, is anxious to make the rate on hides effective to the farmer, and in the particular part of the amendment he is now talking about 6 cents is the compensatory rate. Is not that true?

Mr. HOWELL. Six cents is the compensatory rate for 4 cents a pound on green hides.

Mr. STECK. I should like to know why the Senator from Nebraska is not asking that all the ad valorem rates be stricken from this part of the amendment, because the ad valorem rates are purely protective. I do not see why we can not put all the rates on the same basis they are on now. We give hides 4 and 8 cents a pound; why not give the other items in the paragraph compensatory rates, and put them all on the same basis, as they are under the present law, and as the rates stood they were voted on as in Committee of the Whole?

Mr. HOWELL. Do I understand the Senator to suggest these rates should all be ad valorem rates?

Mr. STECK. No; I suggest that all the rates be true compensatory rates, which would be 6 cents in the particular case the Senator is now talking about; and that we strike out all the protective rates throughout the entire paragraph. If the Senator will do that I will be glad to vote for his proposal.

Mr. HOWELL. Mr. President, I have assumed that a protective factor would be insisted upon in connection with these

rates; and as a consequence I have used the protective factor adopted by the House in each case, together with the compensatory factor that will go with 4 cents a pound on green hides.

Now, Mr. President, as to sole leather, we produced in this country in 1928, 403,500,000 pounds of sole leather; there were imported, in addition, 9,421,000 pounds; but there were exported 10,000,000 pounds. Consider now this fact: There were only 9,421,000 pounds of sole leather imported as against a domestic production of 403,000,000 pounds, but there was an export of 10,000,000 pounds, or something in excess of the amount imported. I suggest that these figures do not indicate that the tanning industry as to this particular kind of leather is in great need, and it is for this reason that I have adopted the House rate of protection of 5.4 per cent.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. HOWELL] to the amendment of the Senator from Nevada [Mr. ODDIE].

Mr. HASTINGS. Mr. President, I must ask the Senate for its attention for a few moments on this question. It seems to me it is rather difficult to listen to the arguments on the tariff bill without being compelled to reach the conclusion that, after all, there is more or less selfishness in connection with it. I do not, of course, use that word in any offensive sense, because I realize that every Member of this body is being importuned to do certain things for his State. It seems to be a natural thing for the people in the respective States in which we live to ask that there be no tariff on a commodity which a particular State does not produce but of which it uses quantities.

On the other hand, if that particular State is producing all of a commodity that is being used in this country they expect all of the people of the country to help bear the burden of any particular tariff that may be desired upon that article.

It seems to me, sir, that this particular amendment is the best illustration of this combination.

I listened with the greatest interest to the very able address of the Senator from Massachusetts [Mr. WALSH], and it seems to me no better tariff speech has been made upon this floor. He showed to the Senate beyond question the necessity for a tariff upon the product of the leather industry. He showed how it was lagging in his State and how serious the condition was, not only with respect to the tanneries but with respect to shoes. He insisted, in order that he might be perfectly honest with the Senate, that he was not at all certain that his environment did not have something to do with his particular attitude upon this subject; and it seems to me, if we analyze his speech carefully, that we are bound to agree with him that after all the environment did have much to do with it.

Certainly it is true, and everybody here admits that it is true, that of all the people who need protection and who need help, the chief is the American farmer. If that be true, why should the Senator from Massachusetts appeal with such earnestness to the Senate to protect the leather industry of his State and the shoe industry of his State, but, because of his environment, be unable to see any necessity for a tariff on hides? It seems to me that if the Senator from Massachusetts could get the cowhide environment, as we might call it, it would be much more logical than the argument he made to the Senate.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield? I am sure the Senator does not mean to misquote me.

Mr. HASTINGS. I shall be glad to be corrected if I did.

Mr. WALSH of Massachusetts. I call upon the Senator from Utah to testify whether I did not say two or three times in my speech that I was prepared to vote for the duty on hides levied in the House bill and also recommended by the Finance Committee.

Mr. SMOOT. Yes, Mr. President.

Mr. WALSH of Massachusetts. I said that repeatedly. I said it before when I spoke; and I am prepared now, before this matter goes over, to offer an amendment to that effect.

Mr. HASTINGS. Is the Senator willing to agree to the Oddie amendment on hides?

Mr. WALSH of Massachusetts. I stated that my objection to the Oddie amendment was that the terrific cost to the consumer seemed to me to be too heavy a burden to have the consumer bear. I have not yet agreed to vote for the Oddie amendment; but I will tell the Senator that I will go pretty far to give relief for the tanning industry and the shoe industry. I did not on this floor make any statement against a duty upon hides.

Mr. HASTINGS. Mr. President, I am glad to have the Senator correct me; but I think my mistake was due to this fact: I distinctly heard the Senator state—and he will correct me if I am wrong again—that he thought this duty on hides would make too much of a burden upon the consumer. That is correct; is it not?

Mr. WALSH of Massachusetts. That is true, sir; and I thought the rate of 4 cents per pound upon green hides would result in a burden to the consumer that the consumer ought not to be asked to bear, even if it meant the ruin of the tanning industry and the New England shoe industry.

Mr. HASTINGS. I respectfully submit that that must be due to the Senator's environment, because if he can see a justification—as I think he can see it, and everybody who analyzes the situation must see it—for placing the burden, whatever it may be, upon the American consumer, due to the necessity for a tariff on the hides of the tanners of leather and a tariff on the shoes, I wonder how it is that he is unable to see that that is more justified and that the public can pay it easier than they can when he puts a duty on hides.

I submit that on this amendment Senators must either stand or fall upon what they believe the protective tariff stands for. If they are going to undertake to protect the consumer alone, then they must abandon the whole thing, and take their chances on these American industries being run out of this country. They must either take that position or they must take the other position, and try to protect them, and try to create a prosperity in the country in which they are located, in order that the people of that country and that community may prosper, including the farmers who may be selling that product to those workers.

Mr. President, I am particularly interested in the goat and kid industry, of which the State of Delaware has some three or four factories, employing many thousand persons. All of the hides are brought in here from abroad, with the exception of 1 per cent. Ninety-nine per cent of them are imported. It is estimated that if this tariff of 17½ cents could be placed on this industry there would be put to work 4,000 skilled workers; and the leather industry is a very peculiar sort of industry.

The skilled leather worker begins when he is a boy, and he is trained in it. He was trained in it at a time when it was not necessary to have a tariff upon that industry. Now, however, he finds himself old in years, perhaps, and it is too late for him to learn some other trade; and he is praying and hoping that Congress will give to his employer some assistance.

Mr. President, this industry is a little different from others, in this respect: We used to hear a lot in the country about protecting the American workingman. That was the cry everywhere, "Protect the American workingman." That has all been transferred now to the farmer. We are willing, if you please, to tax the workingman, the man who works in the factory, to the full extent that may be necessary in order that we may help the farmer a little.

I have no complaint. I have voted for every tariff that could possibly help the farmer at all, and I will continue to do so; but I desire at the same time to give the workingman in the factory a chance. That is what we must do if the farmer is to be able to sell his product at all to anybody.

Not only do we have faithful workers in the leather industry, but we have workers belonging to the Federal Union which sees to it that they get their proper share of the profits of the industry. I have before me not only one but a dozen letters from the general president of that organization, the United Leather Workers' International Union; and one of these letters I shall ask later to have placed in the RECORD. Not only that, but I have a resolution from the Central Labor Union of Delaware, urging what? Urging that their employer may have protection in order that they may have a job; urging that they may have protection in order that they may have some profit, in order that the worker may share that profit.

Is there anything unreasonable about that? Oh, it is true—I do not know to what extent, but of course it must be true to some extent—that the American public must stand a part of the burden; not, however, what is sometimes contended here. It is impossible to say that a duty of 17½ per cent placed on hides must ultimately all be borne by the public. That is impossible. There are enough of these industries in this country and there is enough competition in this industry to see to it that the American public does not pay more than it ought to pay; but what we need is this: We need to see to it that America manufactures all of this leather, and that that from foreign countries shall be sold to some other place.

In 1923 the kid-leather industry in this country was consuming 500,000 square feet of this leather from other countries. In 1929 it was consuming a little less than 15,000,000 square feet. If we believe in the protective tariff at all, can it be contended for a minute, regardless of what effect it may have on the public, that we can afford to destroy this industry? When

we destroy it, it affects the whole public. They have no other place to buy except from the foreign country.

With that showing, it seems to me, it is our opportunity to put through the Oddie amendment as it is—protecting the farmer, protecting the leather industries, protecting the shoe industries all that America needs.

I ask to have printed at the end of my remarks the letter and resolution to which I have referred.

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

The letter and resolution are as follows:

UNITED LEATHER WORKERS' INTERNATIONAL UNION,
Philadelphia, September 18, 1929.

Hon. DANIEL O. HASTINGS,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: As the authorized representative and spokesman for the 10,000 wage earners employed in the production of light leathers, made from goat, fish, and reptile skins, I take the liberty to address you upon the subject of a protective tariff we are seeking, as specified in section 1530, paragraph (c), Senate tariff bill, to be levied against all such leathers made in foreign countries, imported and sold within the borders of the United States.

First. Permit me to call to your attention the fact that the Federal Trade Commission made an exhaustive investigation of this branch of the tanning industry in the United States and foreign countries, made an extended report and strongly recommended ad valorem duties be levied to the degree we are seeking.

Second. The House Ways and Means Committee responded to our appeal, and the House of Representatives, in H. R. 2667, recognized the need and justice of our demands, but not to the extent of the actual requirements to effectively protect the industry and the workers employed therein.

Third. We pursued our demands for adequate rates of duty before the Senate Finance Committee, subdivision on sundries, June 28, 1929, at which time I personally appeared to plead for recognition of the vital needs of the wage earners as an actual "bread-and-butter" requirement of the thousands of men, women, and children dependent upon said industry for steady employment, at adequate wages, to permit the maintenance of the standard of living in this country, thus contribute to the general prosperity of all classes of society through their ability to buy and consume the products of our combined industries. The foregoing especially submitted for the unbiased consideration of all Senators who are devoted to the interests of the farmers, with the reminder that the wage earners of this country constitute the great body of consumers of the products of the farms.

Fourth. The foreign producers have been rapidly capturing the United States market for the top grade of these leathers; in the short period of six years the importations have increased 2,000 per cent, and for the first six months of this year the importations have exceeded 25 per cent of the United States demand for top grade leathers herein referred to; thus it will be obvious to every Senator that destruction of this important United States industry is certain and sure, unless the protection prayed for is awarded from your hands, this being the one and only source from which the industry itself and the well-being of its thousands of employees can be fostered and protected.

Fifth. We submit that fundamentally an import duty can not be justified only for the protection it accords to the United States industries, and the great body of our people directly dependent thereon for their daily subsistence; therefore, having submitted to the Congress of the United States the facts relative to the needs of the industry, and the workers employed therein, we rest our case with the hope and expectation that you will render justice where justice is due.

In conclusion we urgently request every member of the United States Senate to make a thorough study and investigation of all the facts and data assembled for your information, guidance, and final determination, fully confident you will be recorded in the affirmative upon this particular feature of pending tariff legislation.

Respectfully submitted.

W. E. BRYAN,
General President United Leather Workers International Union.

RESOLUTION ADOPTED BY THE CENTRAL LABOR UNION OF WILMINGTON AND VICINITY AT ITS REGULAR MONTHLY MEETING ON MARCH 4, 1930

Resolved, That the Central Labor Union of Wilmington, Del., and vicinity, hereby goes on record as indorsing Senator ODDIE'S amendment because it is in the interest of protecting the interests of American labor and encouraging American capital and American business; it being our firm belief that if our American kid tanners are able to secure the rate of production now lost because of the cheap-labor competition of foreign tanners and importers it will be possible to afford employment to more than 4,000 leather workers in the Wilmington-Camden-Philadelphia kid leather producing district once this market is regained.

Mr. BROOKHART. Mr. President, the Senator from Delaware [Mr. HASTINGS] has made a magnificent speech. He has presented a magnificent scheme for mobilizing and harmonizing this environment and this selfishness that we use in making up a tariff bill. He has made it very clear that the farmer is entitled to protection exactly the same as the other industries of the country; and he has made it plain that, as to hides, he is willing to vote for the farmer. But I wonder where the Senator's environment is going to be when we get to the debenture that is going to give effect to these rates that we have handed out to the farmer, that he knows and everybody knows are not effective.

All the other votes in favor of agriculture, all these little things, are trifling compared to that one element, the debenture.

What about our 42 cents on wheat? What do we mean by that? Is it of any value to agriculture? That is one of the big items. It is of no value whatever, it is a fraud and a false pretense unless we make it effective by this debenture arrangement.

I hope, when the time comes around, that the Senator will get in such an environment that he can see what is for the big benefit of the farmer as well as one of these little benefits that he now sees. I hope he can carry that principle clear through; and, if he does, we will keep the debenture in the bill, and then we shall have something that really will benefit the farmers of the United States in a substantial way, at least to half the extent, and only to half the extent—because it is only half the tariff rate—that we are benefiting the industries all over the country.

Now just a moment upon this particular question. The particular issue here now is the relation between the industrial and the agricultural rates.

I have justed voted for 5 cents a pound on hides. I should have liked to vote for 7½ cents, which the Senator from Nebraska has pointed out would be the just rate for hides in this country. The Senator from Nevada cuts that down to 4 cents. I would rather have that than nothing; but, before I will vote for it, I must know that the rates we are going to give the industries using hides are not going to take it all, and more than all, away from us.

In this proposition of the Senator from Nebraska it is conceded that 6 cents a pound, as proposed by the Senator from Nebraska, is compensatory. In other words, that gives back to the leather manufacturers all the benefit the farmer gets by his protection on all the leather that he will use. They get it all. In addition to that the Senator from Nebraska figures out that they should have 5.4 per cent protection over and above the mere compensation, and the Senator from Nevada wants to give them 10 per cent.

That is not fair. That, again, is against agriculture. It is not giving them a square deal; and if you want my vote for 4 cents on these matters, these compensatory and protective rates on the industries must be cut down to a level with the 4 cents.

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

Mr. BROOKHART. I yield.

Mr. McKELLAR. In that connection I desire to call attention to a figure I stated a few moments ago, and in which I made a mistake. On page 4 of the Oddie amendment it will be found that there is a specific duty of 14 cents per pair of shoes and 10 per cent ad valorem.

Mr. BROOKHART. On what?

Mr. McKELLAR. Ten per cent ad valorem in addition on every pair of shoes. If the average shoes worn in this country cost $4, that will make an additional tax on the shoes of the American farmer, who compose 30 per cent of our entire population, of $48,600,000.

Mr. ODDIE. Mr. President, will the Senator from Iowa yield?

Mr. BROOKHART. I yield.

Mr. ODDIE. I would like to call the attention of the Senator from Tennessee to the fact that he is basing his estimates on the American valuation, while the import rates are based on foreign valuation. It would be something over $2.50 or $2.60 per pair.

Another thing, it has been shown very clearly, in my opinion, that the prices of hides and the prices of shoes are not necessarily related. There is a great fluctuation in the prices of hides under the free-hide system we have to-day. But the price of shoes goes along in a fairly uniform way. It has been demonstrated that the duty we are proposing on hides will not necessarily be added to the cost of the shoes to the public, and I do not think it will be. It will stabilize the price.

Mr. BARKLEY. Mr. President, if the Senator believes that, why does he include in his amendment both a compensatory and a protective duty on shoes?

Mr. ODDIE. Because it is always fair, when we are levying a duty on hides, that a compensatory duty be placed on shoes, and it is necessary from the American standpoint that an ade-

quate protective duty be given to the leather and shoe industries.

Mr. BARKLEY. I thought the Senator just stated that there was no relationship between the price of hides and the price of shoes, and that it did not necessarily follow that the tariff reflected in the price of hides would be followed up in the price of shoes.

Mr. ODDIE. The fact of there being a small relationship between the price of shoes and the price of hides is no argument for allowing the American shoe industry to be injured or destroyed.

Mr. BARKLEY. So that as a matter of fact the Senator does think it would be reflected in the price of shoes.

Mr. ODDIE. I do not see the analogy there at all.

Mr. BARKLEY. I do not think the Senator does.

Mr. ODDIE. I believe that the American shoe industry must be protected, and the Senator from Massachusetts has brought that out very clearly and very forcefully. Other Members of the Senate have brought out the fact that the American farmer and the American livestock producer must be protected.

I feel now that this matter has been discussed quite fully, and I hope the amendment I have suggested will be carried. The Senator from Massachusetts has proposed an amendment which would place hides on the free list.

Mr. PITTMAN. Mr. President, I am going to take but three or four minutes.

Some questions were asked a while ago that were not answered. There was a question as to the production of cattle in this country. The Senator from Nebraska said that the cattle raisers in his State would make $2,000,000 out of their cattle. It seems strange that no one knew the figures, but they are to be found in the Statistical Abstract.

There were marketed last year 22,795,000 cattle. That is the number of those sent on the railroads. The number driven to cities and villages, of course, is not given in this abstract. Of beef cattle there were 35,057,000 on the farms last year.

Let us see what amount of leather and hides was shipped. I want to talk to those who come from farms. I have been astounded to find those who are interested in the farmer and come from the cattle sections of the country, and from dairy sections, saying they do not see what benefit this would mean to the farmers.

Mr. BORAH. I do not, and I would be delighted if the Senator would tell me.

Mr. PITTMAN. I will try to, in three or four minutes. At the rate proposed, the farmers will receive $41,561,000. At the highest calculation, if the duty is carried into the price of shoes, it will cost them $12,000,000.

Mr. BORAH. How much did the Senator say the farmers would receive?

Mr. PITTMAN. Forty-one million dollars.

Mr. BORAH. The Senator is assuming that the farmer will get the full benefit of the high tariff.

Mr. PITTMAN. Yes; I am. In considering a tariff we have to make some assumptions. Let me show how we get that figure. I want to refer to the Statistical Abstract I have here, and state the amount of hides and leather shipped. I take the year 1925, because we have all the statistics for that year; but they will be the same for the present year, with some slight exceptions.

There were 1,026,000 tons of hides and leather shipped by rail in 1925, tons of 2,000 pounds; so that amounted to 2,052,000,000 pounds of hides and leathers.

The weight of the hides was greater than of the leather, we will admit, but let us cut it in two. As a matter of fact, it will be found that in that year 513,000 tons of hides were shipped over the railroads. In other words, 1,026,000,000 pounds of hides were shipped in that year.

Mr. WALSH of Montana. Mr. President, I find that the figures now given us by the Senator are quite inconsistent with the information given us by the Tariff Commission, which tells us that the entire number of cattle hides tanned annually in the United States is about 22,000,000; that is to say, both imported and domestic.

Mr. PITTMAN. I am not dealing with hides; I am dealing with pounds.

Mr. WALSH of Montana. We are considering the duty on hides.

Mr. PITTMAN. I know, but it is based on 4 cents a pound.

Mr. WALSH of Montana. Of course, but it can not exceed possibly the total number of hides tanned, both domestic and imported.

Mr. PITTMAN. But if a hide weighs 35 pounds, you have to multiply the number of hides by 35.

Mr. WALSH of Montana. I agree with the Senator about that, but the question is, What is the basis of the computation? You can not take 35,000,000 when there are only 22,000,000 tanned.

Mr. PITTMAN. I will state the basis I am taking. The statistics from which I am quoting, which were gotten out by the Department of Commerce, state the number of tons of hides and leather shipped during the year. I take it that is correct. If we reduce that tonnage to pounds, we have 1,026,000,000 pounds of hides shipped that year. That means shipped to market. In other words, in 1925, there were sold from the farms a little over 1,000,000,000 pounds of hides.

Half of those hides were dried hides and half of them were green hides. All you have to do is to multiply that number by 4 cents, and the result is $41,000,000. That related only to hides shipped to market. The hides shipped to market, according to the Statistical Abstract, at 4 cents a pound, were worth $41,000,000, and that is exactly what it would mean to the farmer at 4 cents a pound.

If we admit that the farmers of this country are 30 per cent of the consumers, then they would consume 90,000,000 pairs of shoes. But everyone knows that the farmers of this country do not use as many shoes as other classes of people use, and not as expensive kinds of shoes. But assuming they use their 30 per cent of the 300,000,000 shoes, at 14 cents, the total cost carried into the extra cost of the shoe at 14 cents a pair would be $12,000,000.

The result is that the farmers, if the duty is effective—and of course we can not assume anything else in this argument—will get $41,000,000 out of it, and the extra cost carried into the shoe will be $12,000,000. That is on the assumption that they use their proportionate part of all the shoes manufactured annually in this country.

There is not a man from the West or from the South who does not realize the destitution of the farmer, it is an admitted fact; it is not realized by some in the East, but they know enough of the conditions not to deny it. The cattle industry is not prosperous. There is not a man here but who knows that the cattle industry is not prosperous. It is depressed.

As the Senator from Massachusetts says, if we find that an industry is depressed by reason of foreign competition, we should do something. Is there any question about the price of hides being depressed because of the shipment of cheap hides from South America? Why have the leather people fought a duty on hides? Because they have said that it cost them more because they get their cheap hides from South America.

There is no doubt, of course, that it will add to the price of shoes 14 cents a pair, that it will add to the cost to the consumer. We have a tariff on everything on earth, practically, and every tariff adds to the cost to the consumer. But here is an opportunity to help directly the farmers in every section of this country to the extent of $41,000,000 if the tariff is effective. That is the point I wanted to urge.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from Nebraska [Mr. HOWELL] to the amendment of the Senator from Nevada [Mr. ODDIE].

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

The yeas and nays were ordered.

Mr. WALSH of Massachusetts. May we have the amendment reported?

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. The junior Senator from Nebraska proposes, in the amendment offered by the junior Senator from Nevada [Mr. ODDIE], on page 2, line 7, to strike out "10" and insert in lieu thereof "5.4," so as to read:

(1) Sole, belting, or harness 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, belting, harness, or saddlery, 6 cents per pound and 5.4 per cent ad valorem.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METCALF (when his name was called). I have a general pair with the senior Senator from Maryland [Mr. TYDINGS]. I understand that if he were here he would vote as I shall vote. I vote "nay."

Mr. WATSON (when his name was called). I have a general pair with the Senator from South Carolina [Mr. SMITH]. Not

knowing how he would vote, I transfer my pair to the Senator from Kentucky [Mr. ROBSION] and vote "yea."

The roll call was concluded.

Mr. BLACK. On this vote I have a special pair with the junior Senator from New Jersey [Mr. BAIRD]. I do not know how he would vote, and I, therefore, withhold my vote. If permitted to vote, I should vote "yea."

Mr. BLEASE. I have a pair with the Senator from Connecticut [Mr. WALCOTT]. Not knowing how he would vote, I withhold my vote.

Mr. GEORGE (after having voted in the negative). I have a pair with the senior Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the junior Senator from Oklahoma [Mr. THOMAS] and allow my vote to stand.

Mr. BLACK. I find that I can transfer my pair to the senior Senator from Arizona [Mr. ASHURST], which I do, and vote "yea."

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

The Senator from Arkansas [Mr. CARAWAY] with the Senator from Vermont [Mr. GREENE];

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

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

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

The Senator from Wyoming [Mr. KENDRICK] with the Senator from Illinois [Mr. GLENN];

The Senator from Virginia [Mr. GLASS] with the Senator from Connecticut [Mr. BINGHAM].

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

The Senator from Tennessee [Mr. BROCK] with the Senator from Wyoming [Mr. SULLIVAN].

The result was announced—yeas 32, nays 34, as follows:

YEAS—32

Allen	Fletcher	McKellar	Stephens
Black	Frazier	McMaster	Swanson
Bratton	Harris	Norbeck	Thomas, Idaho
Brookhart	Harrison	Norris	Trammell
Capper	Hayden	Nye	Walsh, Mont.
Connally	Heflin	Pittman	Waterman
Cutting	Howell	Robinson, Ind.	Watson
Dill	Jones	Sheppard	Wheeler

NAYS—34

Barkley	Goldsborough	Keyes	Smoot
Blaine	Grundy	La Follette	Steck
Borah	Hale	McCulloch	Steiwer
Broussard	Hastings	McNary	Townsend
Copeland	Hatfield	Metcalf	Vandenberg
Dale	Hawes	Moses	Wagner
Fess	Hebert	Oddie	Walsh, Mass.
George	Johnson	Patterson	
Goff	Kean	Shortridge	

NOT VOTING—30

Ashurst	Gillett	Phipps	Simmons
Baird	Glass	Pine	Smith
Bingham	Glenn	Ransdell	Sullivan
Blease	Gould	Reed	Thomas, Okla.
Brock	Greene	Robinson, Ark.	Tydings
Caraway	Kendrick	Robsion, Ky.	Walcott
Couzens	King	Schall	
Deneen	Overman	Shipstead	

So Mr. HOWELL's amendment to Mr. ODDIE's amendment was rejected.

Mr. SMOOT. Mr. President, it is about time to recess, but I want to submit a unanimous-consent request while we have a goodly number of Senators present. I ask unanimous consent that on to-morrow, after we meet at 11 o'clock, debate be limited to 10 minutes on any amendment that may be offered to the hides and leather paragraph.

The PRESIDING OFFICER. Is there objection?

Mr. HOWELL. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HEFLIN. Can we not get an agreement to vote on the entire proposition not later than 12.30 p. m. to-morrow?

Mr. SMOOT. No; I do not believe we can do that.

Mr. HEFLIN. If we could, we would make progress to-morrow.

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 and 5 minutes p. m.), under the order previously entered, took a recess until to-morrow, Saturday, March 15, 1930, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

FRIDAY, *March 14, 1930*

The House met at 12 o'clock noon.

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

Teach us, our Heavenly Father, that we can have nothing everlastingly good unless Thou dost grant it. Fill our minds, our hearts, and our hands with thoughts and deeds of loving service. Teach us the beauty and the glory of the Christian graces, and when the dark days come teach us to wait and listen for Thy voice. Urge us to live in the common cause and help our fellow men while in the world we stay. At Thy footstool we bow and confess our failures. O may we hear Thee say: "Thou didst thy best; that is success." In the name of Jesus our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

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 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, while I do not intend to object, Mr. TUCKER, of Virginia, called me on the telephone this morning and stated that he would like to have a little time on the question of the Farm Board appropriation. I do not see him in the Chamber at the moment, and I told him that probably the gentleman from Indiana would ask unanimous consent to send the bill to conference immediately after the House met. I do not feel like taking the responsibility of objecting, but I want to make this statement, so that if the gentleman from Indiana [Mr. WOOD] saw proper to postpone it a little while on account of the request of the gentleman from Virginia [Mr. TUCKER], he might do so.

Mr. WOOD. I will state to the gentleman from Texas that we have arranged for a conference this afternoon, and it is important that we have the conference as soon as possible.

Mr. BYRNS. I assume the gentleman would be glad to accord Mr. TUCKER a little time on the report when it comes in?

Mr. WOOD. Yes; certainly.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. WOOD, CRAMTON, WASON, BYRNS, and BUCHANAN.

PERMISSION TO ADDRESS THE HOUSE

Mr. WATSON. Mr. Speaker, I ask unanimous consent on Tuesday, March 25, to address the House for 20 minutes on the one hundredth anniversary of the declaration of independence of Greece.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to address the House for 20 minutes, after the completion of business on the Speaker's table, on Tuesday, March 25. Is there objection?

There was no objection.

Mr. GARNER. Mr. Speaker, I ask unanimous consent on next Thursday, after disposing of matters on the Speaker's table, to address the House for 30 minutes.

The SPEAKER. The gentleman from Texas asks unanimous consent on next Thursday, after the disposition of matters on the Speaker's table, that he may address the House for 30 minutes. Is there objection?

Mr. TILSON. Is the gentleman going to address the House this morning?

Mr. GARNER. I am going to address the House this morning. I have asked for this time, but I may not use it. We have developed a habit in the House during the present session whereby if you are going to get time at a certain date you must get it a week or 10 days ahead of time. In times past, when we were considering the regular business of the House, you could get unanimous consent to address the House for 15 or 20

minutes at almost any time, but in order to do that now you have to displace some gentleman who already has a special order, and I anticipate that on next Thursday I may want to make some observations.

Mr. TILSON. We have developed some very bad habits during this session, when we have not been pressed for time, that we may have to break when conditions are different.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MONTET. Mr. Speaker, I ask unanimous consent that on Thursday next, following the gentleman from Texas [Mr. GARNER], I be permitted to address the House for 20 minutes.

The SPEAKER. The gentleman from Louisiana asks unanimous consent that, following the gentleman from Texas [Mr. GARNER], he may address the House for 20 minutes on Thursday next. Is there objection?

There was no objection.

THE PHILIPPINES AND THE JAPANESE BUGABOO

The SPEAKER. Under the special order of the House, the Chair recognizes the gentleman from Wisconsin [Mr. NELSON] for one hour.

Mr. NELSON of Wisconsin. Mr. Speaker, I have a brief bibliography, with some excerpts on each point. To save time I have put them in at the end of my speech, and I ask unanimous consent to extend my remarks.

The SPEAKER pro tempore (Mr. DARROW). The gentleman from Wisconsin asks unanimous consent to extend his remarks as indicated. Is there objection?

There was no objection.

Mr. NELSON of Wisconsin. Mr. Speaker, any serious study of the Philippine question soon brings us face to face with certain objections. Specifically, it has been my repeated experience when pointing out our imperative duty of keeping faith with the Filipinos by granting them the independence they desire, as we desired it, their God-given right as much as it was ours, and which we have from the beginning promised them over and over again, some opponent of Philippine independence will almost invariably suggest—Japan. Only as we subject this and similar objections to close scrutiny, separate fancy from fact, prejudice from judgment, shall we be able to distinguish the right from the wrong way of dealing with the Philippine problem.

Accordingly, I now invite your attention to an analysis of this particular objection, known by the friends of the Philippine people as the familiar "Japanese bugaboo." I select the word "bugaboo" deliberately to characterize a hypocritical disguise, but the words "scarecrow," "smoke screen," or "bogey" might serve as well. This mask of pretended good will for the Filipino people makes its appearance in various garbs, but in its common form it is usually as follows: "If we set the Philippines 'adrift' they will immediately fall a 'prey' to Japan."

By thus assuming, without any real reason, that Japan is the "yellow peril" that they would have her appear, and that she would take the Philippines as soon as we give them their independence, the harmful effect is twofold. An ethically minded American feels instinctively that to set these helpless wards free, "adrift," only to be swallowed up immediately by an oppressive pagan people would be morally unjustifiable; and every business-minded American feels that to give up "our resources in the east" merely to let the "Japs" take over "these fabulous riches" as "prey" would be sheer economic folly.

Therefore I now propose to prove that the assumed premise that Japan will take over the Philippines when we give them their freedom is wholly groundless. My extended review and careful study of numerous and competent authorities, which I shall quote only in part but cite more fully in an appendix to my extended remarks, has fully convinced me that the unwarranted attack on the national integrity of Japan, our good neighbor on the other side of the Pacific, is but a part of the natural and clearly understood propaganda of certain American business interests conducted to cloak their commercial desires to exploit and to hold the Philippine Islands indefinitely.

As nations are but aggregations of human beings, they are more or less governed by low, greedy motives or by high national ideals. Let us first assume that Japan is as painted, a country devoid of our supposed high standards of conduct, and that she is actuated only by motives of sinister self-interest, which we loftily look down upon with virtuous contempt. What of it, so far as an independent Philippine republic is concerned?

THE LEAGUE OF NATIONS

Consider first the League of Nations. The Philippines could and would become a member. How, then, would Japan remain a member and at the same time oppressively plot to overthrow the independence of another member of the league? Think of the representative of Japan sitting side by side at Geneva with the Philippine member under such circumstances. Of course, Japan could not retain her membership in the league and destroy the independence of the Philippine republic without incurring the hostility of every member of the league. Consequently, to the degree that the League of Nations is efficient in safeguarding the integrity of its membership, this Japanese "bugaboo" becomes deflated. If the league is 100 per cent efficient, the Japanese "bugaboo" has at once become a 100 per cent flat tire. (1.)

SIAM

What of Siam? How has this oriental country been overlooked by Japan? Siam is in the same latitude with Japan, so is Luzon, the chief island of the Philippines; but the other islands of the Archipelago extend far down into the Tropics. Siam is a compact country on the mainland, of more territory, and has a population of less than 10,000,000; whereas the Philippine Islands are widely scattered and have a population of 13,000,000 people. If Japan is looking for "prey," why would she prefer the Philippines to Siam? This brings up two other checks on the Japanese "bugaboo."

THE BALANCE OF POWER

Siam's independence is preserved because "the balance of power" in the Far East must not be disturbed. Then, why can not the independence of the Philippine Islands be protected by it likewise? The wall of resistance that "the balance of power" erects against any supposed Japanese menace would be most effective. The Philippine Archipelago is made up of thousands of islands covering thousands of square miles. They radiate in all directions and so have, as their neighbors on the south, Borneo and Australia, which, with India on the northeast, are English colonies. Would the English interests in Australia, India, Borneo, Singapore, permit Japan, without serious protest, to disturb the balance of power in the East? Would Japan be likely to absorb the Philippines without the consent of her ally, Great Britain? Hardly. To the southeast are the Dutch possessions; chief of these is the island of Java. The Dutch would immediately join with the British and the United States in a vigorous protest against the advance of Japan toward the Malay possessions. Japan would meet with hostility in every direction. Mention has been made of Indo-China, a French possession to the northeast. To the north lies the awakening giant, China. Territorial self-interest and the fear of one another would tend to hold firmly in check any display of Japanese "imperialism" in the Philippine Islands.

NEUTRALITY GUARANTEED

Now look at the Anglo-French convention in 1896, by which Great Britain and France—Siam's neighbors holding India and Indo-China—maintain the balance of power between them by agreeing to Siam's independence.

What would become of the "Japanese bugaboo" if the United States should join Great Britain and France and agree to recognize the independence of the Philippines so as to strengthen further the status quo in the Far East? (2.)

THE 4-POWER PACT

The 4-power pact is not to be overlooked. Not only Great Britain, France, and Japan, but also the United States agreed at the peace conference at Washington to preserve the peace in the Pacific. Why would this agreement not extend its protecting wings over the independent Philippine Islands? What is to hinder the 10-year time limit being extended, and why could not these "high contracting parties" amend the pact by adding the one word "former," so as not only "to agree as between themselves to respect the rights in relation to their present insular possessions and insular dominions" but also so as to include their former insular possessions and insular dominions? What would be the cost other than the price of paper and ink? All the Filipinos need, if they need that, is perhaps 20 years of freedom from guardianship in which to develop their own beaks and claws to full growth, as did Japan, to be able to defend themselves. In the meantime, as an independent republic they will be able to make their own treaties with whatever powers they please for their self-protection.

MORAL PROTECTION

Finally, there is America. How do we now defend the Philippines? Not by fortifications, not by an army, nor even by a navy, but by "moral suasion." No well-informed American will make any pretense that we could afford to defend the Philippines against Japan or that we intend to do so by military or naval force. It would cost too much. In a recent book, James Parker, an American brigadier general, speaks of the islands as a "strategic weakness" easily "captured from us." It is a well-known fact, as admitted not long ago by General Crowder, that in case of war with Japan there would be no attempt to protect our trade with the Philippines. If

captured, we could not take them back without too great a cost. One writer estimates that it would cost a "fifty billion dollar war" to recover them. Members of Congress after giving study to the subject declare that it would be the "most herculean task ever undertaken." All of which Roosevelt had in mind when he said:

Any kind of position by us in the Philippines merely results in making them our heel of Achilles if we are attacked by a foreign power. They can be of no compensating benefit to us. They are "a source of weakness to us."

This being so, why would not the Philippines, when given their independence, have equally as much our moral protection, having been our adopted child, our ward, to whom we had given freedom? Would not Japan realize that taking them without our consent would be regarded by the American people as an unpardonable affront? Would she be likely to do a thing of this kind to us? Thus we see that there will be no real difference in the protective status of the Philippine Islands. Japan would no more risk our enmity after we have set the Philippines free than she has before setting them free. (3.)

FALSE PROPAGANDA

It is an interesting psychological fact that when a human being is doing that which is wrong he neither can nor will tell the truth. This elemental fact of human nature has been pointed out over and over again in the literature of the world, both sacred and profane. And so it is quite natural that the would-be exploiters of the Philippine Islands put forth false and slanderous arguments, including this Japanese peril. Is it not a curious fact that only those who are opposed to Philippine independence are fearful of "Japanese imperialism"?

The friends of Philippine independence throughout the world, and especially the Filipinos themselves, have no such fears; and surely they should be most concerned about their freedom and welfare, and be particularly alarmed over Japanese "imperialism," were it not known to them as a mere bugaboo, bogey, smoke screen, to cover the selfish desire of groups of interests now or prospectively seeking to exploit the resources of land and labor in "the pearl of the Orient."

EARLY SOURCE OF PROPAGANDA

Who the slanderous, selfish interests are that are now in eruption I shall presently point out, but first let me reveal the origin and development of the defamation of our neighbor across the Pacific for more than 25 years.

For 40 years there had been uniformly friendly relations between the United States and Japan. This was true of the Governments as of the people. After the year 1905 there were signs of a change in public opinion on both sides of the Pacific. The Russo-Japanese War came, and President Roosevelt intervened to bring about a treaty of peace. Japan yielded the point of indemnity, but she secured recognition of her political, military, and economic interests in Korea. The Russian plenipotentiary, Count M. Witte, takes credit for having caused the change in sentiment as to Japan. Payson J. Treat, in his book, Japan and the United States, quotes him as saying:

By my course of action I gradually won the press over to my side * * * so that when I left the trans-Atlantic republic practically the whole press was on our side. The press, in turn, was instrumental in bringing about a complete change in the public opinion of the country in favor of my person and of the cause I upheld.

Mr. Treat then goes on to describe the propaganda that was conducted against Japan. Because of her display of military power in defeating Russia—

The most absurd articles were printed and accepted by the people too little informed to distinguish between fact and fancy. So few people in either country really know much about the other—

Says the writer,

and it is so easy to suspect the motives of a stranger.

Japan, said the yellow press, could "easily wrest the Philippines from the United States, then Hawaii, and finally the whole Pacific coast"; Canadians were warned that parts of Canada would be the "Japanese objective"; Australia was alarmed; even French Indo-China, the Dutch possessions, British India, Mexico, and South America were to be "scenes of Japanese aggression." The British Empire, France, the Netherlands, and the South American Republics were menaced, said the publicists. In fact, China was to be organized by Japan and thus civilization would be confronted with the "yellow peril" in all its horror. "These statements," says the writer, "are by no means fanciful. They may be found in many serious articles published soon after 1905." (4.)

LATER AGITATORS

For years various unscrupulous groups with motives of mercenary self-interest have, through books, speeches, pamphlets, and particularly through the jingo press, carried on this offensive agitation against Japan.

If we have a war with Japan, said President Plantz, of Lawrence College, Wisconsin—

These yellow journals and yellow propagandists will be the cause of it.

"The Industrial Workers of the World and other labor organizations" have assisted in scattering this propaganda, according to William Fisher, president of the Stone Fisher Co., of Washington. Another contributing agency, writes President Plantz, of Lawrence College, was the "Navy League." I recall how a former famous naval officer, Richmond Pearson Hobson, while in Congress sought to scare the country by dreadful pictures of Japan marching across the Rocky Mountains in conquest of America—all for the purpose of getting more and bigger battleships. (4.)

This anti-Japanese agitation, writes Raymond Leslie Buell, was continued "under the leadership of the Exclusion League and American Legion." D. W. Kurtz, president of McPherson College, Kansas, says "the politicians and California" and "journalists" have contributed to the propaganda against Japan.

PRESENT PROPAGANDISTS

At present it is the Philippine-American Chamber of Commerce of New York and Manila that is carrying on this Japanese scare to prevent Philippine independence.

No American in the Philippines—

Including particularly the Philippine-American Chamber of Commerce in Manila, says Stephen P. Duggan—

believes the Filipinos would be permitted peacefully to go their way. * * * When pressed for an answer as to the power that would take the place of the United States he usually replies that it might be the Dutch or the English, but that it would probably be the Japanese.

Representatives of the chamber of commerce recently appeared before the Committee on Territories and Insular Affairs of the Senate to oppose independence. This trade group, according to the testimony brought out in the hearings, consists of 81 big business firms who have financial interests in the Philippines. They do not disguise their selfish interest. They admitted in the hearings that they had raised a considerable sum of money to arouse public sentiment against independence. Their object, they say, is—

To promote, foster, and advance commerce between the United States and the Philippines.

And add:

We believe that the independence of the Philippines is diametrically opposed to this object.

Of course, their stock objection is "Japan."

ITS HYPOCRITICAL NATURE

But the hypocritical nature of the use of this bugaboo is self-evident when we note how they play both sides against the middle in pointing to Japan's relation with Korea. In a circular letter received from this branch of the Philippine-American Chamber of Commerce the plea is made that independence to the Philippines would have—

Far-reaching international importance in that the Koreans would take fresh heart in their opposition to the Japanese.

This would appear to be taking sides against Korea.

In another hearing this same organization pointed out how Japan had "absorbed and subjugated" Korea as "ruthlessly" as any "ancient monarch ever did." This would seem in sympathy with Korea and in fear that the same sad fate might befall the Philippines. All of which proves that this Japanese argument is mere pretense, a smoke screen to cover up admitted self-interest. (5.)

As a part of this propaganda against Philippine independence Members of Congress have received other circulars and letters from financial interests doubtless inspired by the same source. The Harriman National Bank frankly pleads:

We have 120,000 square miles of virgin territory, and of immeasurable value in these islands. Why even impulsively think of giving them away?

Other bald and equally bold appeals to American greed might be cited. Even Members of Congress have stated on the floor that—

Much of America's future prosperity is intertwined with the future of the Far East.

In nearly every propaganda article by selfish interests, after pointing out the Japanese peril and belittling all ethical arguments, the bold bid is made to American self-interest. The rich resources of the Philippines are recounted.

Only a few months ago an itinerant retired Army officer, Col. Colin Ball, visited my home city, Madison, Wis., and made a speech before a club.

The colonel—

Says the Capital Times—

describes the vast resources of the Philippines, saying "that, properly exploited, the islands will produce enough rubber to free the United States from the British monopoly, enough sugar to make us independent of Cuba."

"But why isn't this done?" he asked. "Because of the menace of independence hanging over us. Once independence is granted, an American dollar there wouldn't be worth a cent—just as in the case in Mexico and Central America, where American capital is discriminated against by every means possible.

"Instead of this windy nonsense about uplift, we should have said, your country has become a part of ours, and we propose to exploit it, quit talking politics, and go to work."

The evil of all this villainous slander of a great people would be incalculable but for the fact that responsible American statesmen deprecate it and Japanese statesmen understand us only too well. But, nevertheless, it is deplorable that selfish interests in the United States, to make money out of our Filipino wards, do not hesitate to villify our friendly and powerful neighbor across the Pacific.

I know of no greater disaster to international relations than the constant agitation of hostility of other nations to us—

Writes Doctor Ainslee, Christian Temple, Baltimore, Md.

Neighbors—

He says—

can not live in peace on the same streets by such method; neither can nations though separated by an ocean. The difficulty that we are facing is the barbarism of our own civilization. America should be expected to lead the way by a policy that is above the standard of suspicion and antagonism.

Japan seeks only to emulate our example, and, as we have the Monroe doctrine for America, she will more and more stand for a Monroe doctrine of the Orient. (6.)

It is Japan's plea to America, as expressed by her present ambassador, that—

Nations deal with one another in accordance with the principles of tolerance, fair play, and good neighborliness.

If that were done—

There is little doubt—

Said her Ambassador Matsudaira—

peace will prevail and commerce will thrive and the happiness of mankind will be promoted.

I would add if the "white peril" would only pay a little more respect to the principle of the golden rule, there would be little cause to fear the "yellow peril." (7.)

JAPAN—BEST PROTECTION

Finally, Mr. Speaker, the best protection against the Japanese bugaboo is the real Japan herself. Japan is not the "yellow peril" that she has been pictured. Japan has been basely misrepresented. I will append to my remarks in the RECORD a list of authorities with brief quotations that will establish her national integrity to any reasonable mind. (8.)

JAPAN AND THE UNITED STATES ARE FRIENDS

Japan has for 50 years been a true friend of the United States. It was America, through Admiral Perry, in 1853, that awakened the sleeping giant of the Orient. She has never ceased to be grateful. Prof. L. S. Smith, of the University of Wisconsin, after a tour of the Orient, said:

All this tommyrot of a war between the United States and Japan is pure fabrication.

She has always kept faith. Never once has she taken any step that would be offensive to the United States. American statesmen have over and over again testified to the unvarying friendship and good will. A former Secretary of State, Elihu Root, has so stated:

For many years I was very familiar with our own Department of Foreign Affairs. During that time there were many difficult, perplexing, and doubtful questions to be discussed and settled between the United States and Japan. During all that period there never was a moment when the Government of Japan was not frank, sincere, friendly, and most solicitous not to enlarge but to minimize and do away with all causes of controversy.

And William R. Castle, jr., the present United States ambassador to Japan, says:

It is a wonderful thing to be a representative in Japan of a Nation desiring nothing but friendship. I know of no two nations whose interests more thoroughly coincide than those of Japan and America. (9.)

"AGGRESSION" WITH UNITED STATES CONSENT

Let us now look carefully into her attitude toward her neighbors, Manchuria, Formosa, and Korea, upon which is based the charge that she is warlike and aggressive. It has been asserted that because of her "land-grabbing" history in connection with these lands she will also annex the Philippines. What are the facts? Although Japan had won the war with Russia, at the suggestion of an American President, Mr. Roosevelt, she magnanimously consented not to demand Manchuria as a Japanese possession, and she has taken no step that can be challenged other than to strengthen her interest there by way of trade. President T. Go, of the South Manchurian Railway, a Japanese, said that annexation of Manchuria would be "an anachronism in the face of the present world situation."

Japan did take over the island of Formosa after her successful war with China. But she did not do so without first heeding the urgent advice of an American consul general, General Le Gendre, who pointed out the advantage to her of setting up a Monroe doctrine in the Orient after our plan. He cited our example in the Louisiana Purchase, the annexation of Texas, and the acquisition of Alaska. This advice of a United States consul general was subsequently approved and strengthened by a visiting ex-President, Ulysses S. Grant.

Now let us consider Korea. Did Japan swallow up Korea without the consent of America? History says she did not. It was the United States that first made a treaty with Korea in 1883. "On the strength of this treaty Koreans looked to the United States for help in their emergency." Korea thought she would be protected by us from her neighbors, Japan and Russia. But she soon found that America did not mean protection by armed forces.

Russia and Japan also sought treaties with Korea. Having made a treaty with the United States, she could not very well refuse to deal with her neighbors, and it was thus that we led her into the difficulty that finally resulted in her absorption by Japan in 1910.

But this is only a small part of her sad history. We know now that Japan did not absorb Korea until an American President had given his direct and specific approval. Mr. Tyler Dennett was permitted access, in 1924, to Roosevelt's private correspondence at the time that he was intervening between Russia and Japan. These letters, reproduced by Dennett in his book, Roosevelt and the Russo-Japanese War, reveal the fact that Japan acted with his consent in taking over Korea. The Japanese, in turn, declared they have no designs on the Philippines. President Roosevelt justified his action by saying that—

Korea was absolutely Japan's. To be sure, by treaty it was solemnly covenanted that Korea should remain independent, but Korea was itself helpless to enforce the treaty, and it was out of the question to suppose that any nation with no interest of its own at stake would attempt to do for the Koreans what they were utterly unable to do for themselves. (10)

We see clearly that in her attitude toward Manchuria, Formosa, and Korea—and I do not defend her—she acted with the consent of America's representatives.

If she did wrong, how can we defend ourselves for consenting to that wrong? She was only following our own "land-grabbing" example in the Philippines. It is so easy to see and condemn the mote in the eye of Japan, but we do not so readily acknowledge the beam in the eye of America. (11.) Oh, the hypocrisy of setting up this bugaboo of Japan's imperialism! Oh, the hypocrisy of this propaganda of a "yellow peril." What about the "white peril" in the Philippines? (12.) In China? In Africa? In Java? In India? Who but the white peril has strangled the independence of most of the nations in the Old World and are holding them to-day as "prey." (7.)

JAPAN MIGHT HAVE BOUGHT THE ISLANDS

Does Japan want the Philippines? No. History informs us that she could have bought them from Spain, but she declined them even at the paltry sum of $8,000,000. Japan refused them because the islands were "too far off and they did not care to live in the Tropics," and she "did not want to buy trouble." (13.)

THE JAPANESE DO NOT THRIVE IN THE TROPICS

The Japanese do not like the Tropics. They do not thrive in the Philippines because of the tropical climate. Japan's climate is an oceanic climate. At one time there were as many as 15,000 Japanese in the Philippines, but the Japanese settlement has steadily declined until there are only about 5,000 or 6,000 Japanese there to-day. Formosa proved an unexpected problem to Japan because the Japanese could not endure work in the open heat. (14.)

THE JAPANESE POOR COLONIZERS

It is a difficult task for Japan to induce her loyal and devoted subjects to leave the Empire.

In Japan patriotism is the cornerstone of national existence; it is the flame illuminating every heart from palace to farmer's hut.

They cling with all the instincts of their racial traditions and religious training to the main islands of Japan.

Says a writer—

The Japanese never cares to wander from his own fireside * * * although it be nothing but some charcoal in a brass pot.

It is an interesting fact that there are but 50,000 Japanese outside of the Empire; and, also, even in Hawaii the Japanese settlement is steadily decreasing.

Japan's most successful colonization has been in California. (15.)

JAPAN INDUSTRIALIZED

Japan saw that "what had made England and the British Empire was her trade and industries," and it was this that Japan determined to emulate. She saw, too, that industrial growth would add enormously to the power of the nation in the Far East and among European countries. But, unlike England, Japan sought to develop her industries to supplement her agriculture. (16.) Therefore, Japan is solving her problem of population by relying on intense industrialization and by scientific cultivation of her arable land. Only about 17 per cent of the total area of the mainland is cultivated, but the increase in acreage in 1922, over the 5-year average of 1885–1889, was 18 per cent. The increase in production per acre was 41 per cent. (17.)

COLONIAL DIFFICULTIES

To take over the Philippine Islands would but increase Japan's present almost unsurmountable colonial problems. She first tried force in Formosa and Korea, but without success. By means of force she can no more make Japanese out of the people of Formosa or the people of Korea than we could by force make Americans out of the Filipinos. She has abandoned that project and is now trying to win them over by a "policy of attraction." She is spending large sums of money in these islands to bring about conditions that will secure the good will of the conquered people. But while this peaceful policy is far better than that of force, yet it is not successful. The people of Formosa can never forget that they have been deprived of their freedom, and they are only abiding their time, aided and abetted by China, from whom Formosa was taken.

Her policy of forceful treatment in Korea brought on a rebellion which she put down by superior military power; but, again, Korea's people never fail to realize that they are a subject race, and are appealing to the world for sympathy; and they, too, are abiding their time to strike for their lost liberty.

For these reasons, if for no others, Japan is not looking for more colonial problems. (18.) She has worries enough now without adding the Philippine Islands with 13,000,000 liberty-loving human beings, cherishing their freedom as a priceless possession, encouraged in democracy by the United States, and taught Christianity by Spain. Japan knows well what her problem would be if she, a pagan country, attempted to hold in subjection a Christian Oriental nation. (19.)

JAPAN'S SELF-INTEREST

But aside from all this, Japan's self-interests are against aggression. She must have friendly relations with the United States. Her trade depends upon it. We are her best silk customers, buying 95 per cent of her export silk, and absolutely necessary to her policy of industrialization. (20.)

JAPAN ADOPTS CHRISTIAN STANDARDS

Moreover, Japan has more and more taken over Christian standards of national conduct. She has realized that only by faithful adherence to the higher ideals of civilization will she be able permanently to maintain her high place as a world power. Major General Hibiki of Japan has said:

It is important to send missionaries to other parts of Asia, but it is far more important to send them to Japan. This is the strategic land and now is the strategic time, for Japan is the inevitable leader of the Orient. It will make a vast difference with the whole East, and indeed with the whole world, whether Japan becomes Christian or remains permanently an un-Christian nation. (21.)

AN ABSURD CONCLUSION

This absurd bugaboo of Japanese imperialism leads naturally to an absurd conclusion. If the Philippines are to wait for independence until Japan's power has been taken away from her in the Orient, the people of the Philippines are condemned to be a subject nation forever. (22.) When will Japan be removed further from the Philippines than she now is? And when will conditions of international good will be more favorable to protect our wards against a usurping power than at this time of peace parleys and peace conferences?

JAPAN'S OWN VIEW OF IT

Admiral Takarabe rightly comments that—

To picture Japan as waiting for the United States to grant independence to the Philippines so that she can pounce upon the archipelago the moment it is left without American naval defenses amounts to saying that the treaty of Versailles, the Conference on Limitation of Armaments, and Pacific questions at Washington and the Locarno pacts are dead letters and wasted labor.

When once granted, the Filipinos have no fear that Japan or any other country will deprive them of their freedom.

THE WORLD-OLD STORY

Speaking of the eternal opposition of vested self-interest to grants of liberty to nations or individuals, John Sharp Williams, whom I knew in Congress for 20 years as a profound student of human history, summed up this world-old struggle in these words:

From the beginning religious bigots have been afraid of it, political bigots have been afraid of it, and industrial bigots have been afraid of it. And yet, whenever it comes, we find it stimulates human enterprise, human intelligence, human ambition, and human industry to such an extent that it more than compensates for what seems to be plain and palpable and obvious immediate losses by it.

[Applause.]

EXHIBIT

(1) LEAGUE OF NATIONS

ARTICLE X. The members of the league undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the league. In case of any such aggression, or in case of any threat of such aggression, the council shall advise upon the means by which this obligation shall be fulfilled.

(2) NEUTRALITY

The Washington Post, February 12, 1930: "A treaty neutralizing the Philippines has been the subject of quiet and informal discussion among delegates to the naval conference, it was learned to-day.

"The discussion is of the utmost importance because the neutralization of the Philippines would profoundly modify the present views of naval experts as to the defensive requirements of all Pacific fleets. * * *

Blount, James H.: American Occupation of the Philippines, preface, page x. Philippine Republic, June, 1926, page 6.

King, Senator William H.: Speech before the Senate, CONGRESSIONAL RECORD, March 15, 1929, pages 5462, 5463, Appendix.

Burton, Hon. T. E.: Speech before House of Representatives, CONGRESSIONAL RECORD, March 3, 1925, page 5404.

Bunuan, V. G.: Speech before the Institute of Politics, at Williamstown, Mass., 1927.

(3) THE PHILIPPINES—A HEEL OF ACHILLES

Bywater, H. C.: Sea Power in the Pacific, page 288: "A simultaneous attack on the Philippines and Guam would place no abnormal strain on Japanese naval, military, or shipping resources. In the case of the Philippines expedition, the landing itself would doubtless be made at one or more points where there were no seaward defences * * *. The conclusion is that within a fortnight after the beginning of hostilities, the United States would find herself bereft of her insular possessions in the western Pacific, and consequently without a single base for naval operations in those waters."

Tyson, Senator Lawrence D.: Speech in the United States Senate, CONGRESSIONAL RECORD, February 4, 1929, page 2740: "* * * Should a war arise between us and one of the great powers in the Orient, the Philippines might immediately be taken, as they are practically defenseless now."

Hard, William: Article in Philippine Republic, October, 1926, page 2.

Bickel, K. A.: Article in Philippine Republic, December, 1924, page 16.

Gabaldon, Hon. Isauro: Speech in the House of Representatives, CONGRESSIONAL RECORD, page 4014, March 3, 1928.

Blount, James H.: American Occupation of the Philippines, pages 331 and 565.

Moon, Parker Thomas: Imperialism and World Politics, page 405.

Phelps, Rear Admiral W. W., United States Navy: Article in Philippine Republic, June, 1925, page 14.

Henning, Arthur Sears, Washington correspondent of Chicago Tribune: Article in Philippine Republic, July, 1925, page 4.

Palmer, Frederick: Article in Liberty, February 1, 1930, page 60.

Parker, Gen. James: The Old Army, page 364.

Brown, Arthur J.: The New Era in the Philippines, page 287.

Brown, Arthur J.: Japan in the World To-day, page 240.

King, Senator William H.: Speech in the Senate, CONGRESSIONAL RECORD, March 15, 1929, pages 5462, 5463, Appendix.

Gilbert, Hon. Ralph: Speech in the House of Representatives, March 28, 1928, page 5509.

Roosevelt, Theodore: CONGRESSIONAL RECORD, March 15, 1929, page 5465, Appendix.

Villamin, Vicente, lawyer and economist: Before Ways and Means Committee of the United States Senate, January 28, 1929.

(4) THE YELLOW PERIL

Abbott, James Francis: Japanese Expansion and American Policies, page 3: "A few years earlier Mr. Hobson said on the floor of the same Chamber [House of Representatives]: 'We are short on providing equilibrium in the Atlantic, and we have not a single battleship in the Pacific, and our relative naval strength is steadily declining. War is therefore a physical certainty.' 'I will tell you frankly that, in my judgment, you can count almost on the fingers of your two hands twice around the number of months. In my judgment, war will come before the Panama Canal is completed!'"

Treat, Payson J.: Japan and the United States 1853–1921, page 191: "In the United States, for example, certain journalists, for one reason or another, prophesied an immediate Japanese invasion. This might come at any time, and without warning, but surely before the Panama Canal was constructed. And then, when the canal was opened and hostilities had not been proclaimed, it was just as easy to predict that the canal could easily be destroyed by airships and then the invasion would begin. It did little good to demonstrate that the invasion of California was a military operation of the utmost difficulty, if not impossible of achievement. Many Americans, fed upon such startling statements, looked with alarm to the time when war would break. It is interesting, of course, to note that in all these stories the offensive was to be taken by Japan."

(5) PHILIPPINE-AMERICAN CHAMBER OF COMMERCE

Hearings before the Committee on Insular Affairs, House of Representatives, on H. R. 8856, April 30, May 1, 2, 3, 5, and 6, 1924, page 95: "How can they have forgotten, or how can anyone forget, that during the life of those who are still children, Japan, within six years after solemnly guaranteeing the integrity of Korea, absorbed and subjugated that country of 15,000,000 people as completely and ruthlessly as did any monarch of the ancient world."

Circular letter, Philippine-American Chamber of Commerce, January 2, 1930: "The object of this organization is to promote, foster, and advance commerce between the United States and the Philippine Islands.

"We believe that the independence of the Philippines is diametrically opposed to this object, and therefore desire to put before Members of Congress whatever information we can obtain which might assist consideration of the subject.

"To this end we inclose copy of an editorial which appeared in the New York Times of December 27, 1929, to which your attention is invited."

[Editorial, New York Times, December 27, 1929, a reprint thereof inclosed in the above letter]

"Without discussing the effects on the internal affairs of the Filipinos, the international consequences of Philippine independence at this time can only be viewed with profound apprehension. * * * The Koreans would take fresh heart in their opposition to the Japanese."

Hearings before the Committee on Territories and Insular Affairs (71st Cong., 2d sess., February 3, 1930, pp. 183–184): "In the month of December, 1929, when the question of Philippine independence came up for consideration before Congress, the organization solicited donations from American firms and individuals in the Philippines and received from them in that month the sum of $10,000, none of which was expended in 1929.

"In January, 1930, further subscriptions to a total of $7,500 were received. Out of this special contribution fund, total $17,500, the total disbursements to January 29 have been $1,983, which were expended for the following purposes:

"Printing 25,000 copies of a pamphlet, The Philippine Question, $305; mailing same, $585.30; compensation to special investigators to report on the actual facts regarding the competition of coconut oil with American dairy products, $578; letters to business firms, Members of Congress, newspapers, and so forth, $412.83; subscription to newspaper clipping bureau, $30, and clerical work, $72.

"The activities of the Philippine-American Chamber of Commerce have been confined to presenting its point of view and the facts regarding trade relations with the Philippine Islands. These presentations have not been made by "personal agency," but by mail and telegram to Members of Congress, officials of the executive government, business firms, and the press of the country."

(6) JAPAN'S MONROE DOCTRINE

Brown, Arthur J.: Japan in the World of To-day, page 32: "The ambition of the Japanese is that his country shall be recognized as a world power. * * *

"The Japanese sensibly make no secret of their ambition. The well-known Japanese author, Professor Kawakami writes: 'Japan must have a place in the sun.' 'It is Japan's mission to harmonize eastern and western civilizations in order to bring about the unification of the world,' said Marquis Okuma; * * *."

Abbott, James F.: Japanese Expansion and American Policies, pages 106, 242.

Treat, Payson J.: Japan and the United States, pages 257–263.

Takaishi, Shingoro: Article in Japan To-day and To-morrow, December 25, 1927, page 6.

Stead, Alfred: Great Japan, page 447.

(7) "WHITE PERIL"

Treat, Payson J.: Japan and the United States 1853–1921, page 206: "Korea was not the only weak Asiatic country which had passed under foreign control. And measured by national interests the Japanese had a better claim to Korea than the British to their Indian possessions, the French to Indo-China, the Dutch to the East Indies, or the Americans to the Philippines. In Korea, the Japanese could say, with an American statesman, that 'a condition and not a theory' confronted them. Or, as Mr. McKinley said, in justifying the annexation of the Philippines, 'the march of events rules and overrules human action.'"

Kawakami, K. K.: What Japan Thinks (a symposium), page 144.

Mabie, Hamilton Wright: Japan To-day and To-morrow, page 43.

Dutcher, George Matthew: The Political Awakening of the East, page 199.

(8) JAPAN NOT WARLIKE

Stead, Alfred: Great Japan, page 153: "Before all things it must be borne in mind that Japan is not a warlike nation. Although the feudal times are only some 40 years back, she has no desire to fight for fighting's sake. The first sign to Japan that progress was not to be sought by warlike means was her inability to maintain the closed door in her own country against foreign nations. * * * While immensely proud of her army and navy, and determined to keep them up to the necessary high-water mark demanded by western civilization, she regards them more as means to an end than as the end itself. * * *"

Brown, Arthur J.: Japan in the World To-day, page 240.

Williams, E. T.: The Verdict of Public Opinion on the Japanese-American Question (a symposium), page 55.

Kinnosuké, Adachi: Article in North American Review, 1905, page 686.

Mabie, Hamilton Wright: Japan To-day and To-morrow, page 69.

Parker, Gen. James: The Old Army, page 364.

Castle, William R., jr., ambassador to Japan: In New York Times, February 4, 1920.

Masaoka, Naoichi: Japan to America (a symposium), page 216.

Kawakami, K. K.: What Japan Thinks (a symposium), page 90.

(9) UNITED STATES, JAPAN FRIENDS

Masaoka, Naoichi: Japan to America (a symposium), page 217: "Again Japan is not a forgetful nation, nor is she an ungrateful nation. She will never forget that it was America that introduced her to the world so peacefully and honorably. She will never forget that it was America that expressed the greatest sympathy with her at the time of the late Russo-Japanese War; and she will never forget that Mrs. Maggie came to Japan with her friends, and kindly attended our sick and wounded soldiers; and that Mr. Roosevelt, then President of the United States of America, undertook for the sake of humanity to hasten the ending of the war, by which Japan and Russia were saved hundred thousands of lives and millions of treasure. And Japan is always seeking to continue and strengthen the cordial relations which have existed for more than half a century, and that were renewed and invigorated so recently, between the two great Nations on the Pacific."

Castle, William R., jr., United States ambassador to Japan: New York Times, February 4, 1930: "If all the naval vessels in the world were sunk, it would not endanger national security. We do not want guns to defend ourselves against our friends."

Abbott, James Francis: Japanese Expansion and American Policies, page 258.

Dutcher, George Matthew: The Political Awakening of the East, page 237.

Treat, Payson J.: Japan and the United States, 1853–1921, pages 202, 255.

(10) THE UNITED STATES AND KOREA

Tsurumi, Yusuke: Article in Foreign Affairs, 1924–25, page 252: "The policy recommended by General Le Gendre contemplated the expansion of Japanese territory to form a crescent skirting the Asiatic main-

land, and embracing Korea in the north and Formosa in the south. He emphasized the great danger which lurked in the possibility of a Russian occupation of Korea and of an English or French occupation of Formosa."

Ibid., page 257: "It was only when they felt fully prepared that they acted upon Le Gendre's policies, acquiring Formosa in 1895, and Korea in 1910. Thus in the words of Professor Nakamura, Japan's Asiatic policy was thoroughly in accord with the suggestions of two American military men and, to an extent difficult to measure, grew out of their advice."

Strunsky, Simon: Article in Foreign Affairs, 1925–26, page 144.

Brown, Arthur J.: Japan in the World of To-day, page 145.

Beard, James: The Rise of American Civilization, page 498.

Dennett, Tyler: Roosevelt and the Russo-Japanese War, pages 112 and 115.

Treat, Payson J.: Japan and the United States, page 185–186.

Moon, Thomas Parker: Imperialism and World Politics, page 347.

(11) "PEACEFUL PENETRATION"

Chambers, Robert W.: The Verdict of Public Opinion on the Japanese-American Question (a symposium), page 12: "You say that 'Japan's peaceful penetration is a direct insult to us.'

"It ought to teach us to do so well that such 'peaceful penetration' would not pay. It ought to stir us to intelligent effort; it ought to educate us. What good are we if we can not hold our own? Does our 'peaceful penetration' insult other nations?"

Crawford, William H., Portland Chamber of Commerce, Portland, Oreg.: The Verdict of Public Opinion on the Japanese-American Question, page 44: "Such expressions as 'Japan's peaceful penetration,' 'the grave problem which is facing the Pacific coast,' indicate the extremes to which propaganda will lead the highly imaginative American mind."

(12) "A SWORD POINTING AT THE HEART OF JAPAN"

Moon, Parker Thomas: Imperialism and World Politics, page 405: "The Philippines were in Japanese eyes a naval outpost which could be of use only against Japan, in offensive rather than defensive operations."

Washington Post, February 12, 1930: "Since the Philippines and Singapore are the two naval bases from which the largest navies of the world, the American and the British, could cooperate in Japanese waters, neutralization of the islands, it is believed, would profoundly alter Japanese demands at the conference."

Buell, Raymond Leslie (quoted by Judge Santos): The Philippine Republic, June, 1926.

Gabaldon, Hon. Isauro: Speech in House of Representatives, March 3, 1928, page 4014.

Gardiner, A. G.: The Prospects of Anglo-American Friendship, Foreign Affairs, October, 1926.

(13) JAPAN'S OPPORTUNITY TO TAKE THE PHILIPPINES

The Philippine Republic, March, 1927, page 11: "Spain, said Dr. [David Starr] Jordan, once offered to sell its sovereignty rights in the Philippines to Japan for $8,000,000. Japan refused, saying she wouldn't have them at any price. 'And yet there are professional liars who say Japan is only waiting for the Philippines to gain independence to swoop down on them like a hawk.'"

Statement of General MacArthur, Correspondence Relating to War with Spain, volume ii, page 1239: "Consul advised that Trias visit Japan. Filipinos represented that concessions which they might be forced to make to Washington would be more agreeable if made to Japan, which, as a nation of kindred blood would not be likely to assert superiority. Consul said Japan desires coaling station, freedom to trade, and build railways."

Lapus, N.: Article in the Philippine Republic, June, 1927.

Ragon, Hon. Heartsill: Speech before the House of Representatives, page 11.

Treat, Payson J.: Japan and the United States, 1853–1921, page 171.

Foreign Policy Association, Pamphlet No. 32, Series of 1924–25.

Kalaw, M. M.: The Philippine Guide Book.

Kawakami, K. K.: What Japan Thinks (a symposium), page 37.

(14) JAPANESE DISLIKE THE TROPICS

Morley, Felix: Our Far Eastern Assignment, page 159: "The tropical climate of the islands is an absolute bar to Japanese colonization."

Abbott, James Francis: Japanese Expansion and American Policies, page 218: "When we come to the Orient, Formosa at once claims attention. But Formosa has proven an unexpected problem for Japan. * * * The climate is hot and the Japanese can not endure labor in the open, as can the Chinese and hillmen. * * * The prospect of any considerable percentage of surplus population overflowing into Formosa or any other part of the Tropics does not seem bright."

Price, Edward Bell: Interview with Hon. Manuel L. Quezon, the Chicago Daily News.

Russell, C. E.: The Outlook for the Philippines, pages 338–345.

The Philippine Republic (quoting Dr. David Starr Jordan), March, 1927, page 11.

Young, A. M.: Japan in Recent Times, page 67.

(15) JAPANESE—POOR COLONIZERS

Abbott, James F.: Japanese Expansion and American Policies, pages 104–106: "So far as the Japanese has had a chance to deport himself as an overlord in Manchuria and Korea, the prospect is not reassuring, the Japanese suffers from a look of that sort of sentiment, conspicuous in the Anglo-Saxon, that inclines the latter to assume a fatherly attitude toward an alien or an inferior. His methods as a colonizer are rather more like the German—highly efficient but not wholly sympathetic.

"* * * The Philippines can not be colonized by Japanese laborers any more than by Europeans."

Russell, C. E.: The Outlook for the Philippines, pages 338–345.

Morley, Felix: Our Far Eastern Assignment, pages 3, 4.

Dutcher, George M.: The Political Awakening of the East, page 285.

Adams, Romanzo: Some Statistics on the Japanese in Hawaii, in Foreign Affairs, volume 2, 1923–24, pages 311–313.

(16) INDUSTRIALIZATION

Stead, Alfred: Great Japan, pages 148–150: "The agriculturists produced sufficient food to supply the nation, and Japan was in every sense self-supporting * * * History showed the Japanese, however, that it is very difficult to maintain a high standard of national greatness when the revenue of the land and the prosperity of the people depends absolutely upon the fall of rain or the hours of sunshine * * *."

Mabie, Hamilton Wright: Japan To-day and To-morrow, page 2.

MacVeagh, Hon. Charles, former United States ambassador at Tokyo, Statement of: Shanghai Mercury, December 13, 1929, Japan's Need of Expansion.

Kennedy, Capt. M. D.: Industrial Revolution in Japan, the Fortnightly Review, November 1, 1929, pages 636–647.

By B: The Situation in the Far East, Foreign Affairs, June 15, 1923, page 9.

Abbott, James Francis: Japanese Expansion and American Policies, pages 108–112.

Tsurmi, Yusuke: The Difficulties and Hopes of Japan, Foreign Affairs, December 15, 1924.

(17) JAPAN HAS ROOM FOR HER POPULATION

Wood, Junius B.: Japan's Mandate in the Pacific, in the September, 1921, issue of Asia, page 752: "Japan, despite the oft-repeated fallacy that it is overcrowded, has done nothing systematically to encourage the colonization of the miles of fertile, uncultivated areas in the islands."

Annals of Political Science, 1927: "Japan has room for her people. It is not land that Japan needs, but raw material. Since 1900 the land of the Mikado has been changing from an agricultural to an industrial nation, and in that great fact lies a world of difference."

Russell, C. E.: The Outlook for the Philippines, page 334.

Buell, R. E.: International Relations, pages 295–296.

Leith, C. K.: Article in Foreign Affairs, volume 4, 1925–26, page 433.

Pliesse, E. L.: Article in Foreign Affairs, volume 4, 1925–26, pages 474, 487, and 488.

Treat, Payson J.: Japan and the United States, page 267.

Latourette, K. S.: Article in Foreign Affairs, volume 1, 1922–23, page 167.

MacVeagh, Charles, former ambassador to Japan: Quoted in news item in the Shanghai Mercury, December 13, 1929.

(18) JAPAN'S COLONIAL DIFFICULTIES

Abbott, James F.: Japanese Expansion and American Policies, pages 104–106: "So far as the Japanese has had a chance to deport himself as an overload in Manchuria and Korea, the prospect is not reassuring. The Japanese suffers from a lack of that sort of sentiment, conspicuous in the Anglo-Saxon, that inclines the latter to assume a fatherly attitude toward an alien or an inferior. His methods as a colonizer are rather more like the German—highly efficient but not wholly sympathetic. In Korea, where anarchy has been imminent for so long, he has felt it necessary to adopt strong measures as a deterrent to opposition. The Philippines, half conquered * * * would more than likely merit the same treatment in his eyes. Under any circumstances, the Japanese control in the Philippines would never extend beyond the range of Japanese guns.

"* * * The Philippines can not be colonized by Japanese laborers any more than by Europeans.

"All together, no greater calamity could befall the Japanese Empire than to be compelled to assume control over the Philippine Islands, so rich in potential wealth and so poor in convertible assets."

Russell, C. E.: The Outlook for the Philippines, pages 338–345.

Dutcher, George Matthew: The Political Awakening of the East, page 285.

Morley, Felix: Our Far Eastern Assignment, pages 3–4.

Brown, Arthur J.: Japan in the World of To-Day, page 238.

(19) SUBJUGATING CHRISTIANS

Abbott, James F.: Japanese Expansion and American Policies, pages 103–104: "In the first place he would discover that he was a 'heathen' in the midst of millions of Roman Catholics, whose attitude toward

him would be colored not only by the feeling of the conquered toward the conqueror, but also by the aversion due to religious prejudice.

Ibid., page 85: "* * * In 1677 the Filipinos themselves sent out missionaries to Siam, China, and Japan to convert the heathen in those lands. But the Japanese were little amenable to this process and tortured and killed the missionaries * * *."

"* * * In both cases it was reported that the Filipinos were aroused to a frenzy of indignation at the idea of being 'sold,' particularly to 'pagan Japan.'"

Crow, Carl: America and the Philippines: "If Japan should ever attempt to take the Philippines, either peacefully or by force, she would immediately be involved in a fight much more stubborn than the one the United States was compelled to put down. It is impossible to imagine the devoutly Catholic Filipinos ever submitting even to a semblance of rule by a nation as essentially non-Christian as the Japanese, and it is equally impossible to imagine a Christian world allowing such a reverse to the unbroken advance of Christianity."

Nitobe, Doctor (a famous Japanese authority on colonial questions): "It is rash to conclude that because we are of the same race the Filipinos would gladly invite Japan to be their ruler.

"They believe that they are superior to the Japanese. Their customs and manners are influenced by Christianity; * * *."

(20) JAPAN WANTS TRADE

Brown, Arthur J.: Japan in the World To-day, page 237: "Friendly America is valuable to her as a source of raw material and a profitable market for manufactured goods. Nearly all of Japan's exported tea is sold in America, 95 per cent of her exported raw silk, and an important part of other products. More than one-third of Japan's total exports go to the United States. She buys from us, too, many supplies that she requires, 25 per cent of her imports coming from America, a higher proportion than from any other country."

Russell, C. E.: The Outlook for the Philippines, pages 338–345.

Shimizu, F.: Philippine Republic, April, 1925, page 6.

Yamasaki and Ogawa: Effect of the War on Commerce and Industry of Japan, page 321.

Gabaldon, Hon. Isauro: Speech in the House of Representatives, CONGRESSIONAL RECORD, March 3, 1928.

Stead, Alfred: Great Japan, pages 154 and 188.

Matsudira, Ambassador Tzuneo: Speech before the Chamber of Commerce of Philadelphia, Pa., June, 1925.

Fisher, William J. (president, the Stone-Fisher Co., Tacoma, Wash.): In a symposium instituted by Cornelius Vanderbilt, jr., the Verdict of Public Opinion on the Japanese-American Question.

Abbott, James F.: Japanese Expansion and American Policies, page 106.

Dutcher, George Matthew: The Political Awakening of the East, pages 226–228.

Castle, William R., jr., United States ambassador to Japan: Quoted in news items in the Evening Star, Washington, D. C., February 4, 1930.

(21) JAPAN ACQUIRING CHRISTIAN STANDARD

Brown, Arthur J.: Japan in the World To-day, page 312: "Our mental and moral development has not kept pace with our material progress. * * * Japan is athirst for moral and religious guidance. * * * The origin of modern civilization is to be found in the teaching of the Sage of Judea by whom alone the necessary moral dynamics is supplied. * * * No practical solution of many pressing problems is in sight apart from Christianity."—(Marquis Okuma.)

Ibid.: Quoting Baron Mayejima, on page 312, and Prince Tokugawa, on page 314.

Dutcher, George Matthew: The Political Awakening of the East, page 230.

(22) EVERLASTING POLITICAL SERVITUDE

Recto, Hon. Claro M.: Speech before the Democratic National Convention, New York, 1924: "With the kind of government authorized in the Jones law, it was not to be expected that the Filipino people could provide for protection from foreign invasion, within any period of time, however long. And the United States could not in all fairness require of us something we could not possibly accomplish.

Jones, Hon. William Atkinson: Speech before the House of Representatives, the Philippine Republic, April, 1924, page 12: "I dismiss as unworthy of serious consideration the absurd and utterly untenable argument so frequently advanced that the Philippine people are incapable of maintaining their independence, and, if given it, must sooner or later become a prey of some stronger power, for this may truthfully be said of most of the nations of the earth. It is true as to Norway, Sweden, Denmark, Holland, Switzerland, and other countries of Europe. It is true of each and all of the Republics of South and Central America, and the halls of this Chamber have echoed for months with dismal forebodings as to the present ability of our own great Nation to successfully maintain itself against foreign attack. Even an international guaranty of independence of poor, stricken Belgium did not save that gallant little nation from the horrible fate which had overtaken it. If, therefore, the Philippines are not to be given their independence until they are capable of maintaining it in arms, then they are bound to everlasting political servitude."

UNITED STATES STEEL CORPORATION TAX REFUNDS

The SPEAKER pro tempore. Under the order of the House the Chair recognizes the gentleman from Texas [Mr. GARNER] for 30 minutes.

Mr. GARNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting certain tables and communications from the Treasury Department to the Joint Committee on Internal Revenue Taxation and of the chief of the division of investigation of the joint committee, as well as letters addressed to me and data prepared for me.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent to extend his remarks by inserting various documents. Is there objection?

There was no objection.

Mr. GARNER. Mr. Speaker and gentlemen of the House, I asked for this time to-day in order to explain to the House the result of an investigation by the joint committee of the House and Senate which has to do with the matter of reporting on tax refunds.

On the 8th day of this month I received the following letter from the chairman of the committee [Mr. HAWLEY]:

On February 12, 1930, the Commissioner of Internal Revenue submitted a report to the Joint Committee on Internal Revenue Taxation in regard to a proposed refund of $21,555,357.89 to the United States Steel Corporation for the calendar years 1918, 1919, and 1920.

This refund is being examined by our staff in accordance with our regular procedure, but in view of the fact that a 1917 refund to the same corporation was considered by the committee in December, 1928, I feel that the committee should meet to consider the conclusion of this matter for the excess-profits tax years. This is further necessary on account of the size of the refund which will cause comments if the facts in relation thereto are not thoroughly understood.

That letter was received, as I say, on the 8th day of this month, and it gave notice of a hearing on the 11th.

The joint committee had a meeting on Tuesday and Wednesday, and the committee was in session about six hours.

I thought that as a result of that hearing the chairman of the committee [Mr. HAWLEY] would take the floor and undertake to explain the conditions, surroundings, and information touching this refund, since he told me in his letter that unless it was thoroughly understood the people of the country would be in a quandary as to why such a large amount had been refunded to the United States Steel Corporation this year. Mr. HAWLEY has not seen proper to call it to the attention of the House, and therefore day before yesterday I asked for this time to-day, anticipating that he might not see proper to draw it to the attention of the House. I thought it my duty, as well as his, to inform the House and possibly the country as to some of the reasons given for this refund.

I might say that the envelope containing this letter was marked confidential, but why this matter should be considered one that must be held in entire confidence, I do not know, unless the idea was in the mind of the chairman of the committee who wrote the letter that we should keep it in confidence for fear the people would find it out and would not understand why such a large amount was refunded to the United States Steel Corporation.

The report shows that $21,000,000 in round figures was refunded, together with interest amounting to $12,000,000, making a total of $33,000,000, plus, to the United States Steel Corporation, and a check for that amount will be mailed to them to-day, because to-day is the last day, as I understand it, on which the limitation runs with reference to the joint committee taking action to prevent the payment under section 701.

After a hearing on this matter the joint committee declined to interfere with the settlement which the Treasury Department had made with the United States Steel Corporation, this action being taken upon a motion by the chairman—himself to himself. It happened that at that moment there was only one Republican in the room, and that was Chairman HAWLEY, although there are six on the joint committee. Chairman HAWLEY had to make the motion that he would make that report; he had to put the motion to himself and vote five proxies in order to put it through. The gentleman from Mississippi [Mr. COLLIER] and myself happened to be in the room, making a majority of the committee.

Mr. COLLIER. Will it interfere with my colleague if I ask him one or two questions?

Mr. GARNER. No.

Mr. COLLIER. The United States Steel Corporation is the greatest taxpayer we have in the Government?

Mr. GARNER. It is the largest individual taxpayer in the United States.

Mr. COLLIER. The Joint Committee on Internal Revenue is composed of five Members of the House and five Members of

the Senate, and it is empowered to scrutinize these refunds. I want to ask the gentleman if he does not recall that during the entire time of the hearings there was not present a single Member on the majority side from the other body and during at least 85 or 90 per cent of the hearings—which were held to pass on a refund of $33,000,000 to the greatest taxpayer in the United States—there was only one Member of the majority present, and now as a boast to ourselves I would like the RECORD to show that the gentleman from Texas and myself were present during the entire hearings. Am I not right in my statement?

Mr. GARNER. The gentleman is correct.

Mr. COLLIER. Now, another question. Is it not a fact that the chairman of the committee, Mr. HAWLEY—whom we all respect so highly—had the proxies of five of his colleagues in both bodies to vote on this measure whenever it was ready to be called up?

Mr. GARNER. The statement made by Mr. HAWLEY was that he had all the votes of the Republican membership of the joint committee except one, and I think that was Senator REED, who is now in Europe. The result is that there was so little attention given to this matter of a refund to the United States Steel Corporation of $33,000,000 that the Republican membership of the joint committee did not see fit to attend. Not a single Member from the United States Senate was present and, as the gentleman from Mississippi [Mr. COLLIER] has said, only two associates of Mr. HAWLEY attended for a limited time in the early consideration of the refund.

I doubt, gentlemen, if there would have been any consideration of this—because there is no law compelling a consideration; it is discretionary with the committee, and the committee is never informed as to what comes to that board unless Mr. Parker sees proper to insist that there must be a consideration of it. I say insist, and I mean by that a respectful suggestion to the chairman that the committee as a whole ought to consider these refunds.

To illustrate, during 1929, and even in the last month, there were refunds to various taxpayers in this country amounting to $75,000,000. No consideration has been given to any of those refunds or as to the advisability of them except this particular one. I imagine one of the reasons why that state of affairs existed was that Mr. Parker, chief of the joint committee's investigating division, wrote a letter to the chairman and called his attention to the fact that in his judgment there were a number of considerations given to this by the Treasury Department which were very questionable both in law and in fact, and that therefore the joint committee should give consideration to it, and in accordance therewith Mr. HAWLEY called the joint committee together.

Mr. LINTHICUM. Will the gentleman yield?

Mr. GARNER. I yield to the gentleman.

Mr. LINTHICUM. Upon what authority can you use proxies in these committee meetings? I have not known of that being done before.

Mr. GARNER. Well, of course, on that "ambassadorial" committee of the gentleman, the "ambassador" must be present, but with us we extend that courtesy every now and then to the chairman.

Mr. LINTHICUM. It is very bad "courtesy," I will say to the gentleman.

Mr. GARNER. It may be, but in the Committee on Ways and Means, if a gentleman is leaving here to-day, for instance, and wants his vote recorded, unanimous consent to do that is requested, and we grant it.

Mr. LINTHICUM. I know that can be done, but from what I gather, the gentleman from Oregon [Mr. HAWLEY] carries these proxies around with him from all the majority members of the committee and can vote them at any time.

Mr. GARNER. Let me say to the gentleman that the gentleman from Oregon [Mr. HAWLEY] asked unanimous consent to cast these votes, and to accommodate these gentlemen who did not want to be there and whose minds were already made up, who did not care to pay any attention to any investigation just so the Treasury Department said it was all right, naturally we permitted him to cast the votes. I may say to the gentleman that Senator HARRISON attended the sessions and announced that Senator SIMMONS could not be present on account of his health and had asked him to cast his vote in the consideration of this refund.

The thing I want to especially call to your attention is the policy of the Government. This is the principal thing for the House of Representatives to be concerned about, and I have taken occasion to-day, on account of the investigation of this refund, to call your attention to the policy of the Treasury Department.

There are some admitted facts in this particular case that would justify, I think, a thorough investigation by a committee of the Congress or, indeed, by the courts of the country.

The Treasury Department admits that if you had taken this case and considered it from what is known as the accounting standpoint and not the legal standpoint; that is to say, if you had taken the capital assets of 1918, January 1, based upon the accounting theory, which is not to take into consideration the profits made by the subsidiaries or the children of the United States Steel Corporation one from the other, the tax would have been $6,000,000 more. No one denies this. The Treasury Department admits it.

But instead of doing this the Treasury Department took a combination of what is known as the accounting and the legal view. The legal view, briefly stated, is that if one subsidiary of the United States Steel Corporation made a million dollars off another subsidiary, that boosted the invested capital of the parent company $1,000,000, which is an absurdity. In other words, if one child of the family makes money off another child, there is nothing gained or lost when they so trade among themselves.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. GARNER. I yield.

Mr. OLIVER of Alabama. I believe the gentleman from Texas sought to avoid that situation by an amendment which he offered in the House some years ago, when the revenue bill was being considered; did he not?

Mr. GARNER. Yes. I may say to my friend from Alabama that this was admitted by the Treasury Department as being the result of consolidated returns; and I also got an admission from the Treasury officials who have the administration of this law that it would be much simpler and much easier to administer if we did not have consolidated returns. I am glad the gentleman has called my attention to that.

Let us see just what is the situation. This is not all the money they got. You would think that $33,000,000 was a considerable sum of money to refund from taxes paid for 1918, 1919, and 1920, but that is not all of it.

The Treasury Department, without knowing anything about it, except what they report to us here, has remitted to that corporation for the year 1928 about $10,000,000, making $43,000,000. In other words, the United States Steel Corporation made mistakes against itself and in favor of the Government in the payment of taxes for 1917, 1918, 1919, and 1920 to the extent of $98,000,000, and the Treasury Department during this time has refunded to the United States Steel Corporation for these years, on account of mistakes made by that company, I repeat, in favor of the Government, to the extent of $98,000,000.

No wonder the gentleman from Oregon [Mr. HAWLEY] wanted the country to understand it before the figures were given out, for fear they might criticize and wonder why it was that one taxpayer in this country could get a refund check for $33,000,000 for taxes levied against it more than 10 years ago.

There is another very strange thing about these matters. When I began to investigate this refund I asked Mr. PARKER to send me some of the others, and, lo and behold, one of these was the Baldwin Locomotive Works, of Philadelphia, $3,772,000 refund of taxes, and I do not know how much interest. It is stated that this is a refund of taxes from 1912 to 1922.

A Member of Congress was in my office this morning complaining rather bitterly that the Ways and Means Committee had not given him a hearing on a proposition to suspend the statute of limitations against some claims he had placed before that committee. I did not tell him so, but it occurred to me that if you invoke the statute of limitations against a taxpayer in Georgia you ought to be able to invoke the statute of limitations against a taxpayer in Pennsylvania. 1912! When I saw that I had really forgotten for the moment that we levied an income tax for 1912 in the 1913 act; but when I got that act and examined it I found we did levy an income tax for 1912 in the fall of 1913; that is, we made it retroactive to that year.

I mention this to illustrate the things that you can not understand, and this is what makes it subject to suspicion. We can not go into the Treasury and examine the matter. You will not let us have a committee to examine anything, Mr. Speaker. If we could have an opportunity to look at it, just have a look in, it might be of benefit to this country, and I want to show you the reason. It has been illustrated in this case that investigations by the Congress through its committees have been efficient, especially when applied to the Treasury Department.

Now, why do I make this statement? You understand that the way you arrive at how much a taxpayer owes is: First, you allow him to amortize his business on account of war conditions under the excess-profits tax. Congress put in that act a very just and proper provision that if you spent $1,000,000 just for war purposes and after the war was over there was no

use for such extensions, and you had made 100 per cent profit and this expenditure took 80 per cent of it, naturally they would let you amortize that and see what you could get for your junk and deduct that from your income. This was quite proper. Now, what happened? In the investigation of this United States Steel Corporation matter they had sent out a board of engineers from the Treasury Department.

If you will remember, I discussed this matter a year ago and called your attention to the different audits made of that year. Now, I want to show you what the audits indicated in this instance.

In June, 1923, the engineer auditing corps of the Treasury Department found definitely and conclusively that the United States Steel Corporation was entitled to fifty-five millions plus; that is to say, they erected buildings for war purposes, which after the war had to be charged off in order that they might make a proper rendition of taxes.

In 1924, or the latter part of it, and the early part of 1925 there was a select committee of the United States Senate that made an investigation, known as the Couzens committee.

I do not know whether you gentlemen remember it or not, but older Members ought to remember that there was a little discussion about it at the time throughout the country. A political angle was given to it. Senator COUZENS was assessed $10,000,000 additional taxes by the Treasury Department. They made an investigation and they made a report, and in their report they criticized—remember, they criticized the amount allowed by the Treasury Department.

As the result of that criticism the Treasury Department went out again and made an investigation of the United States Steel Corporation, with a view of ascertaining how much they should be allowed to amortize their property in rendition of taxes.

What did they find? On June 22, 1926, after making a report, after they had criticized the Treasury Department for allowing too much, for allowing $55,000,000, and the method by which they arrived at that conclusion, the Treasury Department makes another audit, and what do they report? Nineteen million four hundred thousand dollars. After the committee of the Senate made an investigation, made a criticism of the sum the Treasury Department had allowed, the same engineers made another investigation and reduced the amortization amount from $55,000,000 to $19,000,000, in round numbers.

The Couzens case was settled, and they did not collect anything from Mr. COUZENS. On the other hand, he was given a refund of nine hundred and some odd thousand dollars. In the place of COUZENS paying $10,000,000 in additional taxes they finally adjudicated the matter and the Government paid him $900,000.

Well, that matter died down and then another one arose. Evidently the Steel Corporation was not satisfied. Last year we were criticizing it, and they got by with it. Do you not remember that Senator REED would not vote to confirm it?

After that, of course, the thing was off and Congress had said, "It is all right; take what you want." In 1928 they made another audit, and the same people made this audit of the United States Steel Corporation with a view of ascertaining how much they should be allowed to take off in amortization in rendering their taxes. What do they find? They placed it at $22,000,000. That was in February. After a discussion of their report, after Congress had said take all you want, they made another audit and in 1928 they placed it at $32,000,000. In the same year they increased it $10,000,000. Between 1928 and 1930, out of this settlement now being considered, they made another audit. The testimony is that practically the same engineers worked on this. Something must influence them besides their own judgment; something must control these men in arriving at these conclusions. We find in this last audit, on which they were going to pay $21,000,000, a deduction of $48,136,000. I mention that to show you that the result of the Couzens committee investigation was beneficial to the Treasury Department. If the Treasury Department had settled with the United States Steel Corporation at that time we would not have refunded a nickel, but the department did not do it. They continued to postpone it from time to time until they arrive to-day at the point where they will hand them a check for $33,000,000 plus.

What is my contention? If you will take this report and read it—it is rather long and I shall not insert it in the RECORD, but any gentleman can examine it if he so desires—you will see that it shows that there are enough controverted facts that have not been adjudicated by either the tax board or the courts involved in this case not only to justify it, but to demand that the Treasury Department of the United States go into the courts and let them adjudicate what we owe, if anything, to the United States Steel Corporation. The United States Steel Corporation is able to pay every dollar of taxes it owes this Government, and surely this Government is able to pay every dollar that may be due the United States Steel Corporation. Why do we O. K. a settlement which the record shows was made through concessions upon the part of the Government and the Steel Corporation sitting opposite each other at the table—between Mr. Gary, whose memory we all revere because he was a great man in many senses of the word, and Mr. Mellon sitting on the other side, trading on your money and my money and on the money of the stockholders of the United States Steel Corporation? I say, go into the courts and let the courts of this country settle it, and I for one would be willing to vote a $50,000 fee to a special attorney to undertake to settle once and for all in this country the issues that are involved in the matter of the largest taxpayer in the United States. And when the courts have settled it, the country would acquiesce and be satisfied, even if we should pay $10,000,000 more than we would pay now.

I would much rather do that, because I want to see this country have confidence in the legislative and executive branches of the Government, and many a man and many a woman will be suspicious; yes, very doubtful, whether they are being justly treated by paying out the taxpayers' money in this matter, acquiesced in by an indorsement of the legislative branch of the Government through its approval of this refund.

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

Mr. GARNER. Yes.

Mr. COLLIER. I call the attention of the gentleman to the United Cigar Stores case, and also the case of the Grand Rapids Furniture Co. In the United Cigar Stores case an opinion was rendered by the Court of Claims, and an entirely different opinion was rendered on almost the same state of facts by the Board of Tax Appeals in the case of the Grand Rapids Furniture Co. The gentleman will recall that the United Cigar Stores case was up for trial in the Supreme Court and ready to be heard. Had that case been tried and adjudicated two years ago, nearly all of the trouble and the trading which has been indulged in in this case would have been eliminated, and the excuse given for not going to court was that it would take four or five years to do it. Is it not true that when that case was ready for trial it was on the motion of the Solicitor of the Internal Revenue Bureau that the case was dismissed?

Mr. GARNER. Mr. Speaker, it has been discussed in magazines, in newspapers, in club rooms, and in other places throughout this country, and comment has been made on the fact that cases have been prepared by the Treasury Department to set up a theory and a rule by which the larger taxpayers of this country would secure refunds and reduction in their obligation for taxes in the future.

I wish I had the power and the opportunity to write a law in view of some of these court decisions undertaking to make each man and each corporation pay according to its ability to pay. I would very much like to see some of these courts, some of these attorneys representing this Government, compelled to eat their own words, or else make the people whom they undertake to serve while drawing salaries from the United States pay more taxes, it may be, than they ought to pay, because I would make that law rather severe on those who have been avoiding taxes in the past.

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

Mr. GARNER. Yes.

Mr. LINTHICUM. How did the Baldwin Locomotive Works manage to carry on or delay in the refund of taxes from 1912 up to the present time? I thought there was a limitation somewhere.

Mr. GARNER. I have just said to the House a moment ago, possibly the gentleman did not understand me, that I saw this in the report here, but I can not account for it, and I hope the chairman will at some time explain to the House of Representatives how it is that the Baldwin Locomotive Works can go back to 1912 and get a refund for that year, when all other taxpayers seem to be barred by the statute of limitations.

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

Mr. GARNER. Mr. Speaker, I ask unanimous consent to proceed for 15 minutes more.

The SPEAKER. Is there objection?

There was no objection.

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

Mr. GARNER. Yes.

Mr. RAMSEYER. In the case of the Baldwin Locomotive Works, did I not understand the gentleman to say that hearings were held before his committee at which time these proposed refunds were considered?

Mr. GARNER. No; the gentleman did not hear me say that. The gentleman heard me say that we had only one case, and

that there has been but one case before us in two years since we have been created and that is the case of the United States Steel Corporation.

Mr. RAMSEYER. Then this Baldwin Locomotive Works case has not been before the gentleman's committee?

Mr. GARNER. Has not been and will not be unless Mr. HAWLEY calls us together for that purpose. That is what I complain about. He passes on the whole business and we do not have anything to say, and when he does call us together it is only to prevent public sentiment being misinformed as to the amount of the refund.

He is a little afraid of the sentiment of the country with reference to that refund.

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

Mr. GARNER. Certainly.

Mr. RAMSEYER. Let me ask the gentleman another question as to the procedure. Do I understand that this joint committee, composed of five members from each House, can function only when the chairman of that joint committee desires that it shall do so?

Mr. GARNER. The gentleman is correct.

Mr. RAMSEYER. I wanted to get the facts.

Mr. OLIVER of Alabama. Mr. Speaker, will the gentleman yield for a question?

Mr. GARNER. Certainly.

Mr. OLIVER of Alabama. I want to ask the gentleman if any statement was submitted in writing by the absent majority members of the joint committee, or through the chairman, holding their proxies to the effect that they had given some study to the facts in the case?

Mr. GARNER. With all due respect to our associates at the other end of the Capitol, as well as some of our associates at this end, I do not think they ever saw it. I think that because I happened to have an experience along that line myself.

What I object to is this: I object to leaving it in this way rather than turning it over to the courts, because a court can look into the questions of reduction, amortization, and valuation of the Chickasaw Shipbuilding & Car Co., for instance, costing in 1917 something over $8,000,000. They allowed them to deduct before we taxed them over $7,000,000, leaving to be taxed alone of invested capital something over $1,000,000 on an $8,000,000 investment.

Now, I want to call your attention to another matter, to illustrate the action of the committee and the action of the chairman, who have the disposition and the courage to do their duty, and what good results and effects would come from it. I have in my hand a report that was made by Mr. Green, of Iowa, chairman of the Committee on Ways and Means, in 1927, after investigation by this joint committee of section 220, which provided for a penalty, as you will recall, assessed on these corporations that did not distribute their assets and later on declared a stock dividend and thus avoided all taxation.

He made an investigation and rendered an elaborate report, and Mr. Green wrote a letter to this committee in which he calls attention to the failure of the Treasury Department to efficiently enforce that provision. Now, remember that up to that date, 1927, there had never been a dollar, so far as I know, collected under that section 220. Mr. Green made the investigation and wrote this letter. When we had this recent hearing I requested to be informed about the matter, and on March 13 Mr. Parker writes a letter, which reads as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON INTERNAL REVENUE TAXATION,
Washington, March 13, 1930.

Hon. JOHN N. GARNER,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: As per your request at the joint committee meeting of yesterday, I am inclosing herewith a copy of a letter addressed to me by Mr. E. C. Alvord, special assistant to the Secretary of the Treasury, in connection with amounts collected under section 220 of the revenue acts.

You will note that the total amount of collections is in excess of $5,000,000. This is a very great improvement over the situation which was shown in my former report on this subject made to the joint committee under date of January 22, 1927. At that time the record submitted to me failed to disclose that one dollar in taxes had been collected under section 220 up to the time of the report. It is true that subsequently the bureau claimed that they had collected about $75,000 under the early acts.

I would appreciate being advised if you desire any further investigation of this subject.

Very respectfully,

L. H. PARKER, *Chief of Staff.*

Under date of February 20, 1930, Mr. Alvord writes to Mr. Parker, as follows:

TREASURY DEPARTMENT,
Washington, February 20, 1930.

Mr. L. H. PARKER,
Chief of Staff, Joint Committee on Internal Revenue Taxation,
House Office Building, Washington, D. C.

DEAR MR. PARKER: Your letter of December 9, with reference to the amounts collected under section 104 of the revenue act of 1928 and section 220 of prior revenue acts, was duly received.

I am advised by the general counsel that from an examination of the cases disposed of by his office the collections and reasonably certain collections under cases disposed of amount to $5,679,475.22. This figure does not include the amounts pending in court, the collection of which has been stayed by injunction proceedings ($682,586.44), nor does it include the large amount involved in cases pending before the Board of Tax Appeals. The above amount does not, of course, give any indication as to the amount of surtax which has been collected as the indirect result of the provision and its administration.

Very truly yours,

E. C. ALVORD,
Special Assistant to the Secretary of the Treasury.

This same statute that was put on the books in substance in 1913 ran along until 1927 without a dollar ever being collected on enforced distribution of excessive profits carried into the Treasury in order to declare stock dividends and avoid taxation. Not a dollar was collected. But as the result of that investigation and the chairman's criticism in consequence of it, the Treasury Department began to enforce the law, and the United States Treasury is richer by $5,000,000 and more. Mr. Alvord says that that is nothing compared with what has been produced by collections from other corporations. In other words, that brought about a distribution of profits in this country which in a material way, in my opinion, is responsible for the tremendous increase in the personal income in the last report. The last report shows an increase of over $200,000,000 in personal profits. This provision assessed a fine of 50 per cent of their profits. The surtax increased our income by perhaps $200,000,000.

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

Mr. GARNER. Certainly.

Mr. COLLIER. I would like the gentleman to emphasize how much money has been paid in rebates to this corporation, and also to advise us whether these cases before us were the only ones up to 1919 and running to last year.

Mr. GARNER. I will call to your attention table showing total refunds and credits given to the United States Steel Corporation:

Refunds and credits, with interest, United States Steel Corporation, per joint committee records

	Refund or credit	Interest
Year 1917:		
December, 1925	$22,621,502.92	
November, 1926	37,503.39	
February, 1928	4,492,745.26	
Do	1,147,823.11	
December, 1928	15,756,595.72	$10,099,765.42
Subtotal, 1917	44,056,170.40	10,099,765.42
Year 1918:		
February, 1928	1,512,719.60	23,597.31
March, 1928	7,864,171.82	
March, 1930 proposed	14,744,510.72	(1)
Subtotal, 1918	24,121,402.14	23,597.31
Year 1919:		
February, 1928	273,004.63	32,248.20
March, 1930, proposed	4,345,417.63	(1)
Subtotal, 1919	4,618,422.26	32,248.20
Year 1920:		
February, 1928	269,087.37	31,725.48
March, 1930, proposed	2,465,429.54	(1)
Subtotal, 1920	2,734,516.91	31,725.48
Grand total for 4 years:		
Grand total refunds and credits	$75,530,511.71	
Grand total interest	22,187,336.41	
Grand total, refunds, credits, and interest	97,717,848.12	

[1] Interest on proposed refunds March, 1930 (established by Treasury), $12,000,000.

There are others who got a refund. They will be given to the public to-morrow, as I understand. In 1929 and from January 1, 1930, to March 12, 1930, there were more refunds made to the State of Pennsylvania than any other State in the Union. One

of three things must undoubtedly have occurred in the State of Pennsylvania: Either they are the most generous taxpayers of any State in the Union, rendering more taxes to the Government than they owe to it, or else they are the most ignorant people and do not know how to make out their tax returns; or, third, they are the most favored people in making out their tax refunds. I ask you which of these three things it is?—

1929 refunds, credits, and abatements over $500,000

National Lead Co., New York, 1919 and 1921	$629,408.36
New York Life Insurance Co., New York, 1927	504,082.76
Standard Gas & Electric Co., Chicago, 1918 and 1919	536,799.15
John Hancock Mutual Life Insurance Co., Boston, 1924, 1925, and 1926	692,947.86
Botany Worsted Mills, Passaic, N. J., 1918	645,914.52
Crimmins & Pierce Co., Boston, 1919	522,990.95
Equitable Life Assurance Society of the United States, New York, 1922, 1923, and 1927	564,829.70
Mutual Life Insurance Co. of New York, New York, 1926	534,733.83
General Electric Co., Schenectady, 1923 to 1925	556,917.21
Mutual Life Insurance Co. of New York, New York, 1923 to 1925	674,286.93
Consolidated Coal Co. of St. Louis, St. Louis, 1918	938,265.47
Philadelphia Electric Co., Philadelphia, 1924 to 1927	775,023.36
Southern Pacific Co., New York, 1918 to 1921	687,820.95
Metropolitan Life Insurance Co., New York, 1922	771,848.64
The Pullman Co., Chicago, 1919 to 1921	642,892.84
American Window Glass Co. and subsidiaries, Pittsburgh, 1917 to 1919	2,131,237.97
Westinghouse Air Brake Co. and subsidiaries, Wilmerding, Pa., 1917 to 1920, 1922	1,192,038.50
Youngstown Sheet & Tube Co., Youngstown, Ohio, 1918	1,088,853.95
American Shipbuilding Co., Cleveland, 1918, 1920, and 1921	2,616,243.44
Emery, John J., estate of, Philadelphia, 1920 to 1923	1,257,393.69
Prudential Insurance Co. of America, Newark, 1923 and 1927	1,471,143.54
Baldwin Locomotive Works, Philadelphia, 1912 to 1924 and 1926	3,772,677.75
Chicago, Burlington & Quincy Railroad, Chicago, 1917, 1918, 1919, 1920, and 1922	1,695,756.13
Middle States Oil Co. and subsidiaries, New York, 1920 to 1922	4,320,768.64

Partial list of additional refunds, credits, and abatements

Edison Electric Illuminating Co., Boston	$86,449.36
National Power & Light Co., New York	86,658.28
North Boston Lighting Properties, Boston	107,951.39
United Fuel Gas Co., Charleston, W. Va	131,197.20
Lehigh Power Securities Corporation, New York	93,547.83
General Gas & Electric Co., New York	170,026.55
Pacific Gas & Electric Co., San Francisco	436,074.41
Philadelphia Electric Co., Philadelphia	241,187.99
Public Service Electric Co., Newark, N. J	211,249.78
Los Angeles Gas & Electric Corporation, Los Angeles	117,811.55
Manufacturers Light & Heat Co., Pittsburgh	81,005.90
Utah Power & Light Co., Salt Lake City	164,525.53
St. Helens Petroleum Co. (Ltd.), Los Angeles	412,333.38
Dixie Oil Co., Shreveport	77,811.34
National Refining Co., Cleveland	124,890.98
United North & South Oil Co., Luling, Tex	293,604.42
Superior Oil Corporation, Lexington, Ky	82,933.14
Norfolk & Western R. R. Co., Roanoke, Va	308,864.94
Minneapolis, St. Paul & Sault Ste. Marie Ry. Co., Minneapolis	178,076.28

Overassessments in excess of $1,000,000; for the period January 1, 1930, to March 12, 1930

January, 1930:	
Philadelphia Co. and subsidiaries, Pittsburgh, Pa. (1917 to 1923, inclusive)	$2,562,798.20
Public Service Corporation of New Jersey and subsidiaries, Newark, N. J. (1918 to 1922, inclusive)	2,283,508.94
February, 1930:	
Estate of Paul Brown, St. Louis, Mo. (1927)	1,333,408.84
United States Steel Corporation and subsidiaries, New York (1918 to 1920, inclusive)	21,555,357.89
F. W. Woolworth Co., New York (1917 to 1921, inclusive)	1,177,356.47
F. W. Woolworth Co., New York (1922 to 1926, inclusive)	1,385,573.88

Mr. MOORE of Virginia. I have been interested in the gentleman's statement. It seems to me that a great step in advance may be taken by abolishing the proxy rule. Recently, in a very wise decision, the Speaker said that proxies could not be used in the House. They can not be used in the standing committees. Why should they be used in this joint committee, which has the power to prevent payment of these refunds until they are approved by the committee?

Mr. GARNER. I will say to the gentleman from Virginia that if proxies are abolished it would not influence me a bit, because I have attended every meeting of the Committee on Ways and Means while I was able to go, as well as every meeting of the joint committee. But, I repeat, that if the gentleman from New York [Mr. CULLEN] should want to go to New York, and it was desired to vote the full Democratic membership, the gentleman might say, "Mr. Chairman, will you permit Mr. GARNER to cast my vote for me?" We do not want to stand in his way. That is the reason I think proxies are filed.

But I want to call attention to some of these particular things and ask if you do not believe Congress ought to look into this and see just how these things are done. Mr. Speaker, give us a committee. Nobody ought to be afraid to have you look into their business. All business ought to be public. There should be no secrecy in business, even in tax paying. If you will give this House a committee, they can look into it. You can appoint the committee, Mr. Speaker. You can appoint the most intelligent and reliable men you can find to place on that committee; stand-pat, regular Republicans, who will do your bidding, and let us just look into these things and see what is going on in the Treasury Department. Mr. Speaker, it may come about sooner than you think, because if the Democrats ever get control we are going to look into Uncle Andy's books. Just remember that. He knows it, too; and he is preparing for it. He is settling these cases while the settling time is good. He is settling these cases with these gentlemen from Philadelphia and Pittsburgh.

One I find here is the American Window Glass Co. and subsidiaries, Pittsburgh. The refund of taxes for 1917 to 1919, two years, was $2,131,000. I do not know anything about the glass business, but I am told that Pittsburgh is the greatest glass-producing section of the world. I do not know who owns that glass company. None of us knows anything about it. As I said a year ago, those corporations in which we know the Secretary of the Treasury has a large interest and which are controlled by his family, are making these compromises in the Treasury Department. Secretary Mellon makes a compromise with President Mellon of some company. Gentlemen, it is not right. It does not appeal to your conscience and sense of justice, and I believe if you will look into it you will find that favoritism has been shown. In order to show favoritism to his own companies he establishes a policy that gives favoritism to similar companies doing business throughout the country.

Mr. AYRES. Will the gentleman yield?

Mr. GARNER. I yield.

Mr. AYRES. I would like to ask the gentleman if he finds any Kansas or Oklahoma oil companies on that list?

Mr. GARNER. I notice one oil company on the list, but it is not located in that territory. It is one of the largest ones. It is the Middle States Oil Co. and subsidiaries of New York—1920 to 1922 there was a refund of $4,320,000. That is a New York company. How that oil company could have made a mistake in the rendition of its taxes $4,320,000 in two years, considering the character of business it does, is beyond my imagination. I never heard of business people like we have in the United States, who have been so wonderfully successful in spreading commerce throughout the world; I never realized that there were so many big corporations which did not know how to make out their tax rendition.

The SPEAKER. The time of the gentleman has expired.

Mr. GARNER. I am calling attention to this, gentlemen, because I think the Republican organization ought to investigate with a view to looking into the Treasury Department for the benefit of the Treasury Department and for the benefit of the entire country. You can do it without making a political matter of it, and I believe it would be to the best interest of the Treasury Department and of the country, and to the satisfaction of the House of Representatives. [Applause.]

RESOLUTIONS ON THE DEATH OF FORMER CHIEF JUSTICE WILLIAM HOWARD TAFT AND FORMER ASSOCIATE JUSTICE EDWARD TERRY SANFORD

The SPEAKER. The Chair lays before the House the following communication from the Clerk, which the Clerk will read.

The Clerk read as follows:

HOUSE OF REPRESENTATIVES, CLERK'S OFFICE,
Washington, D. C., March 13, 1930.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to inform you that pursuant to the direction of the House I did this day deliver to the Supreme Court of the United States, in session, copies of the resolutions adopted by the House of Representatives on March 10, 1930, expressing the sorrow of the House because of the death of William Howard Taft, former Chief Justice, and of Edward Terry Sanford, late associate justice of the Supreme Court.

Mr. Chief Justice Hughes, on behalf of the court, expressed appreciation of the action of the House of Representatives and directed that the resolutions be spread upon the court's records.

Respectfully,

WILLIAM TYLER PAGE,
Clerk of the House of Representatives.

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 further consideration of the bill H. R. 10288, with Mr. LEHLBACH in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose all time for general debated had been exhausted. The Clerk will read the bill for amendment.

The Clerk read as follows:

DEFINITIONS

SECTION 1. (a) As used in this act—

(1) The term "corporation" means a corporation, company, association, or joint-stock association.

(2) The term "person" means an individual, firm, or copartnership.

(3) The term "board" or "State board" means the commission, board, or official (by whatever name designated in the laws of a State) which, under the laws of any State in which any part of the service in interstate or foreign commerce regulated by this act is to be performed, has or may hereafter have jurisdiction to grant or approve certificates of public convenience and necessity or other form of permit to motor-vehicle common carriers in intrastate commerce over the public highways of such State.

(4) The term "commission" means the Interstate Commerce Commission.

(5) The term "certificate" means a certificate of public convenience and necessity issued under this act.

(6) The term "interstate or foreign commerce" means commerce between any place in a State and any place outside thereof; or between points within the same State but through any place outside thereof.

(7) The term "public highway" includes the public roads, highways, streets, and ways in any State.

(8) The term "motor vehicle" means all vehicles or machines propelled by any power other than muscular power and used upon the public highways for the transportation of persons, except that the same shall not include any vehicle, locomotive, or car operated on a rail or rails, or motor vehicles used exclusively in the transportation of property.

(9) The term "State" means the several States and the District of Columbia.

(10) The term "common carrier by motor vehicle" means any common carrier of persons operating motor vehicles for compensation in interstate or foreign commerce.

(11) The term "charter carrier by motor vehicle" means any carrier of persons operating motor vehicles for compensation in interstate or foreign commerce, not as a common carrier. Carriers of persons operating motor vehicles hired or leased for a specific trip or trips shall not be considered common carriers for the purposes of this paragraph or of paragraph (10).

(12) The term "motor carrier" includes both a common carrier by motor vehicle and a charter carrier by motor vehicle.

(b) Nothing in this act shall be construed to include (1) motor vehicles employed solely in transporting school children and teachers; or (2) 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; or (3) motor vehicles owned or operated by or on behalf of hotels and used exclusively for the transportation of hotel patrons between hotels and local railroad or other common carrier stations and/or for local sight-seeing purposes.

Mr. PARKER. Mr. Chairman, I offer the following committee amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read the committee amendment, as follows:

Page 4, line 1, after the word "stations," insert a period and strike out all of line 2.

Mr. PARKER. Mr. Chairman, the object of the amendment is to put all sight-seeing busses on the same level, whether owned by hotels or any other corporations. Inadvertently they were exempted, and this amendment will put them in the class where they have to have a permit.

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment, and ask unanimous consent that I may be permitted to speak for 20 minutes.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent to proceed for 20 minutes. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Chairman, I wish to say in the beginning that in questioning or opposing the provisions of this bill, and in questioning the judgment of those who favor it, contrary to what seems to be the impression of some members of the committee, I am questioning the integrity of none of them.

But I want to say frankly now that I consider this the worst piece of legislation that has come before Congress since I have been a Member of this House. It builds a virtual Chinese wall along State lines, so far as the great masses of our people are concerned, unless they patronize those favored interests that will have practically an exclusive privilege of operating transportation busses upon the highways of our States and counties, which are built by the taxes of the people we here represent.

Several members of the committee on yesterday denied that this bill gives the Interstate Commerce Commission the right to fix rates. Now, you read the bill and you will find that before a "certificate" is issued, the man who applies for it must publish a schedule of the rates he proposes to charge. If the Interstate Commerce Commission says they are too high they can refuse to issue the "certificate." If the Interstate Commerce Commission, prompted by some competing line or carrier, says they are too low, they can refuse to issue the "certificate" until he publishes and agrees to charge the scale of tariffs with which the Interstate Commerce Commission agrees. If that is not fixing rates, I want to know what would be fixing rates.

Not only that, but it does more. It puts out of business thousands of independent operators in your district and mine.

Let me call your attention to these facts—and I was utterly surprised at the gentleman from Illinois [Mr. DENISON]. I have been trying for seven years to help him get a permit to build a bridge across the Ohio River at Cairo in order that the people in Kentucky and States farther south might use that highway to go north and south, and in order that the people of that portion of Illinois might use it. Let us see what it would mean if this bill were passed. An independent bus owner down in the State of Kentucky could not use the road without permission of the Interstate Commerce Commission. I presume in that portion of Kentucky the people are similar to the people in the district which I have the honor to represent, because there we haul our school children to school in the country districts. Those bus owners use those busses to carry people to fairs and to towns, such as Memphis, Nashville, Birmingham, Louisville, Cairo, and so forth. They use them for other purposes and on other occasions, but when this bill becomes a law there will be a concrete wall across the road at the State line so far as they are concerned.

It will be the same way with the people in your districts. Why? We will say here is a man who owns a school bus. When I referred to school busses yesterday several of the members of the committee became excited and said they were exempting school busses if they were merely used to haul children to school and provided they were used for that purpose only.

However, a man who owns such a bus desires to use it for other purposes. We have a fair in my town, the North Mississippi-North Alabama Fair. The people across the State line in Alabama want to come to that fair. They go into the community and hire the man who owns one of these school busses to bring them there. Do you think they can do that under this bill? Let us see about that. I want you to take this home to your districts, because this is one bill you are going to have to answer for. They will be told that if they go across the State line without having a permit the owner will be arrested and carried before a Federal court and fined $100 for each offense. If you do not believe that read the provisions of the bill. The bill requires that they must apply to the Interstate Commerce Commission and get a permit, and by the time they would hear from the Interstate Commerce Commission the fair would be over and forgotten. It will paralyze those independent bus owners over the country who are now using their busses for the convenience of the public.

Not only that, but in cases where a certificate is required the Interstate Commerce Commission would require that the operator publish for 30 days the charges he proposes to make for carrying passengers, and then they will determine whether or not he is charging them enough.

Mr. PARKER. Will the gentleman yield?

Mr. RANKIN. Yes.

Mr. PARKER. The gentleman is mistaken. There is nothing about charging them for a permit.

Mr. RANKIN. I did not say anything about charging them for a permit. I said they had to get a permit or certificate and then had to publish a schedule of their charges for carrying passengers.

Mr. PARKER. Not if they are operating under a permit. The gentleman is mistaken about that?

Mr. RANKIN. Well, I believe they call it a certificate of convenience.

Mr. PARKER. That is entirely different.

Mr. RANKIN. Of course, if he is operating on a regular run, a "certificate" of convenience will be required, and he must get

this "certificate" of convenience from the Interstate Commerce Commission in Washington.

Mr. NELSON of Maine. Will the gentleman yield?

Mr. RANKIN. Yes; for a question.

Mr. NELSON of Maine. The gentleman wants to be fair. The gentleman is talking about these men who are using school busses, and it is the permit that applies here.

Mr. RANKIN. The gentleman knows that if they use these busses as common carriers and use them for purposes other than carrying children to school they will either have to have a permit or a certificate.

Mr. NELSON of Maine. No; the gentleman has not read the bill.

Mr. RANKIN. Yes; I have.

Mr. JOHNSON of Indiana. The gentleman is confusing the two matters. The certificate of convenience and necessity must be secured by a man who is running over a regular and fixed route, while a permit is that required for a charter carrier, who is entitled to go any place.

Mr. RANKIN. I do not care whether it is a permit or a certificate you have got to get it from the Interstate Commerce Commission. The gentleman from New York agrees to that and the gentleman from Indiana knows that whenever that provision goes into effect an independent owner will be put out of business, as far as crossing a State line is concerned, unless he is operating on a regular run, and then he will probably, most probably, suffer the same fate.

Take the city of Cairo, which is right in the corner of three States, you say to the independent bus owners who wish to cross the State line that they must have this permit from the Interstate Commerce Commission, and if they undertake to operate without it, they will be hauled up in Federal court in Arkansas, in Missouri, or in Illinois, one of the States they pass through, and right then and there you shut the door in their faces and put a stop to this type of transportation, this cheap transportation, that has grown up throughout the country under this new industry that has been brought about by the development of motor transportation.

Oh, I will tell you what they are after; I will tell you what is behind this bill. It is not the people in the States. They were not even heard. The great transportation corporations are behind it.

Mr. O'CONNELL of New York. Will the gentleman yield?

Mr. RANKIN. Just for a question.

Mr. O'CONNELL of New York. Were not the bus owners heard at the meetings of the committee?

Mr. RANKIN. Oh, yes; the owners of the big bus concerns were.

Mr. O'CONNELL of New York. I mean the small ones.

Mr. RANKIN. No; the ones I am talking about did not know it was going on.

Mr. O'CONNELL of New York. They were here in Washington and I thought they were heard.

Mr. RANKIN. Not the men I am talking about. The men who own the interstate lines were here, but the independent bus owners I am talking about did not know about it.

Some gentlemen have said that the commission would not refuse to grant the "certificate," because the rates were lower than the rates of a competing carrier engaged in another kind of transportation. I will tell you what they will do. A large railroad company owning a railroad line between two extreme points will also own a bus line, and they will fix the rates on that bus line at just what they are on the railroad, and, of course, when they come before the Interstate Commerce Commission to complain of an independent carrier they will not say they are cutting the rates below those of the railroad, but below those of their bus line, which will be one and the same thing.

Not only this, but in this bill you destroy the antitrust laws, as the gentleman from Alabama has pointed out. You override the constitutions of various States and the antitrust laws of various States.

Not only that, but you paralyze the independent transportation system that is used by the people in the smaller communities, and along State lines in general.

You will hear from this bill when you go home and it is found out by the people there that under this law they can not load up a truck or a bus and go to a show or a ball game or a fair across the State line unless they get a permit from the Interstate Commerce Commission.

Oh, they say, "We want to protect the public." I get suspicious whenever the Interstate Commerce Commission or the great corporate interests of the country become so solicitous about the safety of the people that they want to put over some such legislation as this.

Mr. BURTNESS. Will the gentleman yield?

Mr. RANKIN. I will yield to the gentleman.

Mr. BURTNESS. Does the gentleman favor or oppose the law in his own State of Mississippi covering the regulation of busses in intrastate traffic?

Mr. RANKIN. I will say to the gentleman from North Dakota that I leave the passage of laws in the State of Mississippi to the legislature of that State. I have heard of no complaint of the law of that State.

I live within 30 miles of the State line, and thousands of people from the district I represent cross the State line every Sunday, every holiday, in these private busses, and I am not willing for them to be denied the privilege of riding over a road which they are taxed to build in order that we may stifle and strangle the competition which bus transportation has brought to the railroads, due to the enormous charges those railroads are now permitted to make.

No wonder the people are resorting to motor-bus transportation. Railroad rates are higher to-day than they have ever been in the history of this country, and conditions among our people are worse than they have been for years.

But you seem to be more solicitous about the railroads than you are about the people. They not only charge their usual fare, but the Pullman Co. charges its fare, and then, under the present law, the passenger who rides on the railroad and uses the Pullman car is held up for 50 per cent of his Pullman fare, which goes to the railroad, for which they render no service whatsoever. I understand it amounts to $37,000,000 a year.

When we tried to repeal this Pullman surcharge a few years ago Members threw up their hands in this House in holy horror and said, "If you repeal that provision, it will be impossible for the railroads to reduce freight rates." You voted down the repeal, and now I would like to hear from all of you who think they have reduced freight rates.

These excess charges have forced the people to resort to bus transportation in self-defense, and now you propose to put into effect this method of strangulation to deprive them of the private transportation, the cheap transportation, that has come as a convenience to the people of your district and of mine.

Oh, they say "the safety of the public must be considered and we want to make them take out insurance." Do you think that the Interstate Commerce Commission, do you think the great transcontinental bus lines, do you think the railroad corporations are any more interested in the welfare of the people of your State than are the people themselves? Forty-six out of the 48 States have public-service commissions. They can protect the people of the various States without perpetrating any injustice in doing so.

Mr. MERRITT. Not in interstate traffic.

Mr. RANKIN. Of course, they can. I thought some gentleman would make that statement.

Mr. NELSON of Maine. Will the gentleman yield?

Mr. RANKIN. Yes.

Mr. NELSON of Maine. Does the gentleman make the statement that the States can require the interstate operator to take out insurance?

Mr. RANKIN. Let me tell the gentleman from Maine something——

Mr. NELSON of Maine. I would just like to have the gentleman on record. Is that the gentleman's statement?

Mr. RANKIN. The State of Mississippi can require any man, even one who cranks up his car, if it wants to do so, to take out a driver's license, and take out an insurance policy, and some of the States require this.

Mr. NELSON of Maine. Will the gentleman answer my question?

Mr. RANKIN. Oh, yes.

Mr. NELSON of Maine. Will the gentleman answer my question?

Mr. RANKIN. I said they could.

Mr. NELSON of Maine. Does the gentleman state to this House that the State can impose the requirement of insurance on interstate carriers with regard to passengers?

Mr. RANKIN. They can compel anybody who operates a vehicle in the State to give an indemnity bond to protect passengers or others from injury at their hands.

I own an automobile and have an insurance policy. It was taken out at Tupelo, Miss. If I ran over an individual coming through West Virginia or through Ohio or Tennessee or Mississippi or anywhere else, my policy would cover it. I submit that every State in the Union could force the driver who goes through that State to have such a license.

But even if that were not the case, that is not what brought this bill here. It is here to give the Interstate Commerce Commission power over rates, and if you kept the power to fix rates out of the bill, its sponsors would lose interest at once. But

the object is to put the small men out of business, to put the independent operators out of business, and turn the business over to the great railroad companies, the great transportation lines, that will operate and control these bus lines.

Mr. BRIGGS. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. BRIGGS. The gentleman from Maine asked a moment ago whether the State had the right to exercise its power over interstate transportation and require insurance. Let us see what the committee said about that in its report on page 2:

As a result, at the present time the interstate transportation of persons by motor carriers is unregulated, except in so far as it is subject to control by the States, under their police power, with respect to the imposition of regulations for the purpose of insuring the public safety and convenience and the exaction of fees for the purpose of defraying the expense of administering such regulations.

Mr. RANKIN. I have no doubt about it. The railroads are not after the transcontinental lines; they own them now. They are after the short lines that run across State lines and furnish cheap transportation to the masses of our people. They are trying to throttle transportation, kill off competition, and force the people to patronize them.

The fare to-day from here to New York is $5.50 by bus; by railroad it is $8.50; and it will be the same by bus after this bill passes. A Member from the State of Texas told me this morning that the rate by bus from Texas to California was $25. By railroad it is $50. If this bill passes, the rates will be the same by bus.

For years the agricultural States have made a fight against the freight and passenger rates. Let me sound the warning now, that if you pass this bill it will not be two years before one will be brought in asking you to apply the same restriction to trucks carrying freight. If this policy is carried out, we will have lost what we have gained by the progress of man in developing the motor vehicle that gave us our only protection against the exorbitant charges for freight and passenger transportation.

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

Mr. RANKIN. Yes.

Mr. FULMER. As a matter of fact the Interstate Commerce Commission requested this committee to put truck lines in the bill at this time.

Mr. RANKIN. Certainly. Of course, they are in favor of it. That is the next step.

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

Mr. RANKIN. Yes.

Mr. HUDDLESTON. May I say that the only reason the truck lines were not put in the bill was that they do not want to get in? Had they wanted to get in they would have been put in. The bus operators wanted to get in, and we put them in. In other words, we are legislating here for the benefit of a certain type of people, and we do what they want us to do.

Mr. RANKIN. When the railroads come in the next time and demand that the truck lines be put in, the committee will put them in.

Our people are in distress, money is scarce throughout the country, and those people have to use every opportunity they can to make or save a dollar. Yet these favored interests are coming to Congress and asking us to finish the strangulation of those people who have benefited for the last 8 or 10 years from the use of the motor vehicle. [Applause.]

Mr. PARKER. Mr. Chairman, I move to strike out the last word. I wish to correct an impression that perhaps was left by the gentleman from Mississippi [Mr. RANKIN] regarding the difference between a certificate of convenience and necessity and a permit. A certificate of convenience and necessity means that the motor line getting a certificate must run between fixed termini, must be a common carrier, must run over the same route every day, picking up passengers at various points designated by the Interstate Commerce Commission in the convenience of the public. Let us come now to the permit. Your permit is automatically granted, it costs nothing. What was the object of the committee in putting in the permit? It is perfectly obvious what the reason was. The reason was to stop motor busses running in interstate commerce that did not carry insurance. That is all that the permit does. But anybody can get a permit. You have not got to come to Washington. Automatically you get the permit, but you can not operate under a permit without insurance, and I wish to state to the gentleman that we had the Mississippi law under consideration, and that is even more regulatory than the law we are asking you to enact here to-day.

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

Mr. PARKER. Yes.

Mr. RANKIN. To send to Washington, under the case that I pointed out, and get a permit would take at least a week, and possibly a year.

Mr. PARKER. The gentleman is perfectly correct. But he is speaking of certificates of convenience and necessity for common carriers, not permits for charter carriers. The bill provides that any charter carrier can operate for 90 days after the passage of this bill without a permit. If a man is going to use his bus in interstate commerce, he has got 90 days in which to send a 2-cent stamp to Washington and get his permit, but I do not believe, nor do I think the gentleman from Mississippi believes, that irresponsible people should be carrying children to fairs in worn-out busses, busses that are unsafe.

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

Mr. PARKER. Yes.

Mr. ANDRESEN. What does the gentleman have to say on the question of the right of any particular State under existing State law to compel a bus engaged in interstate commerce to carry liability insurance?

Mr. PARKER. I seriously doubt if that constitutionally could be done. No State could demand that a man doing business in interstate commerce should have a license or liability insurance, for such regulation would be an undue burden on interstate commerce.

Mr. ANDRESEN. That hardly agrees with the gentleman from Mississippi [Mr. RANKIN].

Mr. PARKER. I am certain that I am correct on that.

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

Mr. PARKER. Yes.

Mr. RANKIN. The gentleman says that he can operate for 90 days after the passage of this bill without a permit, but that is providing he is operating now?

Mr. PARKER. Oh, yes.

Mr. RANKIN. Does the gentleman think he can begin at any time and operate for 90 days?

Mr. PARKER. After the passage of this bill he has 90 days in which to get a permit. The permit costs him nothing except the writing of a letter to Washington. There is no fee connected with it, but to run he must get the permit and must have insurance and a bus that is at least safe.

Mr. RANKIN. And publish his rates?

Mr. PARKER. Not with a permit. The gentleman is mistaken.

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

Mr. PARKER. Yes.

Mr. PATTERSON. Does the gentleman mean to tell me that a man owning a bus in one State and running it into any State can not be required by this State to carry enough insurance to cover liability in any State?

Mr. PARKER. Oh, no; the gentleman must have misunderstood me.

Mr. PATTERSON. Let us take a concrete case. The town in which I live is near the border of Georgia. A man lives there owning a bus, and he runs over into Georgia every few days. Does the gentleman mean to tell me that my State can not compel that man to take out insurance and prescribe regulations as to the kind of a bus that he shall operate?

Mr. PARKER. Absolutely he can not under the present law. The gentleman's State is helpless. I am talking now about interstate business, picking up and delivering in the gentleman's State. He picks up and delivers in the gentleman's State, he comes under the law.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PARKER. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RANKIN. And if he goes clear across the State without stopping at all—that is your contention?

Mr. PARKER. Yes.

Mr. RANKIN. But the gentleman does not contend that the State would not have the right to pass a law making it a crime for anyone to operate a bus through it without ample protection, would he?

Mr. PARKER. If it were not discriminatory or an undue burden, you are correct.

Mr. RANKIN. We have a law in our State to make railroads comply with certain regulations.

Mr. PARKER. I was not talking about whether you had a law compelling a man in your State, but I think I am correct in the statement——

Mr. RANKIN. Of course, we would not expect to pass a law applying to one operator that would not apply to all of them.

Mr. PARKER. A concrete illustration of what would happen is given by the conditions around the city of Philadelphia.

Busses run from points in New Jersey over into Philadelphia. They pick up passengers in New Jersey, but they do not discharge them in New Jersey, but in Pennsylvania. These busses run without any insurance or regulation, and, as the gentleman from New Jersey said the other day, they charge you one price to go over and another price to come back, and nobody has the slightest control or regulation over those busses.

Now, I want to take up again the questions of permits and certificates. They are as different as night is from day. The permit is simply the permit to run a bus going hither and yon, not on a regular route. But a certificate is different. In the case of a permit there is no regulation as to price. The permittee can carry passengers at any price he wants. There is no limit to his charge.

Now, when you come to the certificate, that is a different proposition. The certificate holder is a common carrier who goes from a given starting point to a given terminus. His rates must be uniform and they must be just and reasonable. But as to the man the gentleman from Mississippi [Mr. RANKIN] is talking about, the small charter operator, his rates are not affected in the slightest degree by the certificate.

Mr. RANKIN. Then under the power that the Interstate Commerce Commission has to pass upon the schedule of rates, it has the right to regulate the rates charged by a competing line, has he not?

Mr. PARKER. I think not.

Mr. RANKIN. The bill so says.

Mr. PARKER. The rates must be just and reasonable. It is up to the commissioners to say whether they are or not.

Mr. RANKIN. The commission has the right to say that you shall not charge less than a competing bus line.

Mr. PARKER. Only if the rate is not just and reasonable.

Mr. RANKIN. So that a competing bus line may be owned by a competing railroad and, of course, charging the same rates. Therefore these little bus lines that are holding on by the eyebrows in your State and in my State, making regular trips, as the gentleman has indicated, will simply be put out of business by the requirements we put on them.

Mr. PARKER. The gentleman is mixing permits with certificates of public convenience and necessity. There is absolutely no control over the rates in the former class. I think the gentleman's remarks will bear me out in that statement.

Mr. RANKIN. In order to make a concrete case, I will say there is a man operating a bus line, say from my home town, Tupelo, to Jasper, the home town of my friend from Alabama [Mr. BANKHEAD], making regular runs.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PARKER. Please give me three more minutes.

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

There was no objection.

Mr. RANKIN. He would have to have a certificate, would he not?

Mr. PARKER. Yes.

Mr. RANKIN. He is barely holding on.

Mr. PARKER. Yes.

Mr. RANKIN. Now, if a railroad-owned bus line parallel with it runs from Birmingham to Memphis, for example, and he complains, the Interstate Commerce Commission will have the power to make this man on the short-haul charge the same rate as the big bus line owned by the railroad on the long haul.

Mr. PARKER. As was well stated by the gentleman from Texas [Mr. RAYBURN] yesterday, you have to put confidence in somebody somewhere. If you do not believe the Interstate Commerce Commission will do what is fair, then for heaven's sake vote against this bill. As for myself, I am willing to leave it to the discretion and the honesty and integrity of the commission, that they will not do the things the gentleman from Mississippi has just described. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. HUDDLESTON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Alabama is recognized for five minutes.

Mr. HUDDLESTON. Mr. Chairman, the provisions of the bill are clear in the respect discussed by Mr. RANKIN and Mr. PARKER. Bus carriers operating on regular lines from day to day are required to obtain "certificates of convenience and necessity." Bus carriers that desire doing an incidental business, carrying to one place on one day and to another place on another day by special contract or charter, and not operating on regular lines, are required to obtain "permits." Nobody can operate a bus carrier in interstate commerce without having either a certificate or a permit. That much is absolutely certain.

In the instance mentioned by the gentleman from Mississippi [Mr. RANKIN] the bus owner in his own town can not take a load of passengers to Memphis or Birmingham or some other place across a State line without a permit from the Interstate Commerce Commission. He can not make as much as one trip as a charter carrier without a permit from the Interstate Commerce Commission. That much is absolutely certain.

Now, I ask to read section 7 of the bill, on page 13, which provides with reference to operators of busses for special trips—

> No corporation or person shall operate as a charter carrier by motor vehicle in interstate or foreign commerce on any public highway unless there is in force with respect to such carrier a charter carrier permit, issued by the commission, authorizing such operation; except that any charter carrier by motor vehicle in operation on the date of the approval of this act may continue such operation for a period of 90 days thereafter without a charter carrier permit, and if application for a permit authorizing such operation is made to the commission within such period the carrier may, under such regulations as the commission may prescribe, continue such operations until otherwise ordered by the commission.

The only exception to the rule, that a permit must first be obtained from the commission, is where an operator is engaged in the business of accepting charters, that is, hiring his bus out to make incidental or special trips at the time this bill is passed, can continue in that business without a permit for 90 days.

Any operator who may be in that business at the time this bill is passed may continue without a permit for 90 days; but nobody can enter that business after the bill is passed and nobody can continue in it beyond 90 days unless he has a permit to do business.

What is necessary to get a permit? Section 7, subsection (b), page 14, provides that—

> Applications for such permits shall be made to the commission in writing, verified under oath, and shall contain such information as the commission may require. If it appears from the application or from information otherwise furnished that the applicant is fit and able properly to form the service performed, then a charter carrier permit shall be issued to the applicant by the commission. The commission shall specify in the permit the operations covered thereby, and shall attach to the permit, at the time of issuance and from time to time thereafter, such terms and conditions as are necessary to carry out, with respect to the operations of such carrier, the requirements established by the commission under section 2 (a) (2).

For the latter provision refer to page 4, section 2, subsection (a) (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.

In short, the school bus that has been referred to, can not be operated as a carrier in interstate commerce for a single trip without obtaining a permit from the Interstate Commerce Commission, and in order to obtain that permit the application must be made upon oath; it must set forth the requirements specified in the bill and shall be isued under such conditions, stipulations, and terms as the Interstate Commerce Commission may prescribe.

That is the clear meaning of the bill as it is drawn.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JOHNSTON of Missouri. Mr. Chairman, may we have the amendment read again?

The amendment was again reported.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. PARKER].

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 69 and noes 5.

So the amendment was agreed to.

Mr. LEA of California. Mr. Chairman, I offer an amendment, which I have sent to the Clerk's desk.

The CHAIRMAN. The gentleman from California [Mr. LEA] offers an amendment, which the Clerk will report.

The Clerk read the amendment, as follows:

> On page 3, line 7, strike out the period and add "over fixed routes or between fixed termini"; and on page 3, line 10, after the word "commerce," strike out the remainder of the paragraph, and in lieu thereof insert "other than those included in paragraphs (8), (10), and (b) of this section."

Mr. LEA of California. Mr. Chairman, the object of this amendment is to carry out what is undoubtedly the purpose of the bill. It is a friendly amendment to perfect the definitions.

The weakness of the definitions is that they try to discriminate between the two classes of carriers, on the basis of whether or not they are common carriers. As a matter of fact, many charter carriers under Supreme Court decisions are common carriers, so that is not the correct basis of discrimination.

Under the bill as it is written in section 6 the commission requires that carriers who hold certificates shall operate on fixed routes or between fixed termini. This amendment simply places that provision in the definition of the first class, and includes in the second class all other operators who are subject to this bill. This bill establishes three classes of operators.

The first is the regular operators, which are called "common carriers." The second class is the charter carriers, and the third class includes those who are excluded from the bill. Manifestly all not in the first or third classes should be in the second class. At the present time, unfortunately, one class of charter operators—that is, those who carry passengers for a specific fare—are excluded from the definition in this bill and are not entitled to operate under its provisions.

This amendment, if adopted, will give everybody an opportunity to be included, either as a regular carrier or as a charter carrier.

Mr. DENISON. Will the gentleman yield?

Mr. LEA of California. I yield.

Mr. DENISON. Is the amendment that the gentleman from California has offered one that was given consideration by the legislative drafting service?

Mr. LEA of California. Yes. I have conferred with a number of the members of the committee in offering the amendment.

Mr. DENISON. It was discussed in the committee?

Mr. LEA of California. Yes; it was discussed.

Mr. PARKER. Mr. Chairman, I accept the amendment offered by the gentleman from California.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

Mr. GREEN. I would like to have the attention of the chairman of the committee [Mr. PARKER]. In the last Congress the gentleman from New York [Mr. PARKER] introduced H. R. 12380, a bill to regulate interstate commerce by motor vehicles operating as common carriers of persons on the public highways.

I would like to know from the chairman if the bill now under consideration, H. R. 10288, is in substance the same bill.

Mr. PARKER. In answer to the gentleman I wish to state that in principle it is exactly the same, but in detail there are some differences.

Mr. GREEN. In substance the two bills are the same?

Mr. PARKER. Yes. The principle of the bill is exactly the same as the bill to which the gentleman has referred, but the details are somewhat different.

Mr. GREEN. I am glad to know that, because Hon. George T. Estabrook, who is secretary of the Florida legislative board of the Brotherhood of Locomotive Engineers of my State, favored that bill and desired its passage. He petitioned me to support said bill, and I desire to carry out his wish.

Mr. PARKER. I wish to state that the representatives of the Brotherhood of Locomotive Engineers appeared before our committee in favor of the bill.

Mr. GREEN. On yesterday I presented to the House a telegram from the Florida Railroad Commission urging amendment to the bill to provide for a joint board. I am now informed that my colleague [Mr. MAPES] will offer such amendment. I favor this amendment and trust that it will be adopted. The Florida Railroad Commission is elected by the people of the State and represents the people of the State. Its members are Hon. A. S. Wills, Mrs. R. L. Eaton, and Hon. E. S. Mathews, the latter a resident of my own county. This commission, representative of the people of the State of Florida, favor the joint-board provision and I hope it will be adopted.

Mr. MOORE of Virginia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MOORE of Virginia: On page 2, line 14, after the word "convenience," strike out the words "and necessity," so that the sentence shall read:

"(5) The term 'certificate' means a certificate of public convenience issued under this act."

Mr. MOORE of Virginia. Mr. Chairman, I am satisfied that some measure of Federal regulation is important and that this bill in some form will be enacted, but it seems to me that as we are undertaking to set up a new system we should proceed very cautiously and endeavor to make as few mistakes as possible, and certainly avoid as far as possible giving the legislation a monopolistic trend.

My amendment proposes that the public convenience shall be the sole determining factor, although, of course, the commission would have the right to take into account every pertinent fact and circumstance.

The highways are built by the public and it is the public welfare and the public interest which should be considered in a plan to regulate the use of the highways. I am unable to perceive why the bill should go any further than to direct the commission to consider the public convenience. I am unable to understand why the bill should go beyond that and direct the public necessity to be considered.

I can imagine many cases in which it would not be necessary to grant the application for the operation of a motor-vehicle line over a highway and yet be altogether in the way of promoting the public convenience. The one point I have in mind, without any hostility to the general purpose of the bill, is to focus the attention of the commission when it comes to act upon the fact that the public highways are public and that the public convenience is the thing that shall be taken as the basis of its conclusions.

I am perfectly aware that this language is picked up out of existing legislation and that you find it in State legislation, but that does not import anything. I am perfectly aware that that language is found in the act to regulate commerce, but gentlemen who seize that language from the act to regulate commerce overlook the difference between transportation by rail, where the railroad companies own the rights of way and all the other facilities for which they have paid, and the case where the public highways are to be used for transportation purposes.

I would like some of the gentlemen who belong to the committee to tell me what is exactly and precisely meant by the term "necessity." I would like them to forecast how that term is going to be construed by the Interstate Commerce Commission. I know this: It does not take any prophet to forecast that in some case where there is a motor-vehicle corporation operating, owned by a strong railroad company, and there is a second application, that the railroad company would base its contest altogether upon the term "necessity."

It would come in and admit that to grant the second application would be in the interest of the public; that it would serve the public convenience, but it would say to the commission, "You are constrained by the language of the act, which calls for a finding of necessity."

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

Mr. MOORE of Virginia. 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. MOORE of Virginia. "You are constrained by the term 'necessity,' and unless some sort of necessity can be shown, albeit it must be admitted that the public convenience will be served, we deny your right to grant the application of this company which is applying for a certificate."

I once represented railroad companies and had hardly any other clients. Since I have been here I have represented none of them. I have no client to-day except the public and have not had since I came to the House. [Applause.] I have no prejudice against railroad companies. Among the men who are connected in high positions and in low positions with railroad companies I count many of my friends, but I am not willing to vote for a measure that will give railroad companies the opportunity that is afforded by the language to which I have referred and thus work their own will in the administration of the act.

Let me tell you this: To-day, very largely the motor-vehicle lines operating in this country are owned by the railroads, and it is the human nature of the case that they desire, to any extent which may be possible, the privilege of exclusive operation.

Let me show you in what large degree that is the case. I have here the report of the Interstate Commerce Commission issued in 1928. The commission made an analysis of conditions in eight States, and what was the condition with reference to the fact to which I have just alluded. Listen to the language of the report.

A classification of the bus-route mileage of these States in relation to railroad lines indicates that 41 per cent of the mileage is directly competitive with rail lines, i. e., parallels rail lines between the same termini; 28 per cent is indirectly competitive, i. e., where the bus route furnishes transportation service between termini which have only indirect rail connections necessitating change of trains and a

roundabout journey; and 31 per cent of the mileage is wholly noncompetitive, i. e., serves territory not also served by rail lines.

That is the situation now? It is the situation in this regard that is going to become more extensive and more acute, and this bill should not be so framed so as to enable the rail carriers to contend that future motor-vehicle companies shall be prevented from securing permission to operate because of a provision that can be construed so as to deny the right to the second or the third or the fourth applicant.

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

Mr. MOORE of Virginia. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

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

There was no objection.

Mr. MOORE of Virginia. This, gentlemen, I think is something you ought seriously to consider. I have the greatest respect for this committee. I know the committee has spent a great deal of time on the bill. It is a subject of enormous concern to the entire country, but why not go slowly? Why undertake to do everything at once? When it is claimed, as we all claim, that we have in mind only the public interest, the public welfare, the public convenience, why not stop at that and make that specifically the ground upon which the commission is dealing with applications for certificates? [Applause.]

Mr. DENISON. Mr. Chairman, I rise in opposition to the amendment.

The facts stated by the gentleman from Virginia suggest, to my mind, a very strong argument in favor of the language in the bill.

There are a great many bus lines in the country started by independent bus companies. Many of them, as the gentleman stated, parallel the railroads.

The gentleman from Virginia stated the proposition on one side. Suppose these busses or bus lines are being operated by independent operators, and the parallel railroad wants to establish a bus line in competition with them—and that is what is probably going to take place—then the argument that the gentleman has just stated so eloquently will be used against the railroad instead of for it.

Mr. MOORE of Virginia. I beg my friend's pardon; if the railroad can show that the public convenience will be helped by the railroad being granted a certificate, it will get the certificate.

Mr. DENISON. The term "public convenience and necessity," gentlemen, has been definitely construed by the courts. It is a term that is well understood. At the time the report of the Interstate Commerce Commission was written 40 States and the District of Columbia required certificates of convenience and necessity for the operation of intrastate busses. Since then some additional States have passed legislation with similar requirements.

Gentlemen, these questions have all been presented to the State legislatures. The States have had these same problems which we are now meeting; and to say that we ought to throw aside this principle now and adopt a new one, in the light of the experience of the different State legislatures, it seems to me would be unwise. They have considered the same problem, and they have said in their laws—and it is provided in the law of the State of the gentleman from Virginia—that before a bus company shall be allowed to operate in the State of Virginia or in any of these other States they must apply to their public utility commission or commerce commission and obtain a certificate of convenience and necessity.

Mr. COX. Will the gentleman yield?

Mr. DENISON. In just a moment.

Now, what does that mean? Should we not be willing to act in the light of the experience that we find in the different States? We are not trying to do anything new here. We are following the States. The gentleman from Virginia said, "Why be in a hurry?"

Why, gentlemen, our committee has been criticized because we have delayed this legislation as long as we have. It has been pending before our committee for several years. The Committee on Interstate and Foreign Commerce acts slowly on matters of this kind and only acts after very careful study, and we have only acted after a great deal of pressure.

The term "certificate of public convenience and necessity" means a certificate which is granted in view of the public convenience and the public necessity. Both terms are necessary, it seems to me, to properly meet the situation.

If there is no public necessity for a bus line being in operation, why should it be? Why, gentlemen, the streets and the highways of this country belong to the people. They are crowded now, and as you approach the great centers of population you can hardly get along with your private cars on the highways. Why should we permit selfish interests to come in and establish any number of bus lines they may want to establish and usurp the highways for a profit to the inconvenience of the people who travel in private conveyances. When they apply for the right to use the highways for profit, why should we not require that they shall show there is a public necessity for it the same as that there is public convenience?

This term has been well understood in this country for years and has already been interpreted by the courts. We know what it means and we ought to follow the precedents established in the States.

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

Mr. DENISON. Mr. Chairman, I ask unanimous consent for five minutes more in order that I may not be discourteous to the gentlemen who may want to ask questions.

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

There was no objection.

Mr. DENISON. I now yield to the gentleman from Georgia.

Mr. COX. I want to ask the gentleman if this move to strike out this language would not result in defeating one of the primary purposes of the legislation, which is the standardization and the stabilization of the bus business?

Mr. DENISON. The gentleman is exactly right.

Mr. COX. Just one more observation, if the gentleman will permit. The public convenience might be better served by a dozen bus lines operating between two points, whereas public necessity might require but a half dozen; there would be business sufficient to take care of and to maintain one-half dozen lines, whereas public convenience being best served by a dozen, would result in the breakdown of all of them.

Mr. DENISON. Exactly; the gentleman has answered the whole argument in that short statement.

Mr. HUDSON. Will the gentleman yield?

Mr. DENISON. I yield.

Mr. HUDSON. If that can be interpreted in that way, you can relieve the highway of a multitude of busses.

Mr. DENISON. If they are of no public necessity.

Mr. HUDSON. Take, as an illustration, from Detroit to Pontiac is 25 miles, and the Grand Trunk might put on what would be known as the local train, running every hour. Then there could be no necessity for a bus line between those points. There might be a convenience but no necessity for it, so the motorist could be relieved of the congestion that would occur from busses on the line.

Mr. DENISON. I think it would be a serious mistake to leave out the word "necessity."

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. DENISON. I yield.

Mr. OLIVER of Alabama. The gentleman gives full approval to the views of the gentleman from Georgia [Mr. Cox] in this that the word "necessity" has a more restrictive meaning, and though the gentleman from Georgia, by way of illustration, refers to six or five companies serving two termini, it might be carried to the logical conclusion of restricting it to one, might it not?

Mr. DENISON. Depending on the circumstances.

Mr. OLIVER of Alabama. But the word "necessity" puts a more restrictive meaning on the phrase, and vests a broader discretion in the commission.

Mr. DENISON. It does. Now take the case of any particular public highway and if there is an efficient bus line over that highway and there is no public necessity—that does not mean private necessity—the certificate ought not to be granted.

Let us take the illustration mentioned by the gentleman from Virginia. Here is a bus line operating, for instance, between Richmond, Va., and Washington. There may be a parallel railroad line and the railroad company may conclude that the bus line is getting its business and it may want to put the bus line out of business. Of course the railroad could go before the commission and claim that their new bus line would be a public convenience. But suppose the commission should say, "That may be true, but there is no public necessity for it"; the public is already amply served, and therefore they would not grant the certificate for the operation of another bus line.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. DENISON. I yield.

Mr. HUDDLESTON. The gentleman said that it might restrict it to one line, but suppose there was no bus line in the territory that was being served and that the territory would be served by the railroad alone. If there was no necessity for the one bus line it could be kept out.

Mr. DENISON. That situation could not arise. The gentleman states an impossible case, I think.

Mr. O'CONNOR of Oklahoma. Will the gentleman yield?

Mr. DENISON. I will now yield to the gentleman.

Mr. O'CONNOR of Oklahoma. We naturally have great respect for the report of the committee. However, I am impressed by the amendment proposed by the gentleman from Virginia [Mr. MOORE]. The gentleman from Illinois has not answered the real point to my satisfaction.

Mr. DENISON. What is the real point?

Mr. O'CONNOR of Oklahoma. It is this: While the requirement of necessity is logical where there is a railroad and some one wants to build another line to compete with it, but in the case of the use of the public highway it should not be a matter of necessity to so use but solely is a public convenience. That is one point. The other is this: Under the convenience provision is it not a part of the public convenience if there is a flock of busses coming down the highway and thereby working a burden and inconvenience to shut them off under convenience provision, and the question of necessity is not involved? I am sure that the gentleman has put his finger on the dangerous thing. Convenience will be lost sight of for the sake of necessity.

Mr. DENISON. The gentleman must not omit the word "public." It is the public convenience and necessity in general.

Mr. COOPER of Ohio. If the gentleman will yield, I would like to ask my colleague if this bill gives to the Federal Government any more power to regulate interstate motor-bus traffic than the State now has to regulate intrastate traffic?

Mr. DENISON. No; the bill does not give the Interstate Commerce Commission one particle more power than the State commissions have over busses in their own States. Gentlemen, the recommendation of the Interstate Commerce Commission is entitled, I think, and our committee thought it was entitled to great weight, and the commission has recommended to Congress that we require this provision—require interstate bus operators to obtain a certificate of public convenience and necessity.

Mr. NELSON of Maine. Mr. Chairman, I thoroughly agree with the purposes which the gentleman from Virginia [Mr. MOORE] seeks to further by this amendment, but I think the amount and variety of the discussion on this motion to strike out these two words illustrates the dangers into which we are running. We are proposing to extend Federal regulation to the interstate motor bus, to determine the principles of regulation, and to set up the standards. These words "public convenience and necessity" constitute the one essential standard of this bill, and we did not select those words haphazard, at random, or carelessly. The gentleman from Virginia is a good deal better lawyer than I am, but he knows that the words "public necessity and convenience" for 20 years have been construed, not by taking one word like "public" or emphasizing the word "convenience" or carrying the word "necessity" perhaps to its ultimate meaning; but the words "public convenience and necessity," as a phrase, as I can best express it, in 46 States and in Federal regulation, have come to mean that which, taking everything into consideration, is in the public welfare and interest.

If we do away with this standard, which is the only fixed, definite standard that we have found available so to employ—the one that has received repeated judicial definition and interpretation for a quarter of a century, the meaning of which is well understood, and attempt to set up a new one, we are losing all the advantages of previous judicial decisions that have been going on in the States and in the Nation. Here is a phrase that has been used by the States for some years with perfect satisfaction. I think the gentleman from Virginia would agree with me that those words are used as a phrase. You can not consider them apart from each other. They are intended to accomplish the very result which the gentleman has stated he wants to accomplish by the proposed change in the definition.

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

Mr. NELSON of Maine. Yes.

Mr. BURTNESS. Of course, we are now dealing only with the definition as set out in the bill of these words, "certificate of public convenience and necessity." Is it not true that later on in the bill we have provided under what conditions this certificate denominated the certificate of convenience and necessity, but which might be perhaps denominated by almost anything, shall be issued, and will the gentleman permit me to read from section 5, on page 10, language which I believe pertinent?—

SEC. 5. (a) 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.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. NELSON of Maine. Yes.

Mr. MOORE of Virginia. The gentleman has simply reiterated, or that section reiterates, the definition. The commission is precluded from granting the application unless it is able to find that the public convenience and necessity will be served. Let me say to my friend from Maine that the decisions of the courts, so far as my examination extends, do not go beyond holding that the term "necessity" shall not be construed as absolute necessity; but my difficulty is that I do not know what is going to be the measure or degree of necessity required by the commission when it comes to interpret the act.

Mr. NELSON of Maine. Is it not true that in every case and in every law in which those words are used much has to be left to the discretion of the regulatory body; and is not such discretion absolutely essential?

Mr. MOORE of Virginia. And if that be true, why are you not content with public convenience, which leaves everything to the discretion of the commission?

Mr. NELSON of Maine. I answer the gentleman as best I can. We are passing a law—if this proposed act becomes a law—and are turning its administration over to the Interstate Commerce Commission. Somebody applies for a certificate, and the commission turns for guidance to the law. After they have heard the facts they find that if public convenience and necessity so require they may grant a certificate; otherwise, not. We have selected that standard because it seems to be the only available standard, the one that has been used for years in 46 States, the one that has received repeated judicial interpretation.

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

Mr. PARKER. Mr. Chairman, I ask unanimous consent that all debate upon this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent that debate upon this section and all amendments thereto close in 10 minutes. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Chairman, it is true, as said by the preceding speakers, that this language "convenience and necessity" are in the existing transportation act, and it is true, as said by the gentleman from Maine [Mr. NELSON] that their meaning is well understood. That is all too true with us, and under that well-understood meaning I want to show you to what length and extremity of power the Interstate Commerce Commission has gone. The Piedmont & Northern Railway Co. proposed to establish an electrified railroad system through the Southeastern States, centering in North Carolina and South Carolina. They started building around Charlotte, N. C., as one center, and sending their branch lines out as feeders. At the same time they started building from Greenville, S. C., as another center, and sending their branch lines to Greenwood, Anderson, and Spartanburg, S. C., and then when they got ready, having established these concentration points, as it were, to connect up the end at Spartanburg, S. C., with the end at Gastonia, N. C., a distance of less than 60 miles, they were told that they would have to go before the Interstate Commerce Commission and obtain a certificate of convenience and necessity. When they applied for that, 11 steam railroads—I think it was—every steam railroad operating in the South Atlantic region was there to fight this little electrified railroad, and they insisted that it was not in the interest of public necessity, because it would virtually parallel the Southern system between Charlotte, N. C., and Greenville, S. C.

And after having the thing threshed out for months and months, with testimony taken by the volume, the Interstate Commerce Commission comes out and in substance says, "No; it is not a public necessity. The Southern Railroad can haul every ounce of freight that is necessary between Spartanburg and Gastonia. And although the Piedmont & Northern people have money to build a new line, and have money to back it, and are willing to make the business venture and take the risk, we, the commission, will not let you play that sort of game."

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. MOORE of Virginia. Mr. Chairman, it would be a public convenience, but not a public necessity?

Mr. McSWAIN. Yes; and everybody was for it except those steam-railroad people who were fighting it. It is in the interest of public convenience, and although we applied to the court to enjoin the Interstate Commerce Commission from putting this

order into effect, the court denied it, and we put it up just last week to the Supreme Court of the United States, and the Supreme Court denied us a writ of error. And now we are going down there with pick and shovel and begin to dig, and they have got to file an injunction, and we will fight it out along that line for a few more years.

Now, why put that power into the hands of this commission? Why put into the hands of the Interstate Commerce Commission the power to interfere with a little bus line that operates across State lines and has not money enough to employ lawyers to fight for its rights?

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

Mr. McSWAIN. Yes.

Mr. O'CONNOR of Oklahoma. Is not that the danger of putting the language in? The commission uses the word "necessity" so largely that they can not see the significance of "convenience."

Mr. McSWAIN. Yes. The trouble is this: We are afraid that the word "necessity" will be so construed.

Mr. HOCH. Mr. Chairman, like the gentleman from Maine [Mr. NELSON], I am in sympathy with the purpose of the gentleman from Virginia [Mr. MOORE]. If I thought that that word "necessity" would be construed in the ordinary meaning of the word I would favor the amendment. But I think this language is in all the State statutes, and I know of no case where it has been held to mean necessity in the ordinary meaning of the word. We are providing for joint boards in the case of two States, and many gentlemen are desirous of extending that to more than two States. You have in the State statutes the words "convenience and necessity" and have been applying them in the States. The meaning of the words "convenience and necessity" has received judicial determination.

Last week in New Jersey the supreme court, so I am informed, held in substance that the word "necessity" must be construed in the light of and held against a railroad that had contested a bus certificate on that ground that the railroad was rendering adequate service. The court that the bus line was a different type of transportation and that had to be considered. Suppose you set up a joint board between New Jersey and Pennsylvania. They have been applying these words "convenience and necessity" in one way, and you introduce a new phrase to be applied to the interstate commerce between two States, would that not lead to confusion?

Let me give you some decisions rendered in construing these terms. In the case of the Rock Island & Pacific Railroad Co., against Oklahoma, in 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. The court held—

> Necessity does not mean essential or absolutely indispensable, but that the resulting condition where the proposed service is asked 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.

Personally I have always felt that the word "necessity" was an unhappy word to use. I regret that it has been used. It sounds illogical to say that the public necessity requires it. If it is an absolute necessity, of course, it requires it.

But here is a phrase that has long been in the law, not only with respect to railroads but in motor transportation. If this language had not been used heretofore, it would be different. But here is the language used, and I know of no railroad that has been able to prevent competition by invoking the words "certificate of convenience and necessity."

Mr. McSWAIN. If we strike out the word "necessity" and use the words "public convenience," and if the court desires to find out what was meant, it will read this debate here and there they will find it.

Mr. HOCH. I am not so sanguine about the court reading this debate. The word "convenience" alone would lead to argument in the interpretation. It might be held to mean just what the old phrase means or it might be held to suggest merely the desirability, from the standpoint of a very few people, to have additional operations.

The CHAIRMAN. The gentleman's time has expired. All time has expired on the amendment. The question is on agreeing to the amendment offered by the gentleman from Virginia [Mr. MOORE].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MOORE of Virginia. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 51, noes 76.

So the amendment was rejected.

Mr. WINGO. Mr. Chairman, would it be in order to offer a perfecting amendment?

The CHAIRMAN. Certainly.

Mr. WINGO. I would like to offer a perfecting amendment, which I will send to the Clerk's desk. I will not debate it.

The CHAIRMAN. The gentleman from Arkansas [Mr. WINGO] offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Amendment offered by Mr. WINGO: Page 2, line 14, before the word "convenience," insert the word "welfare."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The question was taken; and on a division (demanded by Mr. WINGO) there were—ayes 28, noes 78.

So the amendment was rejected.

Mr. HUDDLESTON. Mr. Chairman, I offer an amendment, which I have sent to the Clerk's desk.

The CHAIRMAN. The gentleman from Alabama [Mr. HUDDLESTON] offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Amendment offered by Mr. HUDDLESTON: Page 1, line 4, strike out section 1 and insert in lieu thereof the following:
>
> "That no carrier shall operate or use a motor vehicle for the transportation of passengers as a common carrier for hire in interstate or foreign commerce within the United States, unless there is in force with respect to such vehicle a surety bond conforming to the requirements of this act. The surety bond—
>
> "(1) Shall bind the surety thereunder to compensate any person (other than such carrier or an officer or employee thereof) for personal injury, death, damage to and loss of property, and failure to perform in whole or in part any contract of carriage—if and to the extent that such carrier is liable therefor by law, and if the injury, death, damage, loss, or failure occurs in connection with or as a result of such operation or use.
>
> "(2) Shall be in such amount and with such sureties as the Interstate Commerce Commission deems adequate for the protection of the public interest.
>
> "(3) Shall include such terms and conditions, not in conflict with any other provision of this act, as the commission may prescribe as necessary for the protection of the public interest.
>
> "(4) Shall not require the payment of compensation under the bond of more than $5,000 in the case of immediate death, or of more than $7,500 in the case of injury or of death other than immediate death.
>
> "(5) May limit the amount of compensation under the bond for damage to or loss of baggage by any one person to a value of the baggage declared in writing by the passenger or agreed upon by the carrier and passenger, if the carrier establishes and maintains differentials in its rates based upon such value and approved by the commission as just and reasonable.
>
> "(6) Shall include a provision appointing the carrier as the attorney of the surety under such bond upon whom process may be served in any suit instituted as provided in section 3, and a provision whereby the surety consent that in any such suit service upon the carrier shall constitute service upon the surety.
>
> "SEC. 2. No surety bond required by this act shall be held in force for the purposes of this act until approved by the Interstate Commerce Commission as being in conformity with the requirements of section 1. Upon the approval of any such bond, the commission shall issue a certificate of approval to the carrier and such copies thereof as may be necessary. No motor vehicle shall be operated or used by any carrier for the transportation of passengers for hire as a common carrier in interstate or foreign commerce within the United States unless there is posted in such vehicle, in accordance with such regulations as the commission may prescribe, a copy of the certificate of approval of the commission. If at any time the commission finds that a surety bond then in force is not in such amount or with such sureties as the commission deems adequate for the protection of the public interest, or otherwise fails to conform to the requirements of section 1, the commission shall declare that the surety bond is no longer in force for the purposes of this act.
>
> "SEC. 3. Any person entitled to compensation under a surety bond required by this act may recover thereon in any court of competent jurisdiction in a suit against the surety in which the carrier shall be joined as a party defendant; except that no district court of the United States whose territorial jurisdiction lies within any State shall have jurisdiction of any such suit solely upon the ground that the right of recovery arises under a law of the United States or that the suit is between citizens of different States. Recovery upon any such bond shall not be held to preclude recovery against the carrier for liability in excess of the amount of the recovery upon the bond. This act shall not be held to extinguish any remedy or right of action under other law.

"SEC. 4. Any carrier operating or using a motor vehicle in violation of the provisions of this act shall be subject to a civil penalty of $100, to be collected in a civil suit brought in the name of the United States. In the case of each motor vehicle so operated or used, each day or part thereof during which such operation or use continues shall, for the purposes of this section, be deemed a separate violation.

"SEC. 5. As used in this act—

"(a) The term 'interstate or foreign commerce' means commerce between any place in a State, Territory, or the District of Columbia, and any place outside thereof; or between points within the same State or Territory or within the District of Columbia but through any place outside thereof.

"(b) The term 'motor vehicle' means any land vehicle propelled by an internal-combustion engine, electricity, or steam, except a vehicle propelled only upon a rail or rails, and includes any vehicle attached or propelled by any such vehicle.

"(c) The term 'United States,' when used in a geographical sense, means the several States and Territories and the District of Columbia, but does not include possessions of the United States.

"SEC. 6. The Interstate Commerce Commission is authorized to make such regulations as may be necessary to execute its functions under this act."

Mr. PARKER. Mr. Chairman, I think all debate on this section has been closed.

Mr. HUDDLESTON. Mr. Chairman, as I understand, debate was closed simply on the amendment offered by the gentleman from Virginia [Mr. MOORE].

Mr. PARKER. Mr. Chairman, debate on the section and all amendments thereto was closed.

The CHAIRMAN. The debate on the section and all amendments thereto has been closed. There is no debate on the merits of the amendment submitted.

Mr. HUDDLESTON. Mr. Chairman, I ask unanimous consent to address the House for five minutes on this amendment.

The CHAIRMAN. The gentleman from Alabama [Mr. HUDDLESTON] asks unanimous consent to address the House for five minutes on the amendment. Is there objection?

There was no objection.

Mr. HUDDLESTON. Mr. Chairman, the amendment which I have offered is a reproduction of the bill H. R. 7630. It is what is known in the Committee on Interstate and Foreign Commerce as the "subcommittee bill." I did not draft it, but I was on the subcommittee and made my contribution to it.

Some two years ago this legislation being before the committee was referred to a subcommittee. The subcommittee gave the subject very careful consideration and reported the bill which is embodied in the amendment offered as a substitute for this bill. The committee paid no attention whatever to the report of the subcommittee, took no action upon it, and has given it no consideration. The subcommittee bill was drawn with an eye single to the public welfare; it granted no special privileges, so, of course, nobody wanted it and we could not get it heard.

Attention has been called to the fact that the States have every power to correct and deal with all abuses in the bus carrier industry, with the possible exception of requiring insurance or indemnity bonds from the bus operators. This amendment gives the Interstate Commerce Commission that power. Under it the operators are required to provide all reasonable indemnity.

With the power already in the States, and with this amendment, every abuse whatsoever pointed out by the Interstate Commerce Commission in its report or testified to before our committee by even partisan witnesses will be taken care of in the fullest detail. It does not provide for a certificate of convenience and necessity. The amendment does not require that parties desiring to operate busses shall get certificates nor does it require them to get permits. It leaves competition in the bus business, and that as the subcommittee agreed was the right thing to do.

I offer this amendment as a matter of duty. I am willing to legislate upon the subject of busses. I am willing to go as far as necessary for the protection of the public welfare. I will not go, at the behest of anybody, to the extent of granting a monopoly upon the public highway to private profit makers. If you want to protect the public interest, adopt this amendment. If you want to give monopolies and throttle competition, then vote against it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HUDDLESTON].

The amendment was rejected.

The Clerk read as follows:

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.

(b) Any person, corporation, or State board may make complaint in writing to the commission alleging a failure by any motor carrier to comply with the requirements established under this section. If, after any such complaint, it is decided, in accordance with the procedure provided in section 3, that the motor carrier has failed to comply with such requirements, an appropriate order shall be issued.

Mr. ARENTZ. Mr. Chairman, I move to strike out the last word. Mr. Chairman and members of the committee, one of the most outstanding chairmen of public-service commissions in the United States is John F. Shaughnessy, chairman of the Public Service Commission of Nevada. He has added much to the sum of knowledge on transportation as it affects western freight rates. I understand Mr. Shaughnessy was in favor of the bill last year. I understand he has expressed his acceptance of H. R. 7954. However, H. R. 7954 is not identical with the present bill, H. R. 10288, in several very important paragraphs. I have taken the floor particularly to insert in the RECORD four short pages which Mr. Shaughnessy has written me in protest against H. R. 10288, those pages being as follows:

PUBLIC SERVICE COMMISSION OF NEVADA,
Carson City, March 7, 1930.

Hon. SAMUEL S. ARENTZ,
Congressman at large from Nevada, Washington, D. C.

DEAR CONGRESSMAN ARENTZ: Set forth below is confirmation of our telegram of March 4:

"To our Senators and Representative in Congress:

"At a regular meeting of the commission, held in Reno, March 3, it was resolved that our Senators and Representative in Congress, the Hon. KEY PITTMAN, TASKER L. ODDIE, and SAMUEL S. ARENTZ be memorialized to oppose the Parker bus bill, H. R. 10202, and the Couzens bill, S. 6, on the ground that they are a dangerous invasion of State sovereignty and that Congress should not invade the police power of Nevada.

"(Signed) PUBLIC SERVICE COMMISSION OF NEVADA."

This action was taken at a regular meeting of the commission in Reno, March 3, wherein it was unanimously resolved that our Senators and Representative in Congress be memorialized to oppose both the Parker bill and the Couzens bill, H. R. 10202 and S. 6. This is a reversal of the indorsement which this commission gave to the Barker bill, H. R. 15621, on February 5, 1929, during the previous session of Congress.

Set forth below is telegram from Hon. SAMUEL S. ARENTZ of March 6, asking for a statement of particulars covering this commission's objections and our response thereto:

WASHINGTON, D. C., *March 6, 1930.*

To Public Service Commission of Nevada:

Bus bill will be debated for the next few days, and I would like to know in what particular it meets with your objection."

(Signed) SAMUEL S. ARENTZ.

CARSON CITY, NEV., *March 6, 1930.*

Hon. SAMUEL S. ARENTZ,
Congressman at Large from Nevada, Washington, D. C.:

Your wire 6th, Nevada commission opposed to the interstate regulation of busses for the following reasons:

1. By exercise of State's police power over the franchising of busses and regulation of intrastate rates and services we have adequate control of stage lines conveniently at hand. The intrastate franchising is important in controlling the number that can profitably remain in the interstate service and is sufficient regulation. Under the Shreveport doctrine if interstate regulation is provided for, interstate rates will thereafter become the measure of our intrastate rates and probably be state-wide in application.

2. Interstate stage rates not important at present nor for the future, because rapid improvements in the art holding fares around 2 and 2½ cents per mile, compared with 3.6 cents railroad coach fare. We do not want this condition disturbed by monopolistic control that would follow under interstate regulation.

3. Occupancy of the field of regulation over stage, power, and telephone lines by Congress can not adequately safeguard State jurisdiction under the sweep of the commerce clause and adjudicated cases.

In other words, the jurisdiction of our State legislature, courts, and commission would be destroyed and ultimate power and jurisdiction would thereafter reside in Washington, far removed from patrons of these local services in Nevada, with consequent delay and expense.

PUBLIC SERVICE COMMISSION OF NEVADA.

The principle involved in these bills is identically the same. The only difference being a question of degree, perhaps. We are apprehensive about this legislation for the reason that if Congress shall occupy the field nothing can in the end forestall the sweep of the commerce clause and adjudicated cases, and this will be especially true, we believe, under the Shreveport doctrine. See Houston E. & W. Railway *v.* United States (234 U. S. 342); and again in American Express Co. *v.* Caldwell (244 U. S. 617); and again in C. B. & Q. Railroad *v.* Wisconsin Railroad Co. (257 U. S. 563). In these cases it was found, without regard to the reasonableness of the intrastate rates and without regard to peculiar local conditions, that because intrastate rates were lower than interstate rates they amounted to discrimination and therefore a burden on interstate commerce.

The Shreveport case was decided under section 3 of the act to regulate commerce. Since that time the interstate commerce act, as defined by the transportation act of 1920, has been enlarged by the insertion of section 13, paragraphs 3 and 4. Paragraph 4 is a restatement of the Shreveport doctrine (257 U. S. 563), while paragraph 3 provides that "State regulating bodies" may be called in to act in a cooperative capacity with the Interstate Commerce Commission—that is, if they have the organization, the time, and the appropriation, which very few have—to hear rate cases, to thereafter sit in arguments, and thereafter participate in executive conferences for the final disposition of such cases. The States have found in the railroad cooperative cases, although shown every courtesy by the Interstate Commerce Commission, that the plan is cumbersome at best and entirely too slow and expensive in giving relief to the people. It has frozen the entire rate structure and made intrastate rates dependent on the level of rates fixed for interstate business.

Our experience in the matter of cooperation in the railroad-rate cases clearly indicates how burdensome and difficult these cases become, and the State commissions will, we believe, be unable to devote the time and attention necessary for such hearings, arguments, and executive conferences, as may be necessary, if the field of interstate regulation is broadened as proposed in the Parker and Couzens bills. For these reasons it is our view that we are getting too far afield and that we should get back to first principles, viz, retain regulation of rates and services close to the people, where the utility is rendering the service, and without being required to incur the expense of appeals to some tribunal sitting at Washington.

The Supreme Court has laid down the rule that while a State commission may not regulate interstate power, natural gas, and water at its source it can nevertheless regulate it at the points of delivery. (Pennsylvania Gas Co. *v.* Public Service Commission (1920), 252 U. S. 23; Public Utilities Commission *v.* Attleboro Steam & Electric Co. (1927), 273 U. S. 83.) Moreover, it has laid down the rule that while the States may not interfere with interstate stage operations, they can apply adequate road taxes, promote safety upon the highways and conservation in their use, require indemity bonds, grant or deny right to operate intrastate, and provide for regulation of local rates and services. (Motor Vehicle Cases, 267 U. S. 307; 267 U. S. 317; 235 U. S. 610, 622; 242 U. S. 160, 167; 266 U. S. 570, 576; 271 U. S. 583.)

As these and other decisions of the United States Supreme Court carry adjudicated principles, under which the State commissions can effectively regulate stage, power, and telephone lines, this is seemingly all that is necessary for the time being, and this is especially true in so far as no new or remedial regulatory steps are taken in the proposed bills, and in so far as they amount only to a duplication of regulation—plus centralization at Washington—which, as before noted, will slow up the machinery, seriously interfering with intrastate rate adjustments, and prove burdensome in cost to the patrons of these utilities.

With best wishes, we are very truly yours,

PUBLIC SERVICE COMMISSION OF NEVADA,
J. F. SHAUGHNESSY, *Chairman.*

His disagreement with the Interstate Commerce Committee is directed particularly to what is called the Shreveport doctrine. It is my understanding that if section 14 of the old bill is adopted and placed in this bill it will meet his objections to this bill as far as his objection to the Shreveport doctrine is concerned. This is one of the most important bills before Congress during my membership. We should study it most carefully and debate it fully.

Mr. MOORE of Virginia. Will the gentleman allow me to interrupt him?

Mr. ARENTZ. Yes.

Mr. MOORE of Virginia. What I understand the gentleman to mean is that this official in his State desires to protect the absolute authority of the State over intrastate movement.

Mr. ARENTZ. He does not want any question raised as to the authority of a State over intrastate transportation.

Mr. MOORE of Virginia. He does not want to run the risk of some such decision as was had with respect to intrastate railroad transportation in the Minnesota cases and the Shreveport cases.

Mr. ARENTZ. In some well-known cases which were decided, I think, adverse to the common interest, and as Mr. Shaughnessy is so well known all over the United States for his far-sighted knowledge of railroad matters in every particular, I think I can safely follow him.

Mr. PARKER. Will the gentleman yield?

Mr. ARENTZ. Yes.

Mr. PARKER. I wish to state to the gentleman that when the proper time comes I am going to offer an amendment covering practically what the gentleman has in mind.

Mr. ARENTZ. I am very glad to hear that. I am very glad the chairman of the committee has taken that viewpoint. In this House we seldom hear an expression given by a chairman which is contrary to the public good. I am glad the gentleman in this case—which I think is true in all cases—wants to be fair.

Now, another thing, and a very important thing in my estimation, and that is the point brought out, I think, by the gentleman from Kansas and also by the gentleman from Illinois and the gentleman from Maine, to the effect that a board of two State commissioners—because, after all, that is what it will amount to; namely, that the joint board will consist of members of public service commissions—will be appointed to act in the place of the Interstate Commerce Commission in cases affecting two States.

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

Mr. ARENTZ. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ARENTZ. I think that should be broadened to cover at least three States, and I think the Interstate Commerce Commission should have the authority in this bill to delegate to any number of States, reaching from Florida, for instance, to Maine, the right to get together and discuss matters connected with the operation of interstate bus lines running all along the Atlantic States.

Mr. NELSON of Maine. Will the gentleman yield?

Mr. ARENTZ. Yes.

Mr. NELSON of Maine. Was Mr. Shaughnessy's suggestion that there be a declaration in this law to the effect that we do not intend to interfere with intrastate operation?

Mr. ARENTZ. Yes. Section 14, I think, would cover that, although I do not say he would be entirely satisfied with it.

Mr. NELSON of Maine. Does the gentleman think that such a declaration on our part would change the law with respect to the relative rights of the States and the Federal Government?

Mr. ARENTZ. I want to absolutely safeguard the States, and therefore I think it would be worth while to have such a declaration in the bill. There is another declaration in this bill which a few years ago would have been called revolutionary by nearly every Member of this House, and that is the declaration that there shall not be any value attaching to the license which may be given by the Interstate Commerce Commission to operate motor busses between States, and that any value which such license might have shall not be considered in rate making. If we had done that with regard to the Water Power Commission and if we had done that with regard to the original Interstate Commerce Commission act, we would have saved to the public millions and millions, if not hundreds of millions of dollars, in rail rates every year.

Mr. NELSON of Maine. I want to say in regard to the suggestion made by Mr. Shaughnessy that that was very carefully considered in the committee. We felt we certainly could not change the basic law of the land or the rights of the Federal and State Governments simply by stating in the bill that we are not going to violate any law. I do not think such a declaration would add anything.

Mr. ARENTZ. If a decision is rendered by a Federal court to the effect that an interstate rate shall be so and so, then I say we must specifically provide in this bill that such rates will not interfere with the intrastate rates or the police power of the States.

The CHAIRMAN. The time of the gentleman from Nevada has again expired.

Mr. PATTERSON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. PATTERSON: Page 4, line 9, after the word "rates," strike out the comma, insert a semicolon and the words "but no permit shall be denied by reason of a lower rate proposed by other lines so long as they measure up to all of the requirements."

Mr. BURTNESS. Mr. Chairman, I make the point of order against the amendment that it is not germane to the section involved.

Mr. PATTERSON. Will the gentleman withhold his point of order a moment?

Mr. BURTNESS. I will be pleased to reserve it.

Mr. PATTERSON. Mr. Chairman, in offering this amendment to the section I have only in mind the public interest. I do not wish to delay or detain the committee in proceeding with the bill, and I will show this by the length of time I occupy.

I shall only take a moment or so to state the purpose of the amendment and I shall not attempt to argue the case, and I hope the gentleman will let the amendment be voted on or that the Chairman will hold the amendment in order.

As I understand, we are trying to protect the public in this bill, and in view of the fact that we failed to strike out the word "necessity" under the amendment offered by the gentleman from Virginia [Mr. MOORE], I am very anxious, in the interest of the public, to see this amendment adopted in order that when any bus line or any competing line proposes to operate between two places, it will not be put out of operation or refused a permit for no other reason than that they might offer a lower rate to the people who wish to go to and from such places, because we know that rates are already high enough, and I believe that such concerns should not be refused, provided they measure up to all other requirements, such as insurance and safety and convenience of the traveling public.

I hope the gentleman will not make the point of order, or if the point of order is made, that the Chairman will hold it is in order, so that we may vote on the amendment.

Mr. BURTNESS. Mr. Chairman, in view of the request of the gentleman, I withdraw the point of order.

Mr. PARKER. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto may now close.

The CHAIRMAN. The gentleman from New York asks unanimous consent that all debate on this section and all amendments thereto do now close. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. PATTERSON].

The question was taken; and on a division (demanded by Mr. PATTERSON) there were—ayes 10, noes 53.

So the amendment was rejected.

The Clerk read as follows:

ADMINISTRATION OF THE ACT

SEC. 3. (a) Except in case of a matter required to be referred to a joint board as provided in subdivision (d), any particular matter or class of matters arising under the administration of this act may be heard and decided by the commission, or may, by order of the commission, be referred for hearing to any member or examiner of the commission. Such member or examiner shall hear and decide the matter referred and recommend appropriate order thereon. With respect to such matter the member or examiner shall have all the rights, duties, powers, and jurisdiction conferred by this act upon the commission, except the power to make the final order thereon. Any order recommended by the member or examiner with respect to such matter shall be filed with the commission and shall, upon the expiration of 10 days after filing, become the order of the commission and become effective, unless within such period the order is stayed or postponed by the commission. An application in writing for the review of any such matter may be made to the commission, whereupon it shall be its duty to consider the same and, if sufficient reason appears therefor, grant such review or make such orders or hold or authorize such further hearings or proceedings in the premises as may be necessary or proper to carry out the purposes of this act; or the commission may, on its own motion, review any such matter and take action thereon as if application therefor had been made by an interested party. The commission after review shall decide the matter and make appropriate order thereon.

(b) Hearings by any member or examiner upon any matter referred to him shall be held at such convenient places within the United States as the commission may by rule or order direct.

(c) Whenever there arises under the administration of this act any matter hereinafter required to be referred to a joint board, the commission shall create a joint board to consider and decide such matter, under such rules governing meetings and procedure of joint boards as the commission shall prescribe. Such joint board shall consist of a member from each State in which the motor-carrier operations involved in the matter are or are proposed to be conducted. The member from any such State shall be nominated by the board of such State from its own membership or otherwise; or if there is no board in such State or if the board of such State fails to make a nomination when requested by the commission, then the governor of such State may nominate such member. The commission is authorized to appoint as a member upon the joint board any such nominee approved by it. All decisions and recommendations by joint boards shall be by unanimous vote. If any joint board fails or refuses to act or is unable to agree upon any matter submitted to it, or if both the board and governor of any State fail to nominate a joint board member when requested by the commission, then such matter shall be heard and decided as in the case of any matter not required to be referred to a joint board. Joint boards when administering the provisions of this act shall be agencies of the Federal Government, and members thereof shall receive such allowances for expenses as the commission shall provide.

(d) 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 hearing and decision and recommendation of appropriate order thereon, any of the following matters arising under the administration of this act with respect to such operations: Applications for the issuance of certificates of public convenience and necessity (except in so far as the action upon such applications is based solely upon answers to questionnaires and information furnished to the commission, as provided in section 5 (b)); 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 by motor vehicle of the requirements established under section 2 (a) (1); complaints as to rates, fares, 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 matters so referred, joint boards shall be vested with the same rights, duties, powers, and jurisdiction as are vested hereinbefore in this section in members or examiners of the commission while acting under its orders in the administration of this act. Orders recommended by joint boards shall be filed with the commission, and shall become orders of the commission and become effective and shall be subject to review by the commission, in the same manner as provided in the case of members or examiners under this section.

(e) In so far as may be necessary for the purposes of this act, the commission and the members and examiners thereof and joint boards shall have the same power to administer oaths, and require by subpœna the attendance and testimony of witnesses and the production of books, papers, tariffs, contracts, agreements, and documents, and to take testimony by deposition, relating to any matter under investigation, as amended and supplemented; and any person subpœnaed or testifying in connection with any matter under investigation under this act shall have the same rights, privileges, and immunities and be subject to the same duties, liabilities, and penalties as are provided in the interstate commerce act, as amended and supplemented.

(f) In accordance with rules prescribed by the commission, reasonable notice shall be afforded in connection with any proceeding under this act to all parties of record and to the governor and the board of any State in which the carrier operations involved in the proceeding are or are proposed to be conducted, and opportunity for hearing and for intervention in connection with any such proceeding shall be afforded to all interested parties.

(g) The commission is authorized to confer with and/or to hold joint hearings with any authorities of any State in connection with any matter arising in any proceeding under this act. The commission is also authorized to avail itself of the cooperation, services, records, and facilities of any State, or any officials thereof, in the enforcement of any provision of this act.

(h) Any final order made under this act shall be subject to the same right of relief in court by any party in interest as is now provided in respect to orders of the commission made under the interstate commerce act, as amended.

Mr. MAPES. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MAPES: Page 7, line 16, after the word "conducted," strike out the words "between two States only are involved" and insert in lieu thereof the words "involve not more than three States."

Mr. MAPES. Mr. Chairman and members of the committee, those of you who have followed the general debate on this bill will understand what this amendment proposes to do and the object of it.

The bill as reported by the committee makes it mandatory for the Interstate Commerce Commission to refer to joint boards,

made up of a representative of the regulatory bodies of the States, questions arising under the operation of this act where two States only are involved.

The amendment proposes to enlarge the scope of that provision so as to require a reference to joint boards where the operations of the motor busses involve not to exceed three States.

The gentleman from Virginia yesterday, or the day before, called attention to the fact that a motor bus operating from Alexandria through the District of Columbia and a few miles into Maryland would have to go before the Interstate Commerce Commission and would not be regulated by the local authorities as this bill now stands. Out in the Middle West, an operator going from Detroit to Chicago would have to come here to Washington before the Interstate Commerce Commission to get his certificate of convenience and necessity, and after he got it, he would come under the jurisdiction and regulation of the commission rather than the local authorities. The same would be true of an operator running from Cleveland to Chicago or from Chicago to St. Paul or Minneapolis.

I submit, Mr. Chairman, there is no good reason why operations of this kind should not be handled by representatives of the local commissions and these joint boards the same as operations between two States.

The principle is the same. We do not attempt by this amendment to change the set-up as far as the procedure provided in the bill is concerned. We simply enlarge the scope of the joint boards so that they may have jurisdiction over cases involving operations within three States instead of confining them to two States only.

Some of us believe they should have broader jurisdiction, and I know there are Members of the House who think so, but we got together on this particular number.

Mr. LEAVITT. Will the gentleman yield?

Mr. MAPES. I yield to the gentleman from Montana.

Mr. LEAVITT. I just want to ask the gentleman why he confines his amendment to three States. I have here a telegram from the commissioners of Montana saying that unless the joint boards have jurisdiction in not less than six States, the measure will not help much with respect to interstate situations.

Mr. MAPES. I have a good deal of sympathy with the thought expressed in the gentleman's telegram, but, as a matter of practical procedure, it seemed to those of us on the committee who signed the additional views attached to the majority report, and who are interested in enlarging the scope of the jurisdiction of the joint boards, that it was better to confine this amendment to three States. If the amendment is adopted we intend to follow it up with another amendment which will authorize the Interstate Commerce Commission, in its discretion, to refer cases to joint boards where more than three States are involved if it sees fit to do so.

Mr. LEAVITT. That would partially take care of the situation in Montana.

Mr. MAPES. I will say that the Interstate Commerce Commission in its report recommend that the operations of motor vehicles be handled by local bodies. We believe that the Interstate Commerce Commission is in sympathy with the purposes of those of us who want to amend the bill in this respect, and if the discretionary power is given to the Interstate Commerce Commission that it will see to it that all cases are referred to the joint board, where it is practicable to do so.

Mr. LEAVITT. I will say to the gentleman that I will support the amendment in view of that statement.

Mr. MAPES. It is easy for anyone to conjure up reasons for the position he takes and to give reasons for opposing anything that he does not want. I anticipate that it is going to be said here that we are creating additional expense and trying to set up something impracticable, something that can not be carried out in its practical operation.

Now, in the first place as to the question of expense there will be no additional expense as far as salaries are concerned, because the members of the State commissions receive salaries from their States and the bill in no place anticipates any additional salary.

As far as expenses are concerned it is agreed that members of the board from Michigan, Ohio, and Illinois can get together in a near-by city with less expense than a man from the Interstate Commerce Commission could go to these States or for less than the operators can come to Washington. There is no great complexity in adding one additional State to this joint board proposition.

In order to make this bill at all operative, in order to make it at all effective, as far as placing the operation of this motor-bus business under the jurisdiction of local authorities is concerned, we ought to give these joint boards a broader scope than the bill now provides. Let me say that the legislation was initiated by the public utilities commissioners of the several States. Every bill, until this one was reported out of the committee, carried unlimited reference to a joint board, and that is the reason why you have the protests here from the State commissions.

I read the other day from a letter from the counsel of the National Association of Public Utility Commissioners, and I will read two sentences from that letter again:

> The 2-State plan will be of very limited value in the West and is simply not workable in the East.

And again—

> The commissioners of both large and small States alike unite in saying that the 2-State plan does not meet their need.

Gentlemen, I hope the House will agree to this amendment.

Mr. PALMER. Will the gentleman yield?

Mr. MAPES. Yes.

Mr. PALMER. I am in hearty accord with the amendment, and I know that the public service commissions of the States are bitterly opposed to this 2-State provision.

Mr. HASTINGS. Mr. Chairman, I want to offer a substitute, which I send to the desk.

The Clerk read as follows:

> Amendment offered by Mr. HASTINGS: Subsection (d), page 7, in line 16, after the word "between," strike out the word "two"; and in the same line, after the word "States," strike out the word "only"; and in line 17 strike out the words "recommendation of"; and in line 21, page 7, after the word "necessity," strike out the following: "(except in so far as the action upon such applications is based solely upon answers to questionnaires and information furnished to the commission, as provided in section 5 (b))"; and on page 8, line 14, after the word "effective," insert "as of date of filing with the commission" and strike out the remainder of subsection (d), as follows: "and shall be subject to review by the commission, in the same manner as provided in the case of members or examiners under this section."

Mr. MAPES. Mr. Chairman, I make a point of order that the amendment is not germane.

The CHAIRMAN. The proposed substitute is of a wider scope than the amendment of the gentleman from Michigan, but it might be offered as a separate and independent amendment, in the judgment of the Chair.

Mr. HASTINGS. If that is the view of the Chair, I ask permission to withdraw my amendment.

The CHAIRMAN. The amendment may be considered as pending until the amendment offered by the gentleman from Michigan is disposed of.

Mr. HOCH. Mr. Chairman, I move to strike out the last word. The observations that I have in mind to make do not go particularly to the amendment offered by the gentleman from Michigan [Mr. MAPES]. Personally, I am not concerned whether this shall be mandatory in the case of two States or three States. I shall vote against the amendment because the committee reached a compromise agreement, and I shall stand by the agreement reached in the committee, but I do want to offer a few observations with reference to the proposal made by the gentleman from Oklahoma [Mr. HASTINGS] in view of the discussion and propaganda we have had on this matter of joint boards. I say, with all due respect to those who advocate the original provisions of the bill, that, in my judgment, a more impractical suggestion has never been made before the committee of which I am a member than that suggestion, and I feel sure that many of those who have advocated it have not visualized what would happen under it. I am not raising any question as to the constitutionality of it. I think we have as much constitutional power to do it for all States as we have to do it for two States. I am talking now simply about the impracticability of the machinery.

What was proposed in the original bill, and which the gentleman from Oklahoma, as I understand it, is going to attempt to restore? It was proposed that in all cases it should be mandatory to create a joint board composed of representatives from the States through which the proposed operation would run. Remember that these are not permanent boards; they are boards called into being in the first instance to pass on the question of the issuance of the certificate.

You would have just as many joint boards as combinations of States are mathematically possible. Let me illustrate that with three or four States. Suppose some one wanted to operate between New York and New Jersey. They would file an application with the commission, and the commission would call into existence a joint board composed of representatives from each of the States of New Jersey and New York. If somebody else wanted to operate between New York, New Jersey, and

Pennsylvania, that first board would be of no value, and you would have to call into being another board with representatives from each of those three States. Each board would have to be constituted as a legal entity, it would have to appoint its officers, its employees, and make an affirmative record for transmission to the Interstate Commerce Commission. If an operator wanted to conduct a business between New York and Pennsylvania, that would be another board, and if some one wanted to go into Maryland, that would be an entirely different board. I am not a mathematician, but I say with reference to five States that you certainly would have at least 25 boards, and this is no theory but a mere statement of the conditions that actually exist to-day. We have operations extending across the country. Here is somebody who wants to operate from New York to San Francisco and he wants to go by way of Nebraska. You would have to call into being for the specific purpose of granting a certificate a joint board made up of a representative from every State through which that operation went. If somebody wanted to have an operation go through my State of Kansas, the first board would not do, and you would have to establish another joint board covering those particular States, and if you had a variation of one State you would have to bring into being an entirely separate board.

Remember this board is not simply for the purpose of granting a certificate, but after you have a joint board created covering 12 or 15 States and they have gone out of business it is not contemplated that they shall be in continuous existence.

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

Mr. DENISON. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOCH. Here is a board consisting of representatives from a dozen States. That board has granted a certificate and had gone home when somebody makes a complaint with reference to service that the operator is conducting. How are you going to act? You have to call that board into being to pass on the question of whether the operator ought not to put on some more busses. Then somebody raises a question as to rates, and you have to call that board into being in order to pass upon the question of rates. All of the questions of service and rates and operation have to be gone into. Somebody complains, perhaps, that the insurance carried is not enough and you have to call that board back into being. I shall read now from the hearings. One of the ablest men, one of the principal spokesmen for the bill, was Mr. Wakelee, of New Jersey. I asked him the following question, and I want you to note his answer:

> Mr. HOCH. Now, you have shown us a map here with a perfect network of operations all over this country. Would anybody be able to make a guess as to how many joint boards would have to be in existence if they were to pass upon the operations that are now actually in existence? Would you not say that it would run up into many hundreds of combinations of States?
>
> Mr. WAKELEE. Yes.
>
> Mr. HOCH. Many hundreds of them?
>
> Mr. WAKELEE. Yes; probably thousands.
>
> Mr. HOCH. Probably thousands of joint boards will be necessary to pass on those applications, and that relates to interstate operations that are to-day in effect in this country.

Even with the so-called grandfather clause in the bill, where they are to be automatically brought in, it requires a subsequent determination of all of the questions that go to the nature of their operation, the protection of the public, and all of those things, and even with reference to the operations that are now in effect. You would have to have, according to Mr. Wakelee, thousands of boards to pass on them.

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

Mr. HOCH. In a minute. As everyone knows, we are supposed to be only in the beginning of this development of interstate bus traffic, and I ask any practical man whether he thinks if it would take thousands of boards to do that now, we ought to make it mandatory that hereafter you shall in every case call into being a joint board to pass on not only the question of certificate but all of the service questions that will arise. I yield to the gentleman from Utah.

Mr. COLTON. If that were left to the discretion of the Interstate Commerce Commission it would not involve the complications that the gentleman mentions?

Mr. HOCH. I will say this to the gentleman, that I have enough faith in the judgment and good sense of the Interstate Commerce Commission to believe that when they came to apply it they would utterly repudiate the recommendations that they made to the committee. They did recommend the original bill which made mandatory joint boards in all cases. In view of that recommendation I am a little hesitant now to make it discretionary.

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

Mr. HOCH. Yes.

Mr. BURTNESS. The gentleman has referred to various classes of questions and cases that might be referred to the joint board. Would the questions arising from the grandfather clause have to go to the joint board? I trust that the gentleman did not intend to convey the impression that that would be the case.

Mr. HOCH. I believe it is true that on original hearing under the grandfather clause the bill does not establish joint boards. But in subsequent questions raised as to service, and so forth, we would have to have a joint board.

Mr. BURTNESS. But in cases where people filed applications and showed their ability and responsibility, none of those instances would have to go to the joint board, would they?

Mr. HOCH. I think the gentleman is correct. The argument that in those cases it would not be required only illustrates the absurdity of making it mandatory.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield there?

Mr. HOCH. Yes.

Mr. MOORE of Virginia. In reference to matters referred to the joint board, if they should be limited to the issue of certificates, much of the argument the gentleman has made would be ill founded.

Mr. HOCH. If you cut down the things to be done by the joint board, you would lessen the absurdity of making joint boards necessary in all cases. But if the gentleman will stop for a moment to consider all the situations involved in the granting of a certificate he will realize how many cases there would be even for that. The railroad situation is not analogous. With railroads you have only an occasional application for extensions. But here you would have countless applications. Under such circumstances it would be absurd to make it mandatory to have a joint board in all cases.

Mr. MOORE of Virginia. Was it the original intention to prevent the denial of a joint board in any case?

Mr. HOCH. The provision of the bill was a matter of compromise. It was represented to the committee, as I recall it, that the 2-State provision would cover approximately 90 per cent of the interstate operations. I can understand how that may be practicable, and how three might be practicable.

Mr. MOORE of Virginia. Take as an illustration a line operating from a point in Virginia through the District of Columbia and Maryland to Baltimore. Why should there not be a joint board in such a case, or, further north, in the operation of a line from Baltimore, through Maryland, Delaware, and New Jersey to New York? If there is to be any joint board of reference I am in favor of that, exactly as the Interstate Commerce Commission is. In 1928 the commission said the reference to a joint board should be made in every instance. If not, it would be just as logical to stop at two States as at three States, or to have no joint board in any case.

Mr. HOCH. Of course, it is a matter of drawing a line somewhere. But the outstanding cases which were drawn to our attention were the great cities situated near State lines, involving two States, such as New York and Philadelphia and Kansas City and certain other large cities. The committee agreed upon a compromise. There were some who, on other grounds, opposed joint boards in any case. Finally we reached the agreement on two States.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. JOHNSON of Indiana. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Indiana is recognized for five minutes.

Mr. JOHNSON of Indiana. Mr. Chairman and members of the committee, I take it from what has been said by the gentleman from Kansas [Mr. HOCH] that he is not particularly opposed to the amendment now pending. His remarks were directed almost entirely against the provision in the original bill, which provided for all matters to be referred to joint boards, regardless of how many States were involved. The amendment now pending provides that matters shall be referred to joint boards where only three States are involved.

I sometimes wonder when we get here to pass legislation whether or not we keep in mind the things we hear frequently, at least about election time and in campaigns. As I recall, one of the things we hear so much about at election times, and especially from members of the party represented across the aisle, is the question of State rights and the contention that we should leave all matters we can with the States. We also hear much

about the centralization of power in boards and commissions of the Government in Washington. By this amendment we are trying to leave the administration of this law to the State boards as much as possible, and I do not see how anyone who is opposed to this centralization of power in Washington can consistently oppose this amendment.

We are trying to leave everything we can in regard to the administration of this bill, with the State boards which are the selections of the States; the same boards that are handling intrastate traffic. Now, we have an opportunity to see whether or not you really want the States to determine these matters; whether we really want State rights, and whether we want these boards that are organized by the States to administer this law.

I personally believe this is a good amendment. I can visualize many cases where only three States would be involved, still the traffic would be purely local. I can visualize cases where probably four or five or more States could be involved, and still the traffic would be purely local; but most certainly that would be the case in regard to three States.

It was stated a moment ago that 90 per cent of the interstate traffic is between two States only. There is no evidence in the committee that I know of upon that point. It was stated by a member of the committee that in his opinion, that was the situation. I do not know. I do not believe we have any evidence that would show what per cent of the interstate traffic is between two States only.

I am in favor of the amendment the gentleman from Michigan [Mr. MAPES] said he was going to introduce, leaving it discretionary with the commission where more than three States are involved, to refer those matters to the joint boards. In other words, if it was not practicable, if it was not feasible, then the commission would handle it through an examiner or a member of the commission, as provided for in the bill. But, in cases where the commission decided it was proper and would be best to have the matter determined by a joint board, the commission could refer such matter to a joint board. But, that is not the amendment we are now considering. We are considering the amendment providing that all matters must be referred to the State boards, where not more than three States are involved. I think the amendment should be adopted.

Mr. LEA of California. Mr. Chairman, I think this amendment should not be adopted. It is a plausible thing to say to the Members of the House that you are going to have this regulation at home. There are substantial reasons, both as a matter of principle and as a matter of practical, sensible handling of this problem, why this amendment should be defeated. We have a tendency in government to bring State duties to the Federal Government. I think a study of our legislation over a period of years will also show we have a disposition to place Federal functions in the States. That is a bad tendency. Our Government, if it is going to operate successfully over a long course of years, must in practical operation adhere to fundamental principles, that should separate State and Federal functions. The regulation of interstate commerce is a Federal job. As I attempted to point out when I spoke day before yesterday, one of the main reasons for the adoption of the Federal Government was to prevent interference with interstate commerce by the individual States. Here it is proposed to extend this power to three States. Three States out in my country will provide for a bus line 1,200 miles long. These bus lines that are established by local State authority, representing the local people, people who have their employees and their capital at home, will be favored by those local State interests; but over the same route we must have lines that cover many States, great bus transportation lines which are going to be established. We will have an unfriendly board placed in these local States through which they must pass, contrary to the fundamental theory on which Congress was given this power.

In this bill we provide for a 2-State joint board. There is some reason for that. There is some precedent for that in the administration of the transportation act. Some years ago we passed a law giving regulatory powers to the Interstate Commerce Commission and exempted street-car lines running from one State to another. A case went to the Supreme Court involving a crossing of the boundary at Council Bluffs, I believe. The Supreme Court said that that particular local business was, in its essential nature, a street-car business and that it was properly within that exemption. There is a reason here for the 2-State exemption; but I believe there is no reason, as a matter of principle, for including three or more States.

I call your attention to what the gentleman from Kansas [Mr. HOCH] said. I thoroughly agree with his description of what was proposed in the original bill. I have never seen anything proposed to the Committee on Interstate and Foreign Commerce that was more absurd than the plan of these joint boards, to be set up in all the States of the country. It is absolutely impracticable. There will be all the difficulties of assembling these boards. For instance, a certificate is applied for, and this board is assembled for that purpose. Men are taken from distant States. You have a hearing to-day and you do not get in all the testimony and you have to come back next week, and the entire board has to be assembled next week. Innumerable boards can be created, because you must have boards for every different combination of States. Every time a complaint is made about a violation of the law or to get a change of line, or to try to get better service one of these boards must be assembled. It has no permanent meeting place or personnel or place for its records. It is absolutely impractical. It ought never to be engrafted on our system of regulation.

In California we have a situation that has practically determined my attitude on this proposition. We have a system by which certain officers can be called from their local functions off to distant parts of the State to take the place of other men and other official bodies in performing their duties.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LEA of California. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from California asks unanimous consent that he be allowed to proceed for five minutes. Is there objection?

There was no objection.

Mr. LEA of California. Those men are called from home to perform the functions of other officers in other parts of the State, and they are given compensation and expenses for so doing. The result is that we have men all over the State of California who are striving for an opportunity to serve on these special appointments. They want the increased money, and they want the honor and prestige of going to some other part of the State and parading around. In some instances these men go down to some other part of the State and use these appointments to increase salary as well as for personal parade. When they come back home it is with the same pride. All the time there is conniving and seeking to secure appointments. What is the logic of taking a man from a State function, where he has plenty to do and assigning him to other work, constantly making him subject to being sent to different States to take part in such a matter as this?

Mr. McSWAIN. Will the gentleman yield?

Mr. LEA of California. I yield.

Mr. McSWAIN. Did the gentleman ever see one of these little "one horse" examiners of the Interstate Commerce Commission come to his city and strut around?

Mr. LEA of California. You can not eliminate the examiners. That is a part of the regular system of regulation.

So I think the practical thing is to leave this matter as we have it in this bill. It takes care of a large per cent of all of these interstate transactions, where the lines are short in length and where the commerce is great, but it gives the Interstate Commerce Commission the untrammeled right to take care of these great interstate transactions and will prevent this duplication and conflict of methods of regulation that will prevail if you attempt to set up this system of boards proposed by this amendment.

Mr. DENISON. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. DENISON. Mr. Chairman and gentlemen, I think this question is one of the most important connected with this legislation and should be carefully considered by the committee. I hope the amendment will not be adopted, and I wish I had more time to tell my reasons, but I will not have the time in 10 minutes.

This bill, gentlemen, I do not think would have been reported to the House if this amendment had been in it. The bill is a kind of a compromise of views, and as the bill has been reported it had the support of every member of the committee except one, with the understanding, of course, that the minority could offer an amendment presenting their views upon this question, which they always have the right to do.

Mr. MAPES. Does the gentleman think that my amendment would destroy the principle or purpose of the bill in any way?

Mr. DENISON. I think it would, and I am going to state why, if I have the time. I only ask your attention for just a few moments and I hope I will take up no more time in connection with this bill. Before the decision of the Supreme Court in the Buck case the State commissions assumed they had the right to regulate interstate busses as well as intrastate

busses. That assumption was based on certain decisions of the courts which held in other cases that until Congress exercises the power conferred upon it by the Constitution the States may do so. For instance, in the regulation of navigation on navigable waters the Supreme Court has held that while that is within the jurisdiction of the Congress, as a power inferred from the commerce clause of the Constitution, yet until Congress chooses to act upon that question the States may regulate such commerce. Under those decisions the State commissions assumed that the same rule would apply with reference to the regulation of interstate commerce by motor busses. So they went ahead and passed their laws applying to interstate busses.

As soon as a case reached the Supreme Court the Supreme Court held such action invalid, as appears from the decision in the Buck case and the decision in the Bush against Malloy case.

So since then the Supreme Court has repeatedly laid down the rule that State commissions can not regulate interstate motor busses. Just as soon as the Supreme Court declared the law the State commissions began the formulation of a bill which they thought would circumvent the decisions of the Supreme Court, and circumvent the provisions of the Constitution. Our fathers may have made a mistake in inserting that provision in the Constitution, the provision giving the Congress the power to regulate commerce between States, but that is in the Constitution, and I think we ought to observe it in the spirit as well as in the letter. Although we may put phraseology in the bill which will circumvent that provision of the Constitution and stand the test of the courts, I do not think we should do it if it would violate the spirit of the Constitution. That is my doctrine exactly.

We are circumventing it a little in the bill as it is now, for the reasons stated by the gentleman from California [Mr. LEA]. We have provided that we will create a joint board in cases involving matters of transportation between two States, and here is the reason why we did it, to be perfectly frank: There are on or near a great many State borders large population centers, like Philadelphia and Camden, Chicago and East Chicago, Kansas City, Mo., and Kansas City, Kans., St. Louis, Mo., and East St. Louis, Ill., and New York and Jersey City, where interstate busses are merely suburban busses or interurban busses running across the State line, so that questions arising in those cases are purely local; they do not involve any questions of national policy, and the committee has provided a plan here by which we provide for the creation of joint boards to handle those merely local questions, subject to review, of course, by the Interstate Commerce Commission.

Now, strictly speaking and logically, that is not in harmony with the spirit of the Constitution, but the Supreme Court itself has drawn a distinction between local questions and national questions in those matters of interstate commerce. So the committee has provided in the bill this 2-State board machinery for the purpose of considering and determining those purely local questions of interstate bus transactions between cities and their surburbs or surburban cities just across rivers or across State lines. But, gentlemen, it will be a mistake if we extend that principle beyond those local cases. You depart from the principle of this bill when you leave the local cases and extend the joint-board provision to three or four or more States. You are departing from the policy of the bill, and I hope the committee will not do that.

Of course, when our committee amended the Parker bill so as to take out the provision for creating joint boards all over the United States the representative of the Association of State Utility Commissions here in Washington was disappointed. He did not like it because we followed our own judgment and our own views of the Constitution. He wanted us to submissively follow his views. His views were that legislation should carry some kind of phraseology by which we could get around the commerce clause of the Constitution and allow the States to regulate interstate commerce.

He is a splendid gentleman and a very able gentleman, but what did he do? He sent telegrams immediately to the various State commissions in order to put a fire under us here, and in 24 hours telegrams began coming back to the Members of the House from the State commissions telling us what to do. Why, gentlemen, the Members of this House are just as big men as the members of the various State commissions, and we ought not to be swayed from our plain duty by these telegrams, all of which are practically in the same language, coming from State commissions, and all of which were sent to us in response to telegrams from the attorney of the State Commissioners' Association here in Washington, telling them what to do and then your State commissions sent their telegrams to us telling us what to do.

Let us stand up and do our duty here and carry out the spirit as well as the letter of the Constitution. We ought not to try to circumvent the Constitution by authorizing the State commissions to do what the Constitution says Congress should do.

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

Mr. BURTNESS. Mr. Chairman, I regret I can not agree on this question with my distinguished friend from Illinois [Mr. DENISON], who seems to have worked up so much feeling in his attack upon the amendment proposed by the gentleman from Michigan [Mr. MAPES].

I was rather surprised to hear him make the statement that if the committee, when it worked out and perfected this bill, had written the word "three" instead of the word "two" in this provision, the bill would not have been reported out, in spite of the fact that 20 members out of the 21 members of the committee are supporting the bill as a whole.

I feel he is entirely mistaken and I think I can just as properly say to the members of this Committee of the Whole to-day that if the question of increasing the number from two to three had come up in the proceedings of our Committee on Interstate and Foreign Commerce after other perfecting amendments had been adopted, in my judgment, a majority of the committee would have voted for such an amendment and along the lines now proposed and as covered in our additional views made a part of the committee report on the bill.

Now, what do I mean by that statement? If you will turn to the original Parker bill you will find what I have in mind. When the committee was first considering all these questions, the bill provided that the decisions reached by the joint boards were in fact final decisions and and orders made by it would be final orders. There were a good many members of the committee who doubted the advisability of letting the joint boards make final orders, and this had a good deal to do, in my opinion, with the amendment that was adopted by the committee limiting the provision to two States. Later, as a reference to the reported bill shows, provision was made so that the joint boards should not issue final orders. They can simply reach their decision, they file their recommendation in the form of a proposed order, and this decision or recommendation becomes the order of the commission, if not reviewed or suspended at the expiration of 10 days.

It seems to me by adopting this change in the bill we did away with much of the objection that is raised by the fundamental argument made by the gentleman from Illinois [Mr. DENISON] here to-day, as well as in the argument made by the gentleman from California [Mr. LEA].

The fact is, under the bill as it now stands, any order becomes the commission's order. The men constituting the joint boards really become, so to speak, representatives of the commission for a particular piece of work just the same as the examiner is a representative of the commission. When a member from the State commission of Arizona, California, or any other State sits in a hearing, whether it involves a certificate of public convenience and necessity or some other question, for that particular purpose he is a Federal agent representing the Federal Government just exactly as the judge of your State court, when he passes upon a question of naturalization, is a representative of the Federal Government. When the Congress is willing to leave to the State courts such important questions as those of naturalization matters, making the State courts Federal agencies, surely there ought not to be any objection whatever to Congress trying this experiment of using the local authorities, members of State commissions, who know far more about the situation in their own States and in the neighboring States than any examiner who could be sent into that territory from the Interstate Commerce Commission, could possibly know. I say, let us try out, in an experimental and in a practical way, this proposition and see whether or not it will give us some light for the future and in this way reduce the work that is being continually piled up on the commission.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. BURTNESS. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Without objection, the gentleman from North Dakota is recognized for two additional minutes.

There was no objection.

Mr. BURTNESS. Additional work is coming to the commission all the time. This prevents prompt and expeditious action. Let us relieve them at every place we can, and when gentlemen talk about two States covering 90 per cent of the applications that will be involved, that is simply ridiculous. Every one of you here in the East knows that the interstate operations almost universally cover at least 3 or 4 or 5 States, and you can

scarcely pick out a single interstate operation which involves only 2 States. That is the situation in New England, it is the situation between here and New York, and in such cases as those that the gentleman from Virginia [Mr. MOORE] and others have referred to.

Let us not be scared away by the idea that there are going to be such a tremendous number of applications submitted to these boards. The present operators are included under the so-called grandfather clause, which will be administered by the commission as a matter of routine. The applications that will come in, to be referred to these local boards scattered throughout the country, are going to be rather limited in their number. The commission will not have to establish half a dozen boards in every community every day of the month or anything of that sort as the gentleman from Kansas [Mr. HOCH] inferred. Of course, his argument was directed more to the original provisions of the bill as introduced and rejected by the committee rather than to the Mapes amendment.

It seems to me, as it seemed to the State commissions and to other witnesses who appeared on behalf of this legislation, that this plan of procedure is practical, that it is one worthy of being tried out. Let us come somewhere near compromising between the proposal submitted in the original bill and upon which hearings were held and the other extreme view, which is to the effect that the State authorities and the local people should have nothing whatsoever to say about it.

I strongly urge the adoption of the pending amendment to refer operations involving three States to local boards.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. RAYBURN. Mr. Chairman, I do not know what the view of the majority would have been if we had put into the bill the recommendation of the Interstate Commerce Commission and the State commissioners; but I can say this for the minority: If the original provision of the bill had been in the bill as it came to a final vote in the committee, it would not have received a single vote from any member of the minority of the committee.

After the statement of the gentleman from Illinois that he did not think it would have been reported—if he can speak for his side, I can speak for this side.

Mr. DENISON. If the gentleman will yield, I was speaking with reference to the two amendments.

Mr. RAYBURN. I am talking about the original provision. If the gentleman from Michigan gets this amendment adopted, he intends to follow it with another amendment providing that the Interstate Commerce Commission can refer any matters to the joint board it desires, and with the State commissions all clamoring for that right, and with the Interstate Commerce Commission wanting to escape the work that they said was the main reason for making the recommendation, we will have the monstrous situation referred to in the able and conclusive argument by the gentleman from Kansas.

Now, this morning, or yesterday, the gentleman from Michigan was asked a question as to the additional cost, and he said that it would be little or none. This bill specifically provides that even with the amendment of the gentleman from Michigan adopted, the one pending, and the one he is going to offer if this is adopted, the Interstate Commerce Commission would refer a case of the application of a carrier from New York City to San Francisco, it matters not where the board met, how long it sat, or how many times they had to leave home, the Federal Treasury would be charged with all of the expenses of these men as long as they were away from home.

Mr. MAPES. Will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. MAPES. Of course, if the question is left to the Interstate Commerce Commission that commission will have to send one of its representatives.

Mr. RAYBURN. Oh, yes; but they only send one.

Mr. MAPES. And he would have to travel very much farther than the members of the joint board.

Mr. RAYBURN. It would not send six representatives nor five representatives, but one. They will be under the control and under the urge of the Interstate Commerce Commission to get through with the job and get home.

Mr. MAPES. If the operations involved three States there would be only one representative from each of the States so that there would only be three members of the board, and they would have to travel only a short distance to some near-by local city.

Mr. RAYBURN. The gentleman knows that if he could get it adopted he would have had it in the original bill. Let me say further to the gentleman and to those who stand with him, he knows that if the original proposition of the Interstate Commerce Commission had been adopted that he has tried to offer now, and then is to offer another amendment, some of us would have had no interest whatever in proceeding with the perfection of the bill. The gentleman from Michigan, after we agreed as to the form of the bill and the provision for two States, the gentleman undertook many times thereafter to bring up and asked us again to consider whether or not we would have more than two States.

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

Mr. RAYBURN. I ask for five minutes more.

The CHAIRMAN. Without objection it will be so ordered.

Mr. MAPES. I do not want to take the gentleman's time, but he is stating my position. He does not mean to say that I agreed to the 2-State limitation.

Mr. RAYBURN. The committee by a large majority vote put it in, and the gentleman several times raised a point.

Mr. MAPES. And I reserved the right to offer an amendment on the floor.

Mr. RAYBURN. Of course.

Mr. MAPES. Let me say further to the gentleman that I appreciate the difficulties or objections to referring cases to joint boards where as many States are involved as are involved in a transcontinental line. I have no desire, and I do not think it would be practicable for the Interstate Commerce Commission, to refer questions relating to the operation of a transcontinental line to a joint board.

Mr. RAYBURN. But the gentleman gives his whole case away. He is going to offer an amendment, he stated yesterday, giving the Interstate Commerce Commission the right and authority to do that very thing.

Mr. MAPES. If it sees fit.

Mr. RAYBURN. And it would see fit, if it followed the recommendation it made originally, in wanting to refer all of them to the State boards.

Mr. MAPES. The gentleman from Michigan thinks it would be practical to refer operations involving five or six States, and he has confidence in the judgment of the commission that it will administer this law in a practical way.

Mr. RAYBURN. That is not what is indicated by the amendments the gentleman is offering and by the speeches that he makes.

Mr. HOCH. In other words, the gentleman from Michigan has confidence that the commission will reverse the position that it took. [Laughter.]

Mr. MAPES. The gentleman from Michigan has not maintained since the original vote in the committee that it is practical to include all of the States.

Mr. RAYBURN. The gentleman is offering an amendment, though, that gives the Interstate Commerce Commission authority to do it.

Mr. MAPES. But there is a vast difference between referring it to the discretion of the commission and making it mandatory.

Mr. RAYBURN. When the commission has said that it wanted to do it and would do it if it had the authority, and, therefore, the gentleman's argument is that it would not do what it wished to do if you gave it authority to do it. Mr. Chairman, there has been some talk about whether State commissions would indorse this if it did not have this State board monstrosity in it. Mr. McDonald was before the committee and the question was asked of him:

> What would be the attitude of your association if its members were eliminated from the picture—what would be their attitude toward the bill?

Mr. McDonald replied:

> It would be just the same as it is now, Mr. HUDDLESTON. We see a condition coming. It is bound to come, just the same as it did in the railroads. The Interstate Commerce Commission eventually is going to regulate interstate commerce by motor vehicle, I think both persons and commerce, so far as they are handled by motor vehicles, before many years.

That is, for the bill, and they were there advocating this bill.

Somebody asked me yesterday while I had the floor what this thing would cost. I do not know what it would cost, and that is what I answered yesterday. Estimates would have to be made by the Interstate Commerce Commission and brought to the Committee on Appropriations, but I say to the gentlemen who have control of the purse strings that it will be enough if you leave this bill as it is, but if you will open this thing up to three or five or a dozen commissions and State boards to come in here, then it will run into millions and millions of dollars. A representative of the bus people who studied this thing asked the question, and his answer was quoted in the

statement of the gentleman from Kansas [Mr. HOCH]. He said that there would not only be hundreds but thousands of these boards, and you would have to send men from one end of the land to the other, paying their railroad fare and hotel bills, and it would run into millions of dollars. Furthermore, I say here to-day what I said yesterday. I think I violated a principle when I and those who stood with me on the committee agreed to one of these boards composed of representatives from two States. This transportation that we seek to control here is interstate transportation, and it is the duty of Congress and it is the funcion of Congress and nobody else to control that transportation in toto. [Applause.]

Mr. JOHNSTON of Missouri. Mr. Chairman, I move to strike out the last two words. I hope the amendment of the gentleman from Michigan [Mr. MAPES] will prevail, which provides for a board of three representatives. I wonder if the gentleman from Illinois [Mr. DENISON] is familiar with the situation that exists in Kansas, Missouri, and Illinois? A few years ago a bus company was running between Kansas City and the city of St. Louis, both in Missouri. Another one started, and in order to avoid the regulatory laws of the State they sold their tickets from Kansas City, Kans., which is a suburb, you might say, of Kansas City, Mo., and that ticket was to East St. Louis, Ill. Therefore they came under the provisions of interstate commerce. I believe most of our States to-day have public service commissions, and it is a fair presumption to say that a member of that board would be a member of the public service commission. He would serve as its member without any additional salary, because his salary is paid by the State. I believe under the terms of the bill the traveling expenses of these men would be paid by the Federal Government. In the instance that I cite of Illinois, Missouri, and Kansas, of course Missouri would be the proper place to meet. They would have but a short distance to travel, they would have their regular place of meeting. These three men could get together and they are better than two. Suppose there is a difference of opinion between two men. The third man is ready to form a majority of the board.

It has been said here that a board of two would represent, perhaps, 90 per cent of the cases. I think that is far-fetched, and I think the situation of where three are concerned would represent about 30 to 40 per cent of the States. I am heartily in favor of this amendment. I believe it efficient and practical, and I believe if increased it would be harder to get a larger board together.

Mr. NELSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. JOHNSTON of Missouri. Yes.

Mr. NELSON of Missouri. Reference has been made to Missouri. I might say that a few days ago I wired the Public Service Commission of Missouri asking what their views were on this or similar amendments, and their reply was that unless this or some such amendment was offered they preferred the defeat of the bill.

Mr. JOHNSTON of Missouri. I might state that I have not the same character of telegram, but one advocating a board of three. The complaint that I have has come from the people, going back to how the bus company attempted to avoid State regulation. This is an instance of where a board of three members seems to me to be the most practical and the best working one from the standpoint of economy.

Mr. PARKER. Mr. Chairman, I would like to know how many more gentlemen wish to speak on this amendment?

Mr. MOORE of Virginia. I would like to have about five minutes.

Mr. McSWAIN. I have an amendment pending.

Mr. PARKER. Does the gentleman from Oklahoma [Mr. O'CONNOR] prefer to go on to-night, or is he willing to go on later?

Mr. O'CONNOR of Oklahoma. I am willing to go on later.

Mr. PARKER. Mr. Chairman, I move that the debate on this amendment close in half an hour.

Mr. GARBER. Reserving the right to object, Mr. Chairman, would the gentleman allow five minutes for myself?

Mr. PARKER. Yes.

Mr. RAMSEYER. Mr. Chairman, this is very important legislation. The Members want to discuss it. This is an important part of the bill. I do not think you should stifle debate. Freedom of discussion will expedite the proceedings.

Mr. PARKER. If the gentleman objects I will not find fault with him. I am asking unanimous consent that the debate be limited. If the gentleman will make an objection I shall not find any fault.

Mr. RAMSEYER. The gentleman started to move to limit debate to half an hour.

Mr. PARKER. How much time does the gentleman desire?

Mr. RAMSEYER. I shall want five minutes. I think the gentleman should think about it overnight.

Mr. PALMER. Mr. Chairman, I think this is a very important amendment, and ample time should be allowed.

Mr. PARKER. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. TILSON, as Speaker pro tempore, having assumed 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 carrier operating on the public highways, reported that that committee had come to no resolution thereon.

ADJOURNMENT OVER UNTIL MONDAY

Mr. PARKER. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Monday at 12 o'clock.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

TO ALLOW THE MANUFACTURE OF 2.75 PER CENT BEER

Mr. DYER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including an address which I delivered before the Law Enforcement Commission on the subject of prohibition.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD by printing an address made by him. Is there objection?

There was no objection.

The address is as follows:

AN ADDRESS BEFORE THE NATIONAL LAW OBSERVANCE AND ENFORCEMENT COMMISSION, WEDNESDAY, MARCH 12, 1930

Gentlemen of the commission, I wish to express my appreciation of your attention to the letter which I addressed to you on January 25 last. Therein I requested that the commission consider what percentage of alcohol in beverages can fairly be considered nonintoxicating; and, secondly, whether or not in the view of the commission an adjustment of the national prohibition act in this regard would be of benefit in the general enforcement of that law against intoxicating liquor as such. Congress, both in the House and Senate, is disinclined to enact any legislation which is not wholeheartedly in support of the eighteenth amendment forbidding intoxicating liquor for beverage purposes. The Congress is, however, none the less compelled to consider any measure which will aid in a fair execution of the constitutional mandate.

There has been much consideration of the propriety and efficacy of the present provision which declares that all beverages containing one-half per cent or more of alcohol shall be deemed to be intoxicating liquor. Many bills have been introduced raising this limitation. The public at large has shown deep interest in the question. I, myself, have introduced a bill proposing a change to 2.75 per cent of alcohol by weight. I lay before this commission a copy of my bill showing the tenor of such proposals. In the House all of these bills have been referred to the Judiciary Committee, which, from the beginning, has had jurisdiction of questions relating to national prohibition.

We are confronted with two primary questions in dealing with this topic. First, as to whether or not a beverage containing 2.75 per cent of alcohol is in fact nonintoxicating, and, secondly, would a change of the law in this regard aid in the enforcement of the actual prohibition of the Constitution against intoxicating liquor? The first question is plainly a question of fact and the second question is plainly a matter of policy. I am here this afternoon to urge that your commission make investigation and furnish us a report on the first question of fact as to whether or not a beverage containing 2.75 per cent of alcohol would in fact be nonintoxicating. Secondly, would such a change tend to aid in enforcing the real prohibition of the eighteenth amendment against admittedly intoxicating liquor?

With respect to the alcoholic content which may be deemed to be intoxicating for purposes of legislative enactment, I am myself inclined to the opinion, both as a lawyer and as a Member of Congress, that the Supreme Court of the United States has properly held that appropriate legislation by Congress for the enforcement of the eighteenth amendment necessitates some declaration by Congress as to what the measure of alcohol in a beverage shall be considered as making such beverage intoxicating. The Supreme Court entertained this view in sustaining the proposition that when Congress declared that one-half per cent or more of alcohol should be deemed intoxicating, the question of fact as to what was actually intoxicating could not be investigated, but that the statutory declaration fixed the character of the beverage for the purpose of application of the national prohibition act. It would, of course, be difficult to secure any uniformity of action in the trial of cases of alleged violation of the prohibitory law if the question of whether or not the particular article

in dispute was or was not intoxicating in fact could go to issue on that fact. Therefore, to all practical purposes, the law must be depended on to fix the measure, and thereafter ordinary analysis proves the fact to which this statutory measure is to be applied.

I, myself, am convinced, as I have already indicated, that it is the duty of Congress in making such a statutory declaration to place the limit as high as safely may be adopted in order that the statute in declaring what is intoxicating liquor by mere fiat of law shall avoid making the field of the statutory prohibition wider than the constitutional prohibition, which is only against intoxicating liquor.

Nothing should be excluded by the statute which is not in fact intoxicating when used as a beverage. There seems to be a substantially universal assent to the proposition that one-half of 1 per cent alcohol is far below the intoxicating ratio of alcohol to the beverage menstruum in which the alcohol is present. Physiologists appear to agree that alcohol is intoxicating in fact only when the ratio of the alcohol to the other liquid and solids in the beverage attains such a point that the alcohol acts sufficiently promptly and cumulatively to give a toxic result.

In the case of Joseph E. Everhard against James Everard's Breweries, an equity proceeding involving the question of whether or not beer containing 2.75 per cent of alcohol was in fact intoxicating, Government attorneys then discussing the question substantially conceded that a beer with this alcoholic content was not in itself intoxicating, relying on the proposition of law that the congressional enactment foreclosed any discussion of the actual facts, and that the statute was valid as a congressional declaration of what was to be deemed the fact for the purposes of the enforcing measure. In that case, however, many affidavits were presented on the practical aspect of what was or was not intoxicating. Such distinguished public men and learned lawyers as the Hon. Elihu Root, William D. Guthrie, Esq., of New York, and Hon. William L. Marbury, of Baltimore, who were in charge of the case for the complainant, were convinced that they had fully established on the proofs as a matter of fact that 2.75 per cent alcoholic beer was nonintoxicating. The first affidavit which they presented was by Hobart Amory Hare, M. D., then professor of therapeutics, materia medica, and diagnosis in the Jefferson Medical College, Philadelphia. Doctor Hare is one of the most distinguished physiologists and therapeutists in this country, and has a world-wide reputation in his profession. His opinion as stated on the record in the case mentioned is that beer containing not to exceed 2.75 per cent of alcohol, by weight, is not intoxicating.

Many other physiologists, toxicologists, and scientists learned in this field have expressed similar conclusions.

From my reading and discussion, I am now of the opinion that these scientific expressions are valid. I submit, however, that your commission should look into this question of fact and on its own examination of the authorities give to Congress an expression as to what percentage of alcohol in naturally fermented beverages may be deemed to be nonintoxicating; this to the end that Congress may have before it the commission's independent finding in this regard.

I wish now to present the question of policy:

The eighteenth amendment prohibits the manufacture, sale, transportation, importation, and exportation of intoxicating liquor for beverage use.

That, and nothing more.

It does not prohibit intoxicating liquor for any other purpose than beverage use, neither does it define intoxicating liquor. The amendment provides that Congress and the several States shall have the concurrent power to enforce this article by appropriate legislation. In the exercise of that power, Congress has, in Title I of the national prohibition act, defined intoxicating liquor as any beverage containing as much as one-half of 1 per cent of alcohol. That definition of an intoxicant made it arbitrary upon all States enacting State enforcement laws to define intoxicating liquor within the same exact terms; otherwise, any other definition of an intoxicant by a State would be in conflict with the national law, and, therefore, null and void. But Congress, in section 29 of the national prohibition law, provided that the penalties of the act shall not apply to the manufacture in the home of cider and nonintoxicating fruit juices exclusively for use in the home. The term "nonintoxicating fruit juices" means wine.

Under the national prohibition law as it now stands any beverage containing as much as one-half of 1 per cent of alcohol, not manufactured in the home, is an intoxicating liquor in violation of the law; but under section 29 it is entirely legal to manufacture in the home cider and nonintoxicating fruit juices—in other words, wines, regardless of their alcoholic content.

The Prohibition Bureau in its instructions to prohibition agents states that the ciders and fruit juices manufactured under section 29 of the Volstead Act do not have to conform to the one-half of 1 per cent standard in Title I of the law but may contain alcohol in excess of that amount. The amount of alcohol by which these beverages so manufactured may exceed the one-half of 1 per cent standard before they become intoxicating in fact can be determined only by a jury in a court of law. The Prohibition Bureau has no authority to say that such beverages containing 3, 5, 10, or 50 per cent of alcohol are intoxicating. The only method by which the Federal Government under this provision of the law can determine whether such beverages are intoxicating is to institute a proceeding and submit the question to a jury.

In the celebrated case of former Congressman John Philip Hill, tried in the Federal court at Baltimore, the jury held that his 12 per cent homemade wine was nonintoxicating. The Federal Government has not brought another case; therefore, under the law as it now operates, millions of householders are manufacturing wines and ciders in their homes regardless of their alcoholic content. The Federal Government does not challenge their right to do so. Last August the Federal Prohibition Bureau issued explicit instructions to all its agents not to interfere with such home manufacture of ciders and nonintoxicating fruit juices, except upon evidence of sale, and also not to interfere with the shipment and delivery of grapes to be used in such manufacture.

The effect of section 29 of the Volstead Act, as interpreted by the Federal Prohibition Bureau, is to legalize the manufacture in the home of wines, ciders, and champagnes, regardless of their alcoholic content. It is a well-known scientific fact that pure apple juice, after it is fermented into cider, contains never less than 3½ per cent of alcohol and may contain much more. Grape juices through natural fermentation will produce from 10 to 15 per cent of alcohol. Therefore, in the Federal prohibition law as it stands to-day, there are two widely divergent if not conflicting definitions of intoxicating liquors—one in specific terms defining an intoxicant as any beverage containing as much as one-half of 1 per cent of alcohol, and the other so indefinite that only a jury in a court of law can determine what constitutes an intoxicating liquor.

The bill which I have introduced provides for the legalization of beer containing 2.75 per cent of alcohol by weight. Under Title I of the national prohibition act any beer, whether manufactured inside or outside of the home, is unlawful if it contains as much as one-half of 1 per cent of alcohol, but millions of householders are to-day manufacturing beer containing from 4 to 6 per cent of alcohol on the theory that if it is legal to manufacture wines and ciders in the home it ought not to be illegal to manufacture beer of a much less alcoholic content. However, under a strict construction of the law, there is no doubt that it is unlawful to manufacture beer in the home if it contains as much as one-half of 1 per cent of alcohol, although it is not unlawful to manufacture wines and ciders containing ten to twenty times that amount of alcohol.

The Federal Prohibition Bureau has not made any serious effort to interfere with the manufacture of beer in the home, probably upon the theory that it would be highly inconsistent to arrest and prosecute householders for the violation of the national prohibition act for making beer of a lesser alcoholic content than wines and ciders, the legality of which is fully recognized under the provisions of section 29.

The legislatures of several of the States have in effect legalized the manufacture of beer in the home by taxing the ingredients from which it is made. As a matter of common sense, no citizen can understand why wines and ciders of 6 to 12 per cent of alcohol are nonintoxicating if made in the home and are intoxicating if made outside of the home. Neither are they able to understand why such wines and ciders are nonintoxicating and malt beverages containing as much as one-half of 1 per cent of alcohol, made either inside or outside of the home, are by law made intoxicating.

Under the provisions of the bill, malt beverages containing 2.75 per cent of alcohol, less than one-fourth of the alcohol in legal home-made wines and champagnes and less than one-half as much alcohol as in most of the home-made beers, would be legalized.

Since the national prohibition law defines an intoxicant as any beverage containing as much as one-half of 1 per cent of alcohol, it naturally follows that no State can legalize a beverage containing a greater quantity of alcohol, regardless of the will of the people of the several States. The result of this arbitrary provision of the law is that several of the great States, having by an overwhelming vote of their people petitioned for an amendment to the law to legalize 2.75 per cent beer, have either repealed their State enforcement laws or refused to enact State enforcement laws, and have therefore divorced themselves entirely from the Federal Government in the enforcement of the prohibition law. These great States have said in effect to the Federal Government:

"Since you are so unreasonable in your definition of an intoxicating liquor, you must bear the entire burden of prohibition enforcement. The definition of an intoxicating liquor in the national prohibition law is neither scientific, honest, nor truthful. We will not participate in the enforcement of a statutory lie against the citizens of our State. We will not imprison or penalize our citizens for the violation of a provision of the law that is unscientific and dishonest."

Since 1923 the Federal Government, through the chief executives and the law-enforcement bodies, has been making appeals to the State governments to relieve the Federal Government of a share of the great burden of prohibition enforcement.

Nevada, Montana, Wisconsin, and New York have answered by repealing their State enforcement laws, and Maryland has steadfastly refused to pass any State enforcement act. Massachusetts in November

will vote on a proposition to repeal its State enforcement law. Illinois has twice by overwhelming majorities voted in favor of the legalization of beer. Since this petition has not been granted by the Federal Government, the House of Representatives of the Illinois Legislature has twice voted to repeal the State enforcement act. The State senate by a very narrow margin has twice prevented the repeal of the act.

In 1922 the people of Illinois voted on this proposition:

"Shall the existing State and Federal prohibitory laws be modified so as to permit the manufacture, sale, and transportation of beer (containing less than 4 per cent by volume of alcohol) and light wines for home consumption."

The vote was: Yes, 1,065,242; and no, 512,111.

In other words, 67.6 per cent of the people of the State of Illinois voted in favor of the legalization of both beer and wine, and 32.4 per cent voted against it.

In 1926 Illinois again voted upon a much broader proposition, as follows:

"Should the Congress of the United States modify the Federal act to enforce the eighteenth amendment to the Constitution of the United States so that the same shall not prohibit the manufacture, sale, transportation, importation, or exportation of beverages which are not in fact intoxicating, as determined in accordance with the laws of the respective States?"

The vote on that proposition was yes, 840,631, or 60.2 per cent; and no, 556,592, or 39.8 per cent.

It is quite probable, therefore, that if the question of repeal of the State law of Illinois should be submitted to a direct vote of the people it might carry, and the State would thus withdraw all support from the National Government in the enforcement of the law. There are new movements underway to submit the repeal of the State laws of Illinois, Missouri, and Pennsylvania to a direct vote of the people. If, in addition to the five States which have either repealed their State laws or refused to enact them, there should be added the populous States of Missouri, Pennsylvania, Illinois, and Massachusetts, the Federal Government would be confronted with a most serious problem in the matter of the enforcement of the national prohibition law.

Let me mention some of these State problems. Several years ago the Legislature of Wisconsin passed a bill to legalize the manufacture of beer. The State law, being in conflict with the Federal law, was of no force. Then in 1926 Wisconsin voted on this proposition:

"Shall the Congress of the United States amend the 'Volstead Act' so as to authorize the manufacture and sale of beer, for beverage purposes, of an alcoholic percentage of 2.75 per cent by weight, under governmental supervision, but with the provision that no beverage so purchased shall be drank on the premises where obtained?"

The vote on this proposition was:

Yes, 349,443, or 66.3 per cent; and no, 177,602, or 33.7 per cent.

That vote may be construed as an emphatic demand upon the part of a great majority of the people of Wisconsin for relief from the drastic provisions of the national prohibition act by the legalization of the manufacture of a light, nonintoxicating beer. Congress failed to hear the voice of Wisconsin; therefore, the State legislature in 1928 submitted to the people a proposition to repeal the State enforcement law. That vote was taken in April, 1929, and the people of the State, by a majority of approximately 150,000, went on record in favor of repeal. The State legislature met shortly afterwards and in obedience to the mandate of the people wiped the State prohibition enforcement act from the statute books.

The State of New York several years ago passed a law legalizing the manufacture of beer. This law was in conflict with the figure in the national law. The State legislature in 1923 repealed the State enforcement act, and in each biennial session thereafter has refused to reenact it.

In 1926 there was submitted to the people of New York this proposal:

"Should the Congress of the United States modify the Federal act to enforce the eighteenth amendment so that the same shall not prohibit the manufacture, sale, transportation, importation, or exportation of beverages which are not in fact intoxicating as determined in accordance with the laws of the respective States?"

The vote on that proposition was:

Yes, 1,763,070, or 74.8 per cent.

No, 598,484, or 25.2 per cent.

In Massachusetts in 1928 a proposition to instruct the Representatives of the State in Congress to vote for the repeal of the eighteenth amendment was submitted in all but one or two congressional districts and carried by a majority of approximately 250,000.

In Montana in 1926 an initiative bill to repeal the State enforcement act was adopted by a vote of 83,231 to 72,982. A proposition to reenact the State enforcement law was again voted on in 1928 and was defeated by a larger antiprohibition vote than in 1926.

The Legislature of Nevada repealed the State enforcement act and in 1926 submitted to the people for direct vote a resolution declaring that:

"Experience has demonstrated that the attempt to abolish recognized abuses of the liquor traffic by the radical means of constitutional prohibition has generally failed of its purpose," and making "application to the Congress of the United States to call a convention for proposing an amendment to Article XVIII of the amendments to the Constitution of the United States."

That resolution was adopted by a vote of 18,131, or 77.2 per cent, as against 5,352, or 22.8 per cent.

It must be apparent to the members of this commission that the denial by the Federal Government of the petitions of the people of several of the largest States for remedial legislation in the legalization of a nonintoxicating beer of 2.75 per cent of alcohol is leading rapidly to the creation of conditions under which some States have already withdrawn all support and others apparently will withdraw all support from the Federal Government in the matter of enforcing the national prohibition law. It must also be apparent to this commission that if the Federal Government desires the support of the States in the enforcement of the national prohibition law some latitude must be granted to the States in determining what constitutes an intoxicating liquor. Without the support of State laws, enforced by local officers and in local courts, it will be a manifest impossibility for the Federal Government to enforce the national prohibition act within any reasonable scope; and this is particularly true in view of our Federal court situation under the national prohibition act.

This commission, I presume, fully understands that there is a great body of public opinion opposed to the prohibition law. This opposition is in part against the rigorous provisions of the enforcement act and in part against the eighteenth amendment. The results of the referendum elections in several States indicate that the majorities in favor of the modification of the law are very large; and since the Federal Government adheres to the original provisions of the enforcement act and refuses to liberalize it to permit the manufacture and sale of beverages which are, in fact, nonintoxicating, the objection of the people becomes more firmly rooted and takes the form either of opposition to the amendment itself or to the State laws or both. It might be well in this connection to mention the situation that existed at the time of the ratification of the eighteenth amendment.

The eighteenth amendment was never submitted to a direct vote of the people. While it is true that ratification by the legislatures of the States was in accord with the Constitution, it should be remembered that ratification was during the period of war excitement and war extremes. Of course I mention this topic in no way as an assault upon the eighteenth amendment, but it is material as showing one of the difficulties of the popular attitude toward the system, and is a feature of the problem that Congress has to realize in dealing with legislation under the amendment. It is also claimed by many that this was the first and only amendment that was ever adopted which gave new and added powers to the Government of the United States, with a corresponding decrease of power in the individual citizen.

Examination of the records of the States shows that at the time of the ratification of the eighteenth amendment, 33 States had State-wide or constitutional prohibition; 23 by direct vote of the people; and 10 by acts of their legislatures without having submitted the question to direct vote. Fifteen States had no State-wide laws. In the 23 States that had adopted State-wide prohibition by a vote of the people, 2,666,408 votes were cast for the prohibition policy and 2,104,906 votes against it. The population of these 23 States was in 1920, 33,701,000. The 15 States which had no State-wide prohibition laws had a population of 50,257,517. The 10 States that had prohibition by statute without having submitted the issue to direct vote had a population of 22,014,831. It will thus be seen that the people in States having 72,272,348 population had never by direct vote of their people agreed to the policy, while the population of the States that had, by direct vote, adopted the policy was 33,701,000. A record of the vote of these States is available to the commission or can be furnished.

So far as the record shows, but 2,666,408 people in the entire United States had indicated by their vote at the polls that they desired even state-wide prohibition.

In my own State of Missouri there was submitted at the 1916 election a proposition to adopt a prohibition constitutional amendment with a sort of understanding or gentlemen's agreement that the vote would be regarded as an expression of the will of the people on ratification of the eighteenth amendment. The State amendment was rejected by a majority of 73,964, but the legislature elected on the day this referendum was taken promptly ratified the eighteenth amendment. So far as I can recall, the eighteenth amendment was subjected to a referendum after ratification by the State legislature in but one State—Ohio. The people of Ohio by a small majority voted to reject the amendment. These facts are set down here merely as a memorandum reflecting the views of the people as expressed in regular elections. They will perhaps throw some light on the difficulties arising in the enforcement problem. Numerous newspaper polls, covering almost the entire United States, were taken in 1926. These polls were unofficial, of course, but they were participated in by newspapers of all shades of opinion on prohibition. The polls indicated that at least 75 per cent of those sending in their marked ballots favored modification of the national prohibition law to permit the manufacture of nondealcoholized beer.

The late Samuel Gompers, for many years president of the American Federation of Labor, testifying before the House Judiciary Committee

on April 21, 1924, presented to that body the resolutions of the conventions of the federation strongly demanding the legalization of the manufacture and sale of 2.75 per cent beer. The Federation of Labor in annual convention in 1921 adopted a resolution for beer and has continuously in subsequent conventions ratified that demand.

Mr. Gompers presented to the Judiciary Committee the resolutions adopted by the conventions of the American Federation of Labor in 1921 and 1923. These resolutions make it clear and emphatic that the Federation of Labor seeks no violation of the eighteenth amendment, but favored a reasonable interpretation of the amendment "in order that the prohibition law may be enforceable and enforced, and in order that the people of our country may not suffer from an unjust and fanatical interpretation of the Constitution."

The resolutions of the 1923 convention, which were reaffirmed after the death of Mr. Gompers by the 1927 convention of the American Federation of Labor, state emphatically that in the opinion of the great body of American citizenship represented by this organization the liberalization of the national prohibition law to legalize the manufacture and sale of wholesome beer would be of great value not only in the enforcement of the law against the unlawful sale of high-powered and poisonous liquor but would be of great value in restoring and maintaining respect for law.

It must be realized that the apparent extremity of the National Congress and the Federal administration under the eighteenth amendment has caused the people in many of the populous urban centers and populous States to believe that the national law as enforced by national officers is more rigorous than the eighteenth amendment itself requires.

We can not escape the conclusion that great resentment exists in the densely populated portions of the country against the law which tolerates homemade wines and ciders in rural sections, where the population has available the materials therefor, but forbids nonintoxicating beverages to city dwellers and the laboring classes who are unable to secure wines and ciders either by home manufacture or by purchase.

There are pronounced benefits, which, in my own opinion, would result from squaring the national prohibition act with the facts, and I think that this commission should make its own investigation and report its conclusion on these several propositions so that the Congress could have the benefit of its judgment in considering the very important questions that this subject presents.

We are confronted with certain conceded facts.

Strong beer of the ale type is made in great quantities within the United States from three different sources:

First. Beer is brewed in the home with the tacit consent of the Government, but none the less contrary to law. This beer is necessarily poorly made, is of high alcoholic content through inability to regulate fermentation, and in most cases is intoxicating in fact. Growing children observe the violation of law by their parents; even participate in the making of the beer, and it is fairly to be assumed that they early learn to consume the homemade beer.

Certainly this condition is contrary to every principle of morals upon which the eighteenth amendment and the law are founded. Certainly in the interest of law enforcement and law observance, the commission should give to us its views on the sociological question and the tendency toward disregard of law on the part of the youth which this nation-wide condition brings about.

Second, home brewing has led to a further illegal practice, to wit, so-called alley brewing, which consists of home brewing on a commercial scale for sale to neighborhood soft-drink stands and speak-easies.

Third, illicit operation of former breweries either with or without permit for the manufacture of less than half per cent alcoholic beer furnishes beer on a substantial commercial scale. The courts have held that the Government can not interfere with brewing by alleged fermentation where alcohol is supposed never to reach the one-half per cent except the Government employ search warrant and the usual proceedings. Permit is required by law where higher alcoholic content is created and the dealcoholizing process employed, and the Government has the right of inspection in such permitted operations.

In the first class of operations, home brewing, the evils consist of demoralization of the home, intoxication in the home, and the vice of Government assent to a clear violation of existing law.

In the second and third classes there is plain commercial violation of law, and the high alcoholic content of the bad beer hastily made and marketed means that the fundamental prohibition of the Constitution is transgressed.

Two attendant vicious evils are present in the commercial illicit beer trade. In the first place, it leads to corruption of officers to secure protection for the handling of a bulky commodity and the large profits in selling a cheaply and quickly made product enable the beer runners to raise large corruption funds.

Secondly, the distribution is local and gang operations to control district operations in bootleg beer have led to much of the gang warfare and violence that have become a menace to the public safety in several of the great cities of the country.

The question, then, is as to the benefit in this particular field and in prohibition enforcement generally, if any, which the country could fairly hope to secure by a change in the law respecting alcoholic content. It is the views of the commission on this question which we seek to secure. Certainly, if any appreciable benefit could be secured, without Congress departing from the eighteenth amendment, such benefit should be sought.

Certainly, we can start from the constitutional premise that Congress should not by statute attempt to exceed the prohibition that the eighteenth amendment itself fixes. If one-half per cent is well below the intoxicating limit, Congress has already gone further than the amendment. If 2.75 or 3 per cent of alcohol is not intoxicating, Congress constitutionally may elevate the figure.

We feel that the commission should ascertain whether or not, as now stated by many of the law-abiding brewers of the country, the manufacture of such beer could be conducted without necessity of dealcoholizing and spoiling flavor and character of the malt beverage, and with a resulting product that would satisfy the demand for beer now illegally supplied by home brewing, alley brewing, and other illicit manufacture of strong beers, and would this, by doing away with existing admitted violation of the law in that one field, with attendant corruption and violence, be in itself a warrant for the change?

The commission should further consider whether or not the availability of a beverage of this character would tend to offset the demand for strong liquor, and the benefit of enabling enforcement officers to concentrate their efforts against hard-liquor manufacture and the bootlegging thereof.

The commission should also consider the effect upon the public attitude toward the law as a whole of a change of this character. How much benefit in a better attitude of panelmen in jury trials in liquor cases could be expected in cities such as St. Louis, Chicago, Philadelphia, and New York were Congress to adjust the alcoholic content with more regard to forbidding only actually intoxicating liquors?

Further, again, what would be the probable effect with respect to relations between the Federal Government and the States that show disinclination now to cooperate at all in enforcement? Could it be expected that some of the States would act more favorably in the light of a patent effort by Congress to make the national legislation no more stringent than the eighteenth amendment requires?

While I am satisfied myself that some or all of the benefits mentioned would result from the change, aside from any question as to the legislative fairness of the existing provision, I am convinced that the deliberate and dispassionate conclusions of this commission, composed as it is of citizens of scholarly distinction and concerned only with actual facts and fair deduction therefrom, will be of great utility in congressional deliberation on this very important topic.

I therefore urge that the commission aid us with its study of facts and conclusions, as requested in my letter to your distinguished chairman.

For the information of the commission I wish to leave a digest which I have prepared of a great mass of letters which have come to me on this subject. I, of course, have the original papers if they would be of use to the commission. These letters indicate the very general concern which this subject has aroused amongst employers of labor, workers, and the public at large. I understand from the CONGRESSIONAL RECORD that Mr. William Green, president of the American Federation of Labor, has already made a statement direct to your commission in which he discusses this problem. That the public interest is intense is evident from the attitude displayed in these communications. My own study of all of this mass of material, including as well the expressions in the public press, confirm me in the conviction that there is a public belief that an adjustment of the law by the Congress would tend to relieve the enormous difficulties of enforcement which harass the executive branch of the Government and the Federal courts of the country.

I earnestly hope that the commission will furnish us its independent views on the two primary questions which I first submitted.

NEW ORLEANS AS THE PROPER LOCATION FOR THE GENERAL HEADQUARTERS OF THE NATIONAL COTTON CORPORATION

Mr. O'CONNOR of Louisiana. Mr. Speaker, I ask unanimous consent to extend my own remarks on New Orleans as the location for headquarters of the National Cotton Corporation and include a paper sent to me by the New Orleans Association of Commerce.

The SPEAKER pro tempore. The gentleman from Louisiana asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. O'CONNOR of Louisiana. Mr. Speaker and Members of the House, the greatness of New Orleans as the port of the Mississippi Valley is frequently lost sight of by many who are dazzled with its fame as a city of historic memories. It is a city that has lived and suffered as probably no other city on the American Continent has lived and suffered. Though old and eventful before your orator was born, it has during his lifetime undergone a chrysalis. Sixty years ago it was feeble and able only to faintly flutter. It had been prostrated during the Civil War. The heel of the invading conqueror was still felt. The

night had been long and apparently there was to be no daybreak. Only a chirp here and there gave hope of a dawn. But with a courage destined to overcome all obstacles and equal to the fortitude with which the city had borne its calamities, vicissitudes, and defeats our people marched steadily forward to one of the greatest victories of ancient or modern times.

In 1870 the city, as a result of flood, famine, disease, war, and pestilence resembled a South American village. But the people resolved grimly to carry on, and by unparalleled sacrifices and efforts a drainage system was installed that has made it possible to go down into the bowels of the earth and secure foundations as durable as those that are laid on the rock bottom of Manhattan Island. A water and purification plant has reached about as near perfection as any of the works and inventions of man can approach at the cost of many millions of dollars, and to-day the city can boast of a water supply that for purity is not excelled by that of any municipality on earth. It is Mississippi River water, caught at New Orleans and filtered after its long journey from the ramparts of the Rockies and the crest of the Alleghenies. It is water that has sung its way from Lake Itasca on its journey to the Gulf of Mexico. During the last 30 years a public belt system has come into existence that is unique in the life of America. A dock system blesses the river front and the commerce of the valley with an efficiency and a dispatch which have earned for the old city the reputation of having a river terminal that is equal to the very best in the world. New Orleans is so situated that it makes for the most attractive spot on this continent for those who are inclined to wander on after having satisfied their souls with the finer things for which the spirit of the cultured ever craves. From out of that port go riders to the sea which bring those in search of adventure to Vera Cruz in a few days of sea voyage, and from that ancient city can be made an ascent within a few hours toward Mexico City that probably has no parallel in the Alps or the Andes. Or one may journey down to Port Limon and from there make the unforgettable ascent to San Jose. Or one may go to Panama City, which has, of course, taken on a new significance to all Americans who love any place over which the American flag floats.

One of the most impelling reasons advanced for making New Orleans the situs or locus for the world's exposition was made by Crawford Ellis, vice president of the United Fruit Co., who in his own graphic manner showed the advantages that would flow to continental United States by locating the great exposition in New Orleans, and emphasized those reasons by sketching in a most alluring manner the many side trips, journeys, and voyages that could be made by those who would come to New Orleans and have their desire to move farther southward stimulated by its wondrous atmosphere.

But the greatness of New Orleans lies in its splendid realities as the port of the Mississippi Valley. It is in touch with the wide, wide world, as the saying goes, because soon or late every vessel that sails the seas finds its way up the Mississippi River to the city of magic and charm. And its grand destiny is not nearly accomplished, notwithstanding its age, its defeats, and its victories. We are scarcely past the sunrise for our real commercial greatness still lies ahead. Before the railroad came into existence, in 1825 or thereabout, it looked as if New Orleans was to become the great metropolis of the world. All commerce then had to pass down the Mississippi River and its tributaries by way of raft, barge, and steamboat to New Orleans. But the locomotive changed transportation routes and commerce passed over the Allegheny Mountains to the Atlantic seaboard north and south.

It is a world of change, however, and we move through cycles and circles back to the point from which we started very frequently. "The stone which the builders refused is become the headstone of the corner," as the book hath it or as many lodge orators phrase it, "and the stone that was rejected becomes the keystone of the arch." As a result of the growth of population in the Mississippi Valley and the advance and inventions in the mechanical arts, barges of immense cargo-carrying capacity have come into existence, moving under their own power and promising to revolutionize not only the transportation of the country but its domestic and foreign trade routes.

If the most thoughtful students of economics and transportation have a correct vision New Orleans will during the lifetime of many of those now living double its population and quintuple its resources and wealth. It should be the headquarters of the cotton trade and industry of the South. And it is almost inconceivable to think that the National Cotton Corporation would hesitate about selecting it as the proper location for its general headquarters.

Among the really big institutions of Louisiana is the New Orleans Association of Commerce. It prepared a statement of facts for presentation to the Organization Committee of the National Cotton Corporation from which I cull information which I know will be of vast importance to those who are interested in seeing the headquarters desirably located as well as to men, corporations and institutions that are looking for an investment field wherein they may reap harvests of gold.

This invitation to establish the general headquarters of the National Cotton Corporation in New Orleans is extended on behalf of the following interests and organizations:

State of Louisiana, His excellency, Huey P. Long, governor; city of New Orleans, Hon. T. Semmes Walmsley, mayor; New Orleans Association of Commerce, A. D. Danziger, president; New Orleans Board of Trade, W. L. Richeson, president; New Orleans Cotton Exchange, J. P. Henican, president; New Orleans Stock Exchange, Geo. E. Williams, president; Louisiana Sugar and Rice Exchange, R. M. Murphy, president; New Orleans Insurance Exchange, Bryan Bell, president; New Orleans Real Estate Board, Guy L. Deano, president; New Orleans Clearing House Association, L. H. Dinkins, president; New Orleans Steamship Association, S. T. DeMilt, president; Green Coffee Association of New Orleans (Inc.), G. R. Westfeldt, jr., president; New Orleans Homestead Clearing House Association, N. G. Carbajal, president.

HISTORICAL

From the very earliest days of cotton production in the United States to the present time New Orleans, by reason of its strategic geographical location, has occupied a preeminent position in the cotton world.

New Orleans is mentioned as a cotton trading point in the writings of its founders, as early as 1735, and for several decades was the only port of export of this commodity.

As the settlement of the interior progressed westward from the original colonial States, and the demand for cotton increased, the importance of New Orleans as a trading center grew apace, always maintaining her position as one of the country's leading cotton markets.

It is but logical that such a destiny should have been the portion of a city that has become the metropolis of the South; the second port of the country; and the natural gateway for over 54 per cent of the Nation's population.

PRODUCTION

As far back as the records of the United States Government are available the geographic center of production of the American cotton crop has been located within a comparatively short distance from New Orleans. The most recent statistics on the center of cotton production of the country, furnished by the United States Department of Commerce, show this point to be near the junction of the boundary line between the States of Louisiana and Arkansas with the Mississippi River.

There is shown below the cotton production of the United States for the year 1928:

Alabama	1,096,624
Arizona	145,731
Arkansas	1,216,241
California	171,042
Florida	20,053
Georgia	1,053,205
Louisiana	685,868
Mississippi	1,462,021
Missouri	146,921
North Carolina	869,248
New Mexico	82,177
Oklahoma	1,187,042
South Carolina	744,390
Tennessee	423,471
Texas	4,941,545
Virginia	44,764
All other States	6,206
United States	14,296,549

CONSUMPTION

Domestic: According to the most recent statistics furnished by the United States Department of Commerce, the consumption of domestic cotton for the fiscal year ending July 31, 1929, amounted to 6,778,199 bales, exclusive of linters. Of this total, nearly 6,500,000 bales were consumed in New England, New York, New Jersey, Pennsylvania, and so forth, and in the Southern States east of the Mississippi River.

When it is considered that more cotton is produced in the States west of the Mississippi River than in the States east thereof, it will be seen that there is a decided flow of the total movement from the West to the East.

Export: According to Government figures, the exports of domestic cotton for the same period referred to above were in excess of 8,500,000 bales, of which approximately 6,500,000 bales, or over 77 per cent, moved through Gulf ports.

The flow of the domestic movement from the West to the East and the preponderance of the export movement through

the Gulf ports would distinctly emphasize the need of locating the general headquarters at a point from which both movements could be most economically and conveniently directed and handled. It is manifest that New Orleans occupies such a position.

TRANSPORTATION

Nowhere else in the United States except at New Orleans may be found such a complete coordination of the four major transportation mediums—railroads, inland waterways, coastwise and overseas steamship service. The following nine railroad trunk lines, constituting over 20 per cent of the Class I railroad mileage of the United States, radiate from New Orleans, with direct service to every important city in the South:

Gulf Coast lines; Illinois Central system; Louisiana & Arkansas Railway; Louisville & Nashville Railroad; Missouri Pacific Railroad; Gulf, Mobile & Northern Railroad; Southern Railway system; Southern Pacific lines; Texas & Pacific Railroad.

Inland waterways: The Inland Waterways Corporation, an agency of the United States Government, operates regular barge service on the Mississippi River as far north as Minneapolis and St. Paul, and on the Warrior River as far north as Birmingham, Ala.

All-water rates via the barge line are uniformly 20 per cent lower than the all-rail rates. Through rates via rail and barge to New Orleans are published from a large part of the cotton-producing territory and will show tremendous economies in cost of transportation.

Independent barge lines operate regular service on the Mississippi and Ohio Rivers as far north as Pittsburgh, Pa., offering the same rate advantages as the Inland Waterways Corporation.

In addition to the river service mentioned above, several steamboat—packet—lines operate regular freight and passenger service to New Orleans from near-by points on the Mississippi River and its tributaries.

Coastwise steamship service: Coastwise steamship service is available to the Atlantic seaboard, New York, Philadelphia, and Boston; to the Pacific coast, Los Angeles, San Francisco, Seattle, Portland, and so forth, as well as to the various ports on the Gulf of Mexico.

Foreign steamship service: Foreign steamship service to and from New Orleans to all parts of the world is more extensive and regular than from any other American port except New York. Nearly 90 steamship lines operate to every principal port in the world, especially to the United Kingdom and continental ports, which are the largest consumers of American cotton.

New Orleans is nearer the Panama Canal than any other major American port, thereby offering ready accessibility to Japan and China, and so forth, which are also large consumers of American cotton.

Shipping advantages: By reason of its rate structure, its concentration and transit privileges, its combined rail, water, and storage facilities, and the recognized importance of its export market, New Orleans offers a greater variety of advantages than may be found in any other location for cotton handling and shipping.

FINANCING

Banks: The banking facilities of New Orleans are greater than those of any city in the South, the total resources of its seven banks exceeding $340,000,000.

Of particular interest to the cotton trade is the familiarity of these banks, acquired by many years of experience, with the requirements of producing and marketing cotton.

As an indication of the dominant position which New Orleans occupies in southern financial circles, the total debits to individual accounts in 1928 reached $4,189,000,000, which exceeded by nearly $2,000,000,000 that of the next southern city.

Federal banking facilities: In addition to the group of banks transacting general commercial business there are located in New Orleans divisions of the Federal reserve bank, the Federal land bank, and the Federal intermediate credit bank. The combined facilities of all of these institutions would be available with the maximum of convenience to the headquarters office of the national cotton corporation, if located in this city.

Acceptance market: The volume and extent of the financial activities in New Orleans, both domestic and foreign, assure a freedom and flexibility in the handling of commercial documents of every type. There is naturally a cheaper and better acceptance market in a metropolitan financial center like New Orleans than can be found in the interior, and it may be safely stated that the major financing of cotton in the future will be more and more through the medium of acceptances.

PORT FACILITIES

Wharves and warehouses: The port facilities of New Orleans, for the greater part publicly owned and operated, are second to none in the United States. They consist of approximately 7 miles of covered wharves, served by the Public Belt Railroad, a municipally owned utility, connecting with all of the trunk lines entering New Orleans, and rendering impartial switching service.

The combined cotton-storage facilities at New Orleans, publicly, privately, and railroad owned, total over 900,000 bales, all of which are fully equipped to render every type of service necessary in the handling of cotton. Included in the above-mentioned facilities is the publicly owned cotton warehouse, providing storage capacity of over 461,000 bales of high-density cotton, thoroughly fireproof, and offering attractive insurance rates, as well as low handling charges. It is served by the Public Belt Railroad.

Warehouse receipts: At the public cotton warehouse, as well as at most of the other cotton warehouses at New Orleans, United States Government licensed single-bale warehouse receipts are issued. These warehouse receipts, because of the regulations of the Department of Agriculture, are readily negotiable everywhere, being accepted by all banks throughout the country without question.

COTTON-TRADING FACILITIES

Cotton exchange: The cotton exchange at New Orleans, the only one of its kind in the South, would be a distinct advantage to the cotton corporation if its headquarters were located in New Orleans. This city is one of the three large future contract markets of the world and offers special inducements to buyers of spot cotton, who are enabled to promptly "hedge" their purchases, thereby reducing their risks to a minimum.

Another attractive feature in locating in New Orleans is the proximity to the source of information regarding crop conditions, which are assembled and disseminated by the New Orleans Cotton Exchange.

Handling cotton in New Orleans: The method of handling cotton in New Orleans is simple and economical. Upon arrival, the cotton is sampled, inspected, and weighed by neutral parties, duly licensed. A 6-ounce sample—about 3 ounces from each side—is drawn and sent to the storer, and an 8-ounce sample—about 4 ounces from each side—is drawn and sent to the exchange as a reserve sample. This sample is held in the custody of the exchange and the cotton may be sold on the storer's sample, subject to review of the reserve sample by the buyer. Unless otherwise agreed at time of sale, the cotton is settled for on the original weight. This method eliminates the waste consequent to rehandling as well as the charges which accrue when cotton is taken out of and put back in storage. Another economy incidental to the system is that the reserve sample in the custody of the exchange may be used if it is desired to certificate the cotton for delivery on New Orleans future contracts, thus again avoiding the expense of taking out of store and restoring.

Nothing is more important in handling cotton on the scale contemplated by the cotton corporation than an immediate contact with world markets. In no other city in the South can this contact be obtained as completely as in New Orleans, because of the port's long-established connection with foreign commerce and its direct cable service to the principal cotton-consuming centers of the world.

SUMMARY

It has been demonstrated that New Orleans occupies an outstanding position in the physical handling of cotton and has to offer to the National Cotton Corporation the following combined advantages for the location of their headquarters, which can not be obtained elsewhere:

Central geographical location for both export and domestic movement.

Excellence and variety of transportation facilities.

Magnitude of financial resources.

Size and importance as a port.

In addition to the reasons given above, and overshadowing in importance every other requirement, is the location in New Orleans of the cotton exchange, whose services your executives will find invaluable and beyond substitution. The cotton exchange is the original and quickest source of information on all matters affecting cotton not only in this country but throughout the world. Instant and continual contact with its services will only be possible if your general headquarters are established in New Orleans.

EXTENSION OF REMARKS

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a statement concerning provisions to improve rural health conditions in the State of Alabama as compared with other States.

The SPEAKER pro tempore. The gentleman from Alabama asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

Mr. TREADWAY. Reserving the right to object, Mr. Speaker, may I ask the gentleman if that is an official document?

Mr. PATTERSON. No. It is a statement in regard to rural health.

Mr. TREADWAY. That is evidently a matter of local concern, and not a matter of national importance. I object.

The SPEAKER pro tempore. Objection is heard.

LEAVE TO PRINT

Mr. RANKIN. Mr. Speaker, have we the right to revise and extend our remarks on this bill?

Mr. PARKER. You have that permission for a week.

MESSAGE FROM THE SENATE

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

H. R. 8423. An act 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 message also announced that the Senate insists upon its amendments to the bill (H. R. 9979) entitled "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," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JONES, Mr. HALE, Mr. PHIPPS, Mr. OVERMAN, and Mr. GLASS to be the conferees on the part of the Senate.

BILLS PRESENTED TO THE PRESIDENT

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution 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;

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 56 minutes p. m.) the House adjourned, pursuant to the order previously made, until Monday, March 17, 1930, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Monday, March 17, 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 COINAGE, WEIGHTS, AND MEASURES

(10.30 a. m.)

To authorize the coinage of silver 50-cent pieces in commemoration of the seventy-fifth anniversary of the Gadsden Purchase (H. R. 2029).

To authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the Massachusetts Bay Colony (H. R. 6846).

To establish an assay office at Dahlonega, Lumpkin County, Ga. (H. R. 6998).

To discontinue the coinage of the 2½-dollar gold piece (H. R. 9894).

EXECUTIVE COMMUNICATIONS, ETC.

364. Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting a draft of a bill to authorize the use of the proceeds received from the sale of surplus war reserve stocks for the purpose of reducing such deficits in war reserve stocks, was taken from the Speaker's table and referred to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. KORELL: Committee on Foreign Affairs. H. J. Res. 253. A joint resolution to provide for the expenses of a delegation of the United States to the sixth meeting of the Congress of Military Medicine and Pharmacy to be held at Budapest in 1931; without amendment (Rept. No. 903). 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. MILLER: Committee on Naval Affairs. H. R. 4206. A bill authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the city of Olympia, State of Washington, the silver service set and bronze tablet in use on the U. S. cruiser *Olympia;* with amendment (Rept. No. 902). 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. HOPE: A bill (H. R. 10774) authorizing the establishment of a migratory-bird refuge in the Cheyenne Bottoms, Barton County, Kans.; to the Committee on Agriculture.

By Mr. TABER: A bill (H. R. 10775) to provide for promotion in the Navy to the grade of captain; to the Committee on Naval Affairs.

By Mr. WRIGHT: A bill (H. R. 10776) authorizing the appropriation of $2,500 for the erection of a monument on the county courthouse yard or square in the city of Carrollton, Ga., to commemorate the memory of Gen. William McIntosh; to the Committee on the Library.

By Mr. ZIHLMAN: A bill (H. R. 10777) to authorize the Commissioners of the District of Columbia to widen Wisconsin Avenue abutting squares 1200, 1300, and 1935; to the Committee on the District of Columbia.

Also, a bill (H. R. 10778) to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products; to the Committee on the District of Columbia.

By Mr. GIBSON: A bill (H. R. 10779) to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes; to the Committee on the District of Columbia.

By Mr. HAUGEN: A bill (H. R. 10780) to transfer certain lands to the Ouachita National Forest, Ark.; to the Committee on Agriculture.

By Mr. SABATH: A bill (H. R. 10781) 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. HAUGEN: A bill (H. R. 10782) to facilitate and simplify the work of the Forest Service; to the Committee on Agriculture.

By Mr. KNUTSON: A bill (H. R. 10783) to provide for equalizing the benefits of the Chippewa Indian tribal fund among the school children of the enrolled members of the Chippewa Indians belonging to the Chippewa Tribe of Minnesota; to the Committee on Indian Affairs.

By Mr. KUNZ: Joint resolution (H. J. Res. 267) directing the President to proclaim October 11 of each year General Pulaski's memorial day, for the observance and commemoration of the death of Brig Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. SABATH: Joint resolution (H. J. Res. 268) directing the President to proclaim October 11 of each year General Pulaski's memorial day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BACHMANN: A bill (H. R. 10784) granting a pension to Kate Bee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10785) granting an increase of pension to Elizabeth S. Snider; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10786) granting an increase of pension to Martha E. Stewart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10787) for the relief of George E. Kirk; to the Committee on Military Affairs.

By Mr. BLACKBURN: A bill (H. R. 10788) granting an increase of pension to George Ann Washington; to the Committee on Invalid Pensions.

By Mr. BRAND of Ohio: A bill (H. R. 10789) granting an increase of pension to Clarissa Rogers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10790) granting a pension to Flora Bowman; to the Committee on Invalid Pensions.

By Mr. BRUNNER: A bill (H. R. 10791) for the relief of Stella M. Homan; to the Committee on Military Affairs.

By Mr. CARTER of California: A bill (H. R. 10792) granting a pension to Hannah Louisa Madden; to the Committee on Pensions.

By Mr. CARTER of Wyoming: A bill (H. R. 10793) granting a pension to Claudia A. Miller; to the Committee on Pensions.

By Mr. CLARK of North Carolina: A bill (H. R. 10794) for the relief of Richard L. Meares, administrator of Armand D. Young, deceased; to the Committee on War Claims.

By Mr. CRAIL: A bill (H. R. 10795) for the relief of Charles Johnson; to the Committee on Naval Affairs.

By Mr. FITZGERALD: A bill (H. R. 10796) for the advancement of Lieut. Alford J. Williams, jr., United States Navy, to the grade of captain on the retired list of the Navy; to the Committee on Naval Affairs.

Also, a bill (H. R. 10797) for the relief of Bernis Brien; to the Committee on Claims.

By Mr. HUDDLESTON: A bill (H. R. 10798) for the relief of Lowela Hanlin; to the Committee on Claims.

By Mr. JOHNSON of Illinois: A bill (H. R. 10799) granting an increase of pension to Mary L. Leverton; to the Committee on Pensions.

Also, a bill (H. R. 10800) granting an increase of pension to Mary A. Gramm; to the Committee on Invalid Pensions.

By Mr. KENDALL of Kentucky: A bill (H. R. 10801) granting a pension to Emily Williams; to the Committee on Invalid Pensions.

By Mrs. McCORMICK of Illinois: A bill (H. R. 10802) granting a pension to L. C. Latham; to the Committee on Pensions.

By Mr. McKEOWN: A bill (H. R. 10803) granting a pension to Mary Jane McCamey; to the Committee on Invalid Pensions.

By Mr. O'CONNOR of Oklahoma: A bill (H. R. 10804) for the relief of Irma Upp Miles, the widow, and Meredeth Miles, the child of Meredith L. Miles, deceased; to the Committee on Claims.

By Mr. PATMAN: A bill (H. R. 10805) granting an increase of pension to Ida C. Noble; to the Committee on Pensions.

By Mr. PITTENGER: A bill (H. R. 10806) validating the application of Patrick J. Greaney, jr., for an entry of certain public lands, and for other purposes; to the Committee on the Public Lands.

By Mr. QUAYLE: A bill (H. R. 10807) for the relief of Sara Riddle; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 10808) granting a pension to Rastus Hammitt; to the Committee on Pensions.

Also, a bill (H. R. 10809) granting an increase of pension to Mary J. Wilson; to the Committee on Invalid Pensions.

By Mr. ROBINSON: A bill (H. R. 10810) for the relief of Daniel J. Sullivan; to the Committee on Claims.

By Mr. WOLVERTON of New Jersey: A bill (H. R. 10811) for the relief of Willard F. Holteen; to the Committee on Claims.

By Mr. WYANT: A bill (H. R. 10812) granting an increase of pension to Elizabeth B. Shaw; 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:

5637. Petition of United States Naval Reserve Officers' Association, favoring House bill 6145, to regulate the minimum age limit for enlistments in the Naval Reserve or Marine Corps Reserves; to the Committee on Naval Affairs.

5638. By Mr. ACKERMAN: Petition of citizens of Roselle, Roselle Park, and Cranford, N. J., urging passage of legislation increasing pensions of Spanish War veterans; to the Committee on Pensions.

5639. By Mr. ALDRICH: Resolution of the town council of the town of Warwick, R. I., urging the proper observance of October 11 of each year in honor of the memory of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

5640. By Mr. BACHMANN: Petition of William L. Nest and other citizens of Wheeling, W. Va., urging speedy action on Senate bill 476 and House bill 2562 providing for increased rates of pension to veterans of the Spanish-American War; to the Committee on Pensions.

5641. By Mr. BAIRD: Petition of citizens of Fremont and Clyde, Ohio, praying for relief for veterans of the Spanish War; to the Committee on Pensions.

5642. Also, petition of National Camp Patriotic Sons of America, Easton, Pa., favoring immigration restriction and registration of aliens; to the Committee on Immigration and Naturalization.

5643. Also, petition of Fraternal Order of Eagles, Aerie No. 444, Sandusky, Ohio, favoring the passage of bill S. 3257; to the Committee on Labor.

5644. By Mr. BLOOM: Petititon of citizens of Cincinnati, Ohio, opposing the calling of an international conference by the President of the United States, or the acceptance by him of an invitation to participate in such a conference, for the purpose of revising the present calendar, unless a proviso be attached thereto, definitely guaranteeing the preservation of the continuity of the weekly cycle without the insertion of the blank days; to the Committee on Foreign Affairs.

5645. By Mr. BUCKBEE: Petition of Col. R. J. Shand and 78 other citizens of Springfield, Ill., asking for early passage of 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.

5646. By Mr. COOPER of Wisconsin: Memorial of United Groups of Polish National Alliance, No. 135, Kenosha, Wis., urging passage of a bill to establish Pulaski memorial day on October 11 of each year; to the Committee on the Judiciary.

5647. By Mr. CRAIL: Petition of many citizens of Los Angeles County, Calif., favoring increased pensions for Spanish War veterans; to the Committee on Pensions.

5648. By Mr. DALLINGER: Petition of the city council of Cambridge, Mass., urging the enactment of House Joint Resolution 167 providing for the observance of General Pulaski's memorial day on October 11 of each year; to the Committee on the Judiciary.

5649. By Mr. FENN: Petition of the Common Council of New Britain, Conn., favoring the establishment of October 11 as General Pulaski's memorial day; to the Committee on the Judiciary.

5650. Also, petition of the Common Council of New Britain, Conn., favoring the passage of legislation to increase the pensions of veterans of the war with Spain; to the Committee on Pensions.

5651. Also, petition of three citizens of Burnside, Conn., favoring the passage of the so-called Robsion-Capper school bill; to the Committee on Education.

5652. By Mr. FITZPATRICK: Petition of Common Council of the city of Yonkers, State of New York, urging the passage of House Joint Resolution 238 providing for the observance of General Pulaski memorial day on October 11 of each year; to the Committee on the Judiciary.

5653. By Mr. FRENCH: Petition of 37 citizens of St. Maries, Idaho, indorsing Senate bill 476 and House bill 2562 providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

5654. By Mr. FULMER: Resolution passed by the Ridge Post, No. 6, J. S. Nichols, post commander the American Legion, Leesville, S. C., in behalf of House bill 9411 for the purpose of establishing a veteran's hospital in South Carolina; to the Committee on World War Veterans' Legislation.

5655. By Mr. GAMBRILL: Petition of citizens of Calvert County, Md., favoring the passage of Senate bill 476 and House bill 2562 providing for increased rates of pension to Spanish-American War veterans; to the Committee on Pensions.

5656. By Mr. GARBER of Oklahoma: Petition of George H. Thomas Post, Grand Army of the Republic, Chicago, unanimously protesting against House bill 6348; to the Committee on Military Affairs.

5657. Also, petition of uncompensated disabled veterans of World War, Castle Point, N. Y., protesting against attempt to pass legislation pertaining to veterans' relief under suspension of rules and urging immediate passage of Rankin bill; to the Committee on World War Veterans' Legislation.

5658. Also, petition of George H. Thomas Post, Grand Army of the Republic, Chicago, Ill., protesting against Senate bill 684; to the Committee on Coinage, Weights, and Measures.

5659. Also, petition of Lawton Chamber of Commerce, Lawton, Okla., making correction in resolutions submitted under date of February 26, joint pay bill; to the Committee on Military Affairs.

5660. Also, petition of S. F. Stewart, Patriotic Instructor George H. Thomas Post, Grand Army of the Republic, of Illinois, protesting on behalf of his comrades, against the Swanson bill, S. 3810; to the Committee on Military Affairs.

5661. Also, petition of Union Equity Cooperative Exchange (Inc.), Enid, Okla., in support of House bill 3721; to the Committee on Appropriations.

5662. By Mr. HALE: Resolution adopted by Manchester Aerie, No. 290, Fraternal Order of Eagles, Manchester, N. H., J. T. Lynch, secretary, petitioning Congress for an early passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

5663. By Mr. HILL of Washington: Petition of Ida M. Harrison and other citizens of Spokane, Wash., asking that House bill 10, the Robsion-Capper school bill be enacted into law; to the Committee on Education.

5664. By Mr. JOHNSON of Illinois: Petition signed by citizens of Rock Falls, Ill., urging Congress to pass legislation to give Spanish War veterans an increase of pension; to the Committee on Pensions.

5665. By Mr. JOHNSON of Indiana: Petition of citizens of Terre Haute, Ind., for the increase of pensions for veterans of the Spanish-American War; to the Committee on Pensions.

5666. By Mr. KENDALL of Kentucky: Petition of the citizens of Lewis County, in which they respectfully urge that immediate steps be taken to bring to a vote Senate bill 476 and House bill 2562, and they further urge the passage of the above bills; to the Committee on Pensions.

5667. By Mr. KETCHAM: Petition signed by Charlie E. Gould and 58 other residents of Decatur, Mich., urging early passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

5668. By Mr. KVALE: Petition of Hancock Commercial Club, Hancock, Minn., urging passage of House bill 11; to the Committee on Interstate and Foreign Commerce.

5669. Also, petition of Minnesota Pharmaceutical Association urging passage of House bill 11; to the Committee on Interstate and Foreign Commerce.

5670. Also, petition of Minnesota Retail Meat Dealers' Association, urging an investigation of certain violations of the Sherman antitrust law and Clayton Act; to the Committee on the Judiciary.

5671. By Mr. LEE of Texas: Petition of citizens of Ballinger and Coleman, Tex., against Capper-Robsion bill to create a board of education; to the Committee on Education.

5672. By Mrs. McCORMICK of Illinois: Petition of sundry citizens of the city of Galesburg, Ill., urging favorable action on House Joint Resolution 20; to the Committee on the Judiciary.

5673. By Mr. MICHENER: Petition of sundry citizens of Wayne County, Mich., favoring the passage of House bill 2562; to the Committee on Pensions.

5674. By Mr. PATMAN: Petition of Mack Williams and 41 other citizens of Cass County, Tex., in support of House bill 2562, which provides for increased rates of pension to Spanish-American War veterans; to the Committee on Pensions.

5675. By Mr. FRANK M. RAMEY: Petition of Carlinville Chamber of Commerce, Carlinville, Ill., urging passage of House bills 8361 and 9592, for the promotion of Great Lakes to Gulf water transportation; to the Committee on the Merchant Marine and Fisheries.

5676. By Mr. REID of Illinois: Petition of L. L. Urch and 56 other residents of Kane County, Ill., urging the passage of Senate bill 476 and House bill 2562, providing for increased rates of pensions to Spanish-American War veterans; to the Committee on Pensions.

5677. Also, petition of E. E. Lindgren and 19 other residents of Batavia, Kane County, Ill., urging the passage of Senate bill 476 and House bill 2562, providing for increased rates of pensions to Spanish-American War veterans; to the Committee on Pensions.

5678. Also, petition of Charles Anderson and 15 other residents of Kane County, Ill., urging the passage of Senate bill 476 and House bill 2562, providing for increased rates of pensions to Spanish-American War veterans; to the Committee on Pensions.

5679. By Mr. SHOTT of West Virginia: Petition of Woman's Christian Temperance Union of Williamson, W. Va., asking for Federal supervision of motion pictures, establishing higher standards for production of films that are to be licensed for interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

5680. Also, petition of 57 citizens of Mingo County, W. Va., urging passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

5681. By Mr. STONE: Petition of 45 residents of Laverne, Okla., asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

5682. Also, petition of 67 residents of Chandler, Okla., asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

5683. Also, petition of 33 residents of the town of Norman, Okla., asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

5684. Also, petition of 109 residents of Buffalo, Okla., asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

5685. Also, petition of 26 residents of Perkins, Okla., asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

5686. Also, petition of 71 residents of Oklahoma City, asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

5687. Also, petition of 32 residents of Amorita, Okla., asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

5688. By Mr. THATCHER: Petition signed by William L. Nagel and others, of Jefferson County, Ky., in support of Spanish-American War veterans' legislation; to the Committee on Pensions.

5689. By Mr. THURSTON: Petition signed by 20 ladies of the Iseminger Relief Corps of Chariton, Iowa, urging the Congress to enact legislation increasing the pensions now allowed to Civil War veterans and their dependents; to the Committee on Invalid Pensions.

5690. By Mr. WASON: Memorial of the board of aldermen of the city of Nashua, N. H., 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.

5691. Also, petition of Women's Christian Temperance Union, of Nashua, N. H., urging the enactment of a law for the Federal supervision of motion pictures, providing that higher moral standards be applied at the source of the production; to the Committee on Interstate and Foreign Commerce.

5692. By Mr. WATSON: Resolution passed by the Women's Christian Temperance Union, of Yardley, Pa., favoring Federal supervision of motion pictures; to the Committee on Interstate and Foreign Commerce.

5693. By Mr. WELCH of California: Petition of citizens of San Francisco, urging the enactment of House bill 2562; to the Committee on Pensions.

5694. By Mr. WILLIAMS: Petition of M. Mueller and 70 others, requesting passage of Senate bill 476 and House bill 2562, providing for increased pensions of veterans of Spanish-American War; to the Committee on Pensions.

5695. By Mr. WOLVERTON of West Virginia: Petition of the Cowen, Webster County (W. Va.), Women's Christian Temperance Union, urging Congress to enact a law providing for Federal supervision of motion pictures; to the Committee on Interstate and Foreign Commerce.

5696. Also, petition of the Berlin, Lewis County (W. Va.), Women's Christian Temperance Union, urging Congress to enact a law providing for Federal supervision of motion pictures; to the Committee on Interstate and Foreign Commerce.

5697. Also, petition of Mrs. George Lounsbery, registered nurse, of Huntington, W. Va., urging Congress to take favorable action on House bill 2562, a bill granting increased pension rates for veterans and nurses who served during the Spanish War period; to the Committee on Pensions.

5698. Also, petition of M. M. Blumberg, of Weston, Lewis County, W. Va., urging Congress to establish a department of education, such as is provided in the Capper-Robsion bill; to the Committee on Education.

5699. By Mr. WYANT: Petition of Rostraver Grange, No. 919, Patrons of Husbandry, indorsing debenture plan in tariff bill, and indorsing placing of lumber and red-cedar shingles on the free list; to the Committee on Ways and Means.

5700. Also, petition of Joseph F. Leipeitz, 1009 Manor Road, New Kensington, Pa., requesting favorable support of legislation to regulate wages paid to laborers and mechanics on Government and United States Army contracts, known as House bill 9232 and Senate bill 3086; to the Committee on Labor.

5701. Also, petition of Ernest Wilson, 1719 Ridge Avenue, Arnold, Pa., requesting favorable support of legislation to regulate wages paid to laborers and mechanics on Government and United States Army contracts, known as House bill 9232 and Senate bill 3086; to the Committee on Labor.

SENATE

SATURDAY, *March 15, 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 VICE PRESIDENT. The clerk will call the roll.

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

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

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. HAYDEN. My colleague the senior Senator from Arizona [Mr. ASHURST] is unavoidably detained from the Senate.

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.

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

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the National Association of Builders' Exchanges in convention assembled at San Francisco, Calif., favoring the letting of all Government work on the contract plan and to the lowest responsible bidder, which were referred to the Committee on Education and Labor.

He also laid before the Senate resolutions adopted by the board of aldermen of the city of New York, N. Y., opposing the passage of legislation providing for the registration of aliens as un-American, reactionary, and injurious to the process of Americanization, which were referred to the Committee on Immigration.

He also laid before the Senate a resolution adopted by the annual convention of the United States Naval Reserve Officers' Association, favoring the passage of legislation establishing a minimum age (17 years) for enlisting in the Naval Reserve and Marine Corps Reserve on the same basis as that for the regular Navy, which was referred to the Committee on Naval Affairs.

Mr. RANSDELL presented resolutions adopted by the Ministerial Association of Alexandria and Pineville, La., representing various denominations, protesting against the alleged godless attitude and campaign against all religion on the part of the Soviet Government of Russia, which were referred to the Committee on Foreign Relations.

Mr. SULLIVAN presented a petition of employees of the postal service at Sheridan, Wyo., favoring the passage of the so-called Dale retirement bill as amended, the 44-hour week bill, and the longevity bill, which was referred to the Committee on Post Offices and Post Roads.

Mr. CAPPER presented petitions of sundry citizens of Doniphan and Leavenworth Counties, in the State of Kansas, praying for the passage of legislation granting increased pensions to veterans of the war with Spain, which were ordered to lie on the table.

Mr. TYDINGS presented a petition of sundry citizens of Baltimore, Md., praying for the passage of legislation granting increased pensions to veterans of the war with Spain, which was ordered to lie on the table.

APPOINTMENTS TO POSTMASTERSHIPS AND OTHER OFFICES (REPT. NO. 272)

Mr. BROOKHART, from the subcommittee of the Committee on Post Offices and Post Roads, pursuant to Senate Resolutions 193, 311, and 330, Seventieth Congress, and Senate Resolution 42, Seventy-first Congress, submitted a report relative to influencing appointments to postmasterships and other Federal offices, together with the views of Mr. McKELLAR and Mr. HASTINGS.

REPORT OF POSTAL NOMINATIONS

Mr. PHIPPS, as in open executive session, from the Committee on Post Offices and Post Roads, reported sundry postoffice nominations, which were placed on the Executive Calendar.

BILLS INTRODUCED

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

By Mr. GOFF:

A bill (S. 3912) granting compensation to Cecil R. McGhee; to the Committee on Finance.

A bill (S. 3913) for the relief of Evan Lewis; to the Committee on Military Affairs.

By Mr. SHORTRIDGE:

A bill (S. 3914) for the relief of Walter Fred Kirchoff; and

A bill (S. 3915) to provide for alterations and repairs to the U. S. S. *Henry County;* to the Committee on Naval Affairs.

By Mr. FESS:

A bill (S. 3916) granting an increase of pension to Emma Fitch (with accompanying papers); to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 3917) for the relief of George Edwin Godwin; and

A bill (S. 3918) for the relief of Charles Daniel Anderson, ex-chief machinist's mate, United States Navy, and Horace H. Goodell, ex-yeoman, third class, United States Navy; to the Committee on Naval Affairs.

A bill (S. 3919) for the relief of Matthew Edward Murphy;

A bill (S. 3920) for the relief of Mary Kress, Myer Toor, and Theresa Toor; to the Committee on Claims.

A bill (S. 3921) for the relief of Thomas Allen; to the Committee on Pensions.

A bill (S. 3922) to provide for certain payments to the widows and children of policemen and firemen of the District of Columbia whose deaths result from injury suffered or disease contracted in line of duty; to the Committee on the District of Columbia.

By Mr. BARKLEY:

A bill (S. 3923) granting a pension to Emma Bettman Myers; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 3924) for the relief of the First State Bank & Trust Co., of Mission, Tex.; to the Committee on Finance.

By Mr. ROBINSON of Indiana:

A bill (S. 3925) granting an increase of pension to Reuben Samson (with accompanying papers); to the Committee on Pensions.

AMENDMENT TO THE TARIFF BILL—MILK CANS

Mr. COUZENS 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:

At the top of page 113 insert the following:

"Milk cans, made of steel or iron not lighter than 22 gage United States standard, with or without tin or other plate, 40 per cent ad valorem."

THE MONROE DOCTRINE

Mr. DILL. Mr. President, I ask unanimous consent to have printed as a public document a memorandum on the Monroe doctrine by J. Reuben Clark, of the State Department. It is a very complete discussion of the history of the matter. There is only one copy available in the document room and there are a great many calls for it.

Mr. MOSES. Mr. President, without question this is something that should be printed as a public document. A very limited edition was printed by the State Department and copies desired by Members of the Senate and House of Representatives are absolutely unavailable.