6249. By Mr. FRANK M. RAMEY: Petition of Earl Boston and 33 other citizens of Macoupin County, Ill., urging support 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.

6250. By Mr. ROWBOTTOM: Petition of James E. Jones and others of Mount Vernon, Ind., that Congress enact into law the proposed Stalker amendment to the United States Constitution; to the Committee on the Census.

6251. By Mr. SELVIG: Petition of Mrs. H. B. Lane, president Ninth District Legion Auxiliary, Red Lake Falls, Minn., urging the enactment of the Johnson bill; to the Committee on World War Veterans' Legislation.

6252. By Mr. UNDERHILL: Petition of the common council of the city of Malden, Mass., in commemoration of the death of Gen. Casimir Pulaski; to the Committee on the Judiciary.

6253. By Mr. VINCENT of Michigan: Petition of residents of Merrill, Mich., urging more liberal pension legislation for veterans of the Spanish-American War; to the Committee on Pensions.

SENATE

THURSDAY, *April 3, 1930*

(Legislative day of Wednesday, April 2, 1930)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate resumes the consideration of the unfinished business, and the Senator from Nebraska is entitled to the floor.

DEFICIENCY APPROPRIATIONS FOR DEPARTMENT OF JUSTICE

Mr. JONES. Mr. President, I would like, if possible, to have the Senator from Nebraska yield to me, that I may submit a report and ask for the immediate consideration of a joint resolution. I think it will take but a minute or two. It is a very urgent deficiency appropriation carried in a joint resolution which has passed the House. The Committee on Appropriations had a meeting with reference to it this morning, and I should like to report it unanimously if the Senator will yield for that purpose.

Mr. NORRIS. Mr. President, I can not very well refuse to yield for that purpose, and yet at the same time I have been importuned by seven or eight different Senators with reference to bills which they would like to call up this morning and dispose of. They all say the measures will not lead to debate. However, if I begin yielding for that purpose, it means that I am not going to get started to-day with the unfinished business. We took a recess last night with the express understanding that we would proceed immediately this morning with the consideration of the unfinished business. I think there might be an exception made in a case of a deficiency appropriation, but I hope it will not be used as a precedent for the submission of similar requests.

The VICE PRESIDENT. Does the Senator from Nebraska yield for the purpose indicated?

Mr. BORAH. Mr. President, before consent is granted I would like to know what the measure is?

Mr. JONES. It is a joint resolution appropriating $425,000 for the expenses of United States marshals and their deputies in transporting prisoners, and so on; also mileage and per diem of jurors, and for witnesses in connection with activities of the Department of Justice in the enforcement of law.

Mr. NORRIS. First, Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside for the purpose of proceeding to the consideration of the joint resolution about to be reported by the Senator from Washington.

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

Mr. JONES. Mr. President, from the Committee on Appropriations I report back favorably, without amendment, the joint resolution (H. J. Res. 283) making additional appropriations for certain expenses under the Department of Justice for the remainder of the fiscal year 1930, and I ask unanimous consent for its immediate consideration.

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

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

Resolved, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the purposes herein set forth under the Department of Justice for the remainder of the fiscal year ending June 30, 1930, namely:

For salaries, fees, and expenses of United States marshals and their deputies, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1930, $425,000.

For mileage and per diems of jurors; for mileage and per diems of witnesses and for per diems in lieu of subsistence; including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1930, $640,000.

For the support of United States prisoners, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1930, $1,600,000.

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

CALL OF THE ROLL

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:

Ashurst	Gillett	McKellar	Steiwer
Baird	Glenn	McNary	Stephens
Barkley	Goff	Metcalf	Sullivan
Bingham	Goldsborough	Moses	Swanson
Black	Gould	Norbeck	Thomas, Idaho
Blease	Hale	Norris	Thomas, Okla.
Borah	Harris	Oddie	Townsend
Bratton	Harrison	Overman	Tydings
Brookhart	Hatfield	Phipps	Vandenberg
Capper	Hayden	Pine	Wagner
Caraway	Hebert	Robinson, Ind.	Walcott
Connally	Heflin	Schall	Walsh, Mass.
Copeland	Howell	Sheppard	Walsh, Mont.
Couzens	Johnson	Shipstead	Watson
Dale	Jones	Shortridge	Wheeler
Dill	Kean	Simmons	
Fess	Kendrick	Smoot	
George	McCulloch	Steck	

Mr. NORRIS. I desire to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] and the junior Senator from Wisconsin [Mr. BLAINE] are necessarily absent from the city.

The senior Senator from North Dakota [Mr. NYE] is detained from the Chamber on account of illness in his family.

Mr. SHEPPARD. I wish to announce that the Senator from Missouri [Mr. HAWES], the Senator from Florida [Mr. FLETCHER], the Senator from Utah [Mr. KING], and the Senator from South Carolina [Mr. SMITH] are all detained from the Senate by illness.

I also wish to announce that the junior Senator from Tennessee [Mr. BROCK] is absent because of illness in his family.

I also desire to announce that the Senator from Arkansas [Mr. ROBINSON] and the Senator from Pennsylvania [Mr. REED] are in London attending the naval conference.

Mr. NORBECK. I wish to announce that my colleague [Mr. MCMASTER] is unavoidably absent from the city, and that he will necessarily be absent for some time. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Sixty-nine Senators have answered to their names. A quorum is present.

CANCELLATION OF FEDERAL RESERVE BANK STOCK

Mr. WALCOTT. Mr. President, I desire to enter a motion to reconsider the vote by which the Senate passed the bill (S. 2666) to amend sections 6 and 9 of the Federal reserve act, and for other purposes, in order to facilitate the cancellation of Federal reserve bank stock in certain cases where member banks have ceased to function. The bill was passed by the Senate on day before yesterday. I make the motion for the reason that the bill (H. R. 6604) to amend sections 6 and 9 of the Federal reserve act, and for other purposes, which is almost identical, has passed the House and is now before the Senate Committee on Banking and Currency, and has been unanimously approved by that committee. The only change in the House bill is a matter of striking out six or eight words in the title.

Mr. NORRIS. Of course, the Senator has a right to enter his motion to reconsider, but I hope he does not desire to ask for action upon it at this time?

Mr. WALCOTT. I am entirely satisfied merely to enter the motion to reconsider.

The VICE PRESIDENT. The motion to reconsider will be entered.

MUSCLE SHOALS

The Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (S. J. Res. 49) to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Mr. NORRIS. Mr. President, included in the joint resolution which we are considering in regard to Muscle Shoals there is a proposal to build what is known as the Cove Creek Dam. The Cove Creek Dam is a dam on the Clinch River, a tributary of the Tennessee River not far from its mouth. It is a little over 300 miles from Dam No. 2 on the Tennessee River in Alabama. The natural reservoir on the Clinch River where the dam is to be constructed has been known for a great many years, but until recently it had not been completely surveyed. As I understand it, and as far as I know, it is the largest natural reservoir east of the Mississippi River.

The amount of water that this dam will impound is necessarily estimated, because of the various inlets which run in all directions, it being impossible without the expenditure of an enormous amount of money to survey each one of them. The estimates vary somewhat. They run as high as 3,500,000 acre-feet, the lowest estimate being something less than 3,000,000 acre-feet. In the report on the joint resolution and also in my study of the subject I have used the estimate that the reservoir, when the dam contemplated in the resolution is constructed, will hold 3,000,000 acre-feet. That means that the water it will impound will cover 3,000,000 acres of land 1 foot deep. If the District of Columbia were level and a wall were built around it and that much water put inside of it, we in this Chamber would be working in the neighborhood of 75 feet below the surface of the water.

There has been for several years very much study made by all kinds of people of the question of flood control. It is conceded to be a national problem; it is conceded to be a proper governmental function; but as to how we will control the flood waters, particularly of the lower Mississippi River, there is much disagreement. For a great many years we have been building levees. That means that for the millions and millions of dollars which we have expended in the building of those levees we have built up the bed of the stream, and a larger flood or a conjunction of several floods has broken over every system of levees that man has ever constructed.

A few years ago a good many students of the subject began to consider what is known as tributary control. The theory of tributary control has been gradually growing. It contemplates that we shall build dams wherever nature has provided a basin to hold flood waters on the tributaries of the Mississippi River.

In my judgment, that eventually is going to be the way by which the flood waters of the Mississippi River will be controlled. I think it is the only practical way to do it, although quite a number of years ago when I offered an amendment in the Senate when we were considering an appropriation of $10,000,000 to control the flood waters of the Mississippi River I was laughed at by some persons because I proposed that the Government of the United States should pay one-half of the cost of construction of dams built by irrigators in the West which would hold back the flood waters of any tributary of the Mississippi River. As I now recall, that amendment at the time lacked only three votes of carrying on a roll call. Some engineers, however, denounced the proposition; they said it could not be done in the way proposed. There is another class of persons who are opposed to doing it in that way, namely, those who have been engaged for years and years in the construction of levees. They fear that their occupation, to some extent, will disappear should we embark upon such a plan. It would be a mammoth undertaking; it would be national in its scope, but it would only require the impounding of waters in a few places in the United States to the extent that they can be impounded at Cove Creek, very materially to control the flood waters of the Mississippi.

This feature of the pending joint resolution would be in the main a flood control and navigation proposition; power would be only an incident. I should not advocate the Government building the Cove Creek Dam if there were nothing in it, but the power which may be developed; I should not be here asking the Senate to provide for it if that were all it involved; but as a flood-control proposition, and as a navigation proposition for the Tennessee River, it surpasses any one thing which can be done by the Government on the east side of the great Mississippi River.

Mr. KENDRICK. Mr. President——

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

Mr. NORRIS. I yield to the Senator.

Mr. KENDRICK. The Senator from Nebraska referred a moment ago to the enormous amount of water in acre-feet that will be impounded in the reservoir at Cove Creek Dam. Can he tell us to what extent that amount of water will increase the primary power at Muscle Shoals?

Mr. NORRIS. Yes; I am going into that, I will say to the Senator; I shall reach that in due time.

First, however, I wanted to paint the picture to the Senate and bring out the idea that the building of this dam is a flood control and navigation proposition, as I shall proceed to show, and that governmental operation of this dam for flood control and navigation is the only way by which we can get the benefit of holding back the flood waters. It can not be done by permitting any private person or private corporation to build Cove Creek Dam.

If Senators will think of it for a moment, it will be perfectly apparent that not as much power will be developed at Cove Creek Dam if it shall be built for the purposes outlined as would be developed if the dam were built as a power proposition. It is a great power proposition; but if it be used for its maximum power development it will be rendered useless for flood-control purposes and as an aid to navigation. That statement can not be successfully contradicted. That is the reason it is out of place to say that Cove Creek Dam ought not be included in the proposed legislation, but that some private corporation should be permitted to construct the dam in order to develop power. I am not criticizing the men who would develop it for power; I would do the same thing if it were mine and I wanted to make money out of it; if that was the only object in view, I would get all the power I could.

What would be the result of the use by private individuals of Cove Creek Dam for the development of power? They would let the basin fill up, and they never would empty it, because the minute they commence to draw down on the flood waters behind the dam they would lessen the power being developed at the dam, until when all the water should have been let out there would be no power whatever. So that the power developed there, while it would be comparatively large, would be mostly secondary power. Some of it would be extremely valuable, as I shall show, because the Government owns Dam No. 2, and "one hand would wash the other." If it is going to be used as a flood control and navigation work, then the water must be let out during the dry season, so as to leave sufficient capacity to hold back the flood waters when the floods come in the spring of the year. If it should be used purely for the development of power, the basin would become filled up and would not hold back any of the flood waters; they would run over the dam, and there would be a continual flood. It is true that more power would be obtained in that way, and that is the reason why a private corporation building Cove Creek Dam would never let the water out, because should that be done it would take money out of the pockets of the corporation.

So the waters of the Tennessee River will be controlled; they will be made higher in low water and lower in high water by the impounding of this enormous amount of water. Consequently, the Tennessee River will be navigable even with this dam alone, without any other; though there are several other flood dams which could be built and, I think will be built in time, but none of them would be so large as Cove Creek Dam. With this dam alone, however, and the regulating of the water, the Tennessee River will be made navigable the entire year around, in the average year, at Chattanooga, Tenn., instead of falling so low during certain periods that navigation must cease. So Cove Creek Dam, as a governmental work, will increase the navigability of the river many times. The waters of the Tennessee, if permitted to flow unchecked, reach the Ohio near its mouth and thence empty into the Mississippi, and increase the enormous flood waters in the Mississippi, doing damage of millions and millions of dollars all the way down that stream to its mouth.

Mr. VANDENBERG. Mr. President——

Mr. NORRIS. I yield to the Senator from Michigan.

Mr. VANDENBERG. I assume that if these navigation and flood advantages shall accrue the State of Tennessee will be a substantial beneficiary from the adventure, will it not?

Mr. NORRIS. Yes.

Mr. VANDENBERG. Under those circumstances, does it not become unconscionable that the State of Tennessee should demand a 5 per cent dividend upon the investment of Federal funds which will accomplish this great boon for the State of Tennessee?

Mr. NORRIS. Mr. President, under the joint resolution now pending the State of Tennessee will not get 5 per cent on the investment.

Mr. VANDENBERG. On the power sold.

Mr. NORRIS. It will only get 5 per cent on any of the power that is sold. That will be quite a large amount, but nobody can tell just how much it will be. However, it will be in lieu of the taxes which the State would be able to obtain if the dam were built by a private party. While ordinarily I have not been given credit for it by many people who have condemned a good many of my views, yet I have always felt that where the Government, for a perfectly legitimate governmental reason,

enters upon an enterprise, such as that at Muscle Shoals, the justification for the Government's activity being that the enterprise is in furtherance of a governmental function, and profit accrues as a result of the Government's investment, it ought to compensate the State where the property is located for the taxes which the State loses by virtue of the Government rather than a private party owning and operating the enterprise.

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

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

Mr. NORRIS. Yes.

Mr. VANDENBERG. The Senator will recall that in the case of the Boulder Dam legislation an ultimate dividend on the power developed was provided for the States, but not until after the Federal Government had been reimbursed, I think, for everything except $25,000,000 of its initial investment. Is not that a precedent which this proposal would violate in what seems to me to be its indefensible generosity to the States which will be benefited to this vast extent?

Mr. NORRIS. What is proposed in the case of Muscle Shoals is not exactly what was done in the case of Boulder Dam. This proposal is not nearly so complicated as was the Boulder Dam proposition, but at the same time I can not see that any injustice is involved. I have sympathy for the State of Tennessee. I think it may justly say to the Government, "You are going to build this big dam; you are building it for a legitimate governmental function, we admit, but after that purpose shall have been accomplished, if you make some money out of it you ought to give us some of the profit in lieu of the taxes which we would otherwise receive, though probably not as much as a private individual would pay if he built the dam and did not do anything but sell power."

Mr. VANDENBERG. Mr. President, does not the Senator think it would at least be fair to require that the Government should have its investment back before it proceeded to subsidize the State of Tennessee for the benefits conferred upon it?

Mr. NORRIS. Mr. President, I do not think it is a subsidy to the State of Tennessee. The Senator may be right, but I do not think it is a subsidy. We build other dams, we construct other works of a governmental nature in various parts of the United States, but in those cases we do not go into the business, as we will to some extent in this instance, after the governmental purpose shall have been accomplished.

Mr. VANDENBERG. That is what we are doing at Boulder Dam; but at Boulder Dam we are requiring that the Federal Treasury shall be reimbursed before the benefited territory shall proceed to capitalize the Federal investment.

Mr. NORRIS. Mr. President, regardless of what we have done at Boulder Dam, as I look at it, I see no injustice if, after the governmental purpose shall have been accomplished a profit accrues, we should put ourselves, so far as taxation is concerned, in the place, as nearly as possible, of the private individual if he were doing the same thing.

Mr. VANDENBERG. These provisions were not in the joint resolution as it was previously presented, were they?

Mr. NORRIS. No; they constitute the only change, as I understand.

Mr. BLACK. Mr. President——

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

Mr. NORRIS. I yield.

Mr. BLACK. The Senator will recall that I attempted to have like provisions put in the bill at that time, and insisted that it was fair and right that it should be done; but at that time the Senate did not do so; there had been no precedent such as has been made in the case of Boulder Dam. I will state that a number of Senators have told me since that they believed that my original proposition was right, and when it was submitted again they would support it.

Mr. NORRIS. I think I am one of the Senators who told the Senator that.

Mr. BLACK. That is correct.

Mr. NORRIS. The reason I opposed it then was because I was not satisfied as to just what the rate ought to be. I have made as extensive a study and investigation of the question as it is possible for me to make, and while I can not bring about a mathematical result I have put in here the rates that seemed to me to be fair. They are not as high as in some other places; they are not as low as in some other places, but as nearly as I could make the computation, in conjunction with the advice of experts, I have, in my judgment, provided a fair rate.

Mr. BLEASE. Mr. President——

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

Mr. NORRIS. Yes; I yield.

Mr. BLEASE. I desire to ask the Senator if he would mind giving me his opinion on Government ownership and Government control, and why he favors it in this instance when in so many instances he, like myself, is opposed to it?

Mr. NORRIS. I have no hesitancy in telling the Senator what I think about it.

Mr. BLEASE. I knew the Senator would not have; and, since I am absolutely opposed to it, I should like to know the reasons why in this instance the Senator varies from his well-known position.

Mr. NORRIS. I will say to the Senator that I am not aware that I am varying. I do not think I am.

Mr. BLEASE. My understanding was that the Senator is not in favor of Government ownership or Government control.

Mr. NORRIS. On the contrary, Mr. President, I believe in some kinds of public ownership—not always Federal Government ownership, but I believe in municipal ownership. In some cases it would be State ownership perhaps; in some cases, as in this, national ownership of the facilities for the development, the distribution, and the sale of electrical energy.

Generally speaking, I think a municipality ought to own its electric-light system and its waterworks. Everybody admits—most people do, at least—that a municipality ought to own its waterworks. I do not see any difference between the two when we reach a point where electricity becomes as much of a necessity as water; and we have about reached that point now in the modern home.

I will say to the Senator, for instance, that in the city of Tacoma they now pay a fee to the treasury in lieu of taxation. I do not know whether or not I had anything to do with their paying that; but quite a number of years ago, when they were fighting the matter, I took it up with some of the officials there in correspondence, and I advised them to do that. I thought that was a fair thing to do. It makes very little difference in a municipality whether you pay taxes directly or indirectly. You are taking the money out of one pocket and putting it in another. The people who pay taxes and the people who use electricity are the same people; and if they tax themselves on one thing to reduce their payments on the other it amounts to the same thing in the end.

Mr. BLEASE. I think possibly the Senator misunderstands me. I am not speaking of municipal control and I am not speaking of State control. Nobody believes more strongly in the doctrine of State rights than I do; but I am opposed to the Government of the United States coming into my State and interfering with the water power there or any other power.

Mr. NORRIS. Oh, yes. I get a better understanding of the Senator's question now; and I am not finding fault with the Senator's position. I am not advocating that the Government go out and take all the water power in the United States. However, I will say to the Senator that even though I were opposed to Government or municipal or State or county ownership of any of these facilities I would still favor this proposition, because it has connected with it something besides the fundamental principle involved in Government ownership and operation of public facilities.

We have gone in here as a federal government to build this dam, and to build this steam plant, and to build these other improvements at Muscle Shoals, primarily as a matter of national defense, for the preservation of the Government itself. The other things are all incidental to that. It is conceded that it is proper for the Government to control navigation and to control floods. That is admitted everywhere; and there is not anything in this bill but that is founded upon the Government preparing either for national defense or for controlling the flood waters or the navigation of the streams. Incidentally only, as I am trying to explain about Cove Creek, when we perform those governmental functions, when we build the dam at Cove Creek to hold back the flood waters, we develop some power. Shall we throw it away? Shall we say, "Oh, the Government can not develop power. That is going into business"? We can not build the dam without making it possible for that power to be developed with the expenditure of only a comparatively small amount of additional funds.

So, as I have always said, this is not a Government-ownership proposition. This is only an attempt to make the Government property more valuable and to carry to the logical conclusion the governmental function of controlling the flood waters and navigation and preparing for defense in time of war; and, in addition to that, to develop fertilizer. It has that in it, too; and it is one of the most important things in it.

Another item that is considered everywhere as a proper governmental function is to experiment in fertilizer, to try to reduce the cost of it. We have been doing it for the past 50 years in a comparatively small way. We have spent millions

of public funds, as I think we did rightly in every instance. Sometimes it resulted in failure. Many times the experiment turned out to be worthless.

Mr. CONNALLY. Mr. President——

Mr. NORRIS. I will yield to the Senator from Texas in just a moment. But let us see why, in the fertilizer field, the Government should do it.

It is going to cost, to perform some of these experiments, hundreds of thousands of dollars, perhaps millions sometimes. Sometimes they are going to fail. We all know that. However honestly and in good faith we may undertake them, sometimes they are going to fail. Now, a private party in the fertilizer business can not afford to take the risk and perform these experiments unless he has more reasonable certainty of getting a financial return. Only the Government can do it. So we have in this bill fertilizer, navigation, flood control, and power; and while we need enough power to perform the fertilizer operations, nevertheless in carrying out the other governmental functions we are going to develop a great deal of power that the Government itself will not have any use for.

I now yield to the Senator from Texas.

Mr. CONNALLY. Mr. President, the Senator has already covered about what I was going to suggest. In other words, flood control and national defense are Federal functions.

Mr. NORRIS. Exactly.

Mr. CONNALLY. The power is simply a by-product; and there is no use in letting it go to waste because it is a by-product.

Mr. NORRIS. Exactly.

Now, Senators, take the Cove Creek Dam: If the Government does not build it as a flood-control measure, and it ever is built, it will be built by private parties, not to control navigation, not to control floods, but to develop power. They will develop more power than we will develop in carrying out our plan, and the possibility of controlling the navigation of the Tennessee River and the possibility of reducing the floods on the Mississippi River will have disappeared forever.

I think it is of the utmost importance that the Government build this dam now. Let us see. This loss that will come by letting the water out in the Government's case happily is not a complete loss, as it would be if we did not own Dam No. 2. We own Dam No. 2. We built it on the theory of national defense. By building Cove Creek Dam, as nearly as I can get the estimates from the engineers, we will practically double the primary power at Dam No. 2.

Think what that means! That comes as near producing something out of nothing as you can possibly bring about. In other words, a lot of this secondary power at Dam No. 2 will be converted into primary power. Why? Because when we let the water out up here at Cove Creek we will do it in the low-water stage, in the dry season of the year; and as we let it out we will run it through wheels, and that will develop electricity. As the head lowers, the development of electricity will become less and less, and if we let it all out we will reach a time when we can develop no electricity there.

But what has happened? The water that went out of that dam and went down the Tennessee River went over Dam No. 2. It went over Dam No. 2 when the river was at its low stage, increasing the power at Dam No. 2; so, while we lose it up here, we make it back down there. It is true that there will be some loss; but, after all, the loss is very much minimized from the fact that we own Dam No. 2, and we have increased our power there while we have lessened it at the other place; and this bill provides that these two great dams shall be connected by a transmission line. The transmission line to connect them will cost more than $6,000,000; so at whichever place we develop this power we have the power, whether it is at Dam No. 2 or whether it is at Cove Creek Dam.

Do not get away from the idea, Senators, that it is a proper governmental function, in the first place, to do this, because we have a right, and we ought, and it is our duty to control the flood waters of all our streams, particularly of the Mississippi, and that when we do that the power that is developed is only incidental, and that in doing that it is a fortunate thing that our ownership of Dam No. 2 enables us to get back at Dam No. 2 the loss that we sustained by letting the water out at Cove Creek Dam.

Mr. BARKLEY. Mr. President——

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

Mr. NORRIS. In just a moment.

A private party who owned the Cove Creek Dam would not do that. He would keep it full, and when the next flood came the water would go right on over the dam, just the same as though no dam had ever been built; and there would be no flood control and no assistance to navigation.

I now yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, the Senator may have stated, but I should like to ask him, what is the distance between Dam No. 2 and Cove Creek?

Mr. NORRIS. A little over 300 miles.

Mr. BARKLEY. What tributaries of the Tennessee River feed water into it between those two points?

Mr. NORRIS. There are a good many.

Mr. BARKLEY. So that the amount of water which would pass over or through Dam No. 2 is considerably larger than the amount which would pass over the Cove Creek Dam?

Mr. NORRIS. Yes, sir; that is true.

Mr. BLACK. Mr. President, will the Senator yield there for one other statement?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Alabama?

Mr. NORRIS. I yield to the Senator from Alabama.

Mr. BLACK. The Senator, of course, is aware of this, but he has not mentioned it, on account of the fact that he is limiting his discussion to Dam No. 2; but I thought it might be interesting, in view of the question asked by the Senator from Michigan [Mr. VANDENBERG], to say that not only will the power at Dam No. 2 be greatly increased, but the power at all the intermediate dams which will hereafter be built either by the Government or by private enterprise between Cove Creek and Dam No. 2 will be greatly increased.

Mr. NORRIS. Yes.

Mr. BLACK. Some of them will have their power doubled; and, as I recall—I may be mistaken in this figure—one engineer's report showed that some of the dams would have their power quadrupled.

Mr. NORRIS. I think that is true. I have abstained from giving definite figures, because I have reached the conclusion in my own mind that it is an impossibility to give them with any definiteness. The estimates do not agree; and there is another thing about it: No man can tell now—not even the engineers—just how they are going to operate this development. It will take several years of experience. It may be that they will find, especially if we build some other flood-control dams, that it will not be necessary to let all the water out of the Cove Creek Reservoir; and I think it is generally believed by engineers that while the power will be very much decreased as the level goes down, it will never be entirely eliminated.

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

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. NORRIS. I yield to the Senator.

Mr. VANDENBERG. I beg the Senator's pardon for returning to this 5 per cent commission that we are going to pay the State of Tennessee for being its beneficiary; but the Senator has just stated that if Cove Creek were developed by a private power company, unquestionably there would not be adequate flood control. Is that correct?

Mr. NORRIS. That is right.

Mr. VANDENBERG. Of course, there would be taxation inuring to the benefit of the State of Tennessee.

Mr. NORRIS. Yes.

Mr. VANDENBERG. Now, we propose to invest $40,000,000 of Federal funds to produce a flood control which would be impossible if done under private auspices.

Mr. NORRIS. Yes, sir; we do.

Mr. VANDENBERG. The State of Tennessee says, "You are taking a tax target away from us, and therefore we want some money back"; but, in return for taking away the tax target, have we not given them a flood control, which is well worth more than any possible revenue they could hope to get from private property?

Mr. NORRIS. I will say to the Senator that that may be true. I realize that the question has two sides to it. The Senator may be right; but throughout the history of the United States we have been making public improvements where people get the benefit of them, it is true, and no consideration has been taken in regard to taxes. But where we go further than that, go beyond the governmental function, as we either must do or let go to waste, which would be sinful, then I think we are trenching upon the taxation rights of the States, and I do not want the Government to do that.

I admit that there is another side to that question, I will say to the Senator from Michigan. That is only my view. It is one of the things, on the other hand, which the Power Trust is always throwing into our faces the first thing. "No taxes; you do not pay taxes." As a matter of fact, the tax charged up in kilowatt-hours is an infinitesimal fraction in all these great power developments. They make a great to-do about it, I admit, and they influence thousands of people by that argument. It is the first argument they make when they talking against men

who believe as I do; but when you reduce the taxes to payments per kilowatt-hours, you will have to have several ciphers, and then some figures away out, with a decimal point to the left, usually. It is a fraction of a mill, as a rule. At least, it does not get up into the pennies. I think it is very much exaggerated over what it really is. Nevertheless, I think there is something in it. I do not want to throw it aside. We might say the Government would go beyond its functions as a government in this case, because while it would always be doing a proper governmental thing, there will be developed more electricity than the Government uses, more than the Government can use for governmental purposes, and a State could say, "Private parties would have done it, and we would have taxed them." The answer in a municipality usually is, "You are getting cheaper electricity." But Tennessee can say, "Georgia, Florida, Mississippi, are going to get the benefit of this reduced rate, very likely, even where a locality is not reached by a transmission line," because the yardstick will be there, they will see what is being done, and they will compel these corporations of the Power Trust to reduce their rates many places. Where there is no transmission line, and no electricity from Muscle Shoals reaches those several localities, they will get the benefit of it, but they do not pay anything for it, they do not sacrifice anything for it. Tennessee gets the same benefit, and yet it does sacrifice something to get it. Alabama gets the same benefit, and it sacrifices a little something to get it. It loses the right to tax.

Mr. VANDENBERG. I am sure the Senator would agree that any State of the Union would welcome a Federal expenditure of forty or fifty million dollars; in fact, it would exercise every pressure it could exert to attract a Federal expenditure of forty or fifty million dollars, without, at the same time, asking for a perpetual dividend upon the investment.

Mr. NORRIS. That is perhaps true. Every State would welcome it.

Mr. VANDENBERG. May I ask the Senator another question with respect to another phase? His plan does not include the construction of Dam No. 3?

Mr. NORRIS. No.

Mr. VANDENBERG. I understand the junior Senator from Alabama has an amendment pending to include the construction of Dam No. 3. Will the Senator from Nebraska give me his notion as to the necessity for the inclusion of Dam No. 3 in this development?

Mr. NORRIS. Mr. President, let me say to the Senator that he has asked me a perfectly proper question, I admit, and I shall be glad to give the Senator my views, but I would rather not do it now; I would rather wait until the amendment is offered. I do not want to get into a discussion of Dam No. 3 until it comes before us.

Mr. President, I intend to give some definite figures on this subject, but before I do, let us remember these things. First, Cove Creek Dam is a flood control and navigation proposition. Power is only an incident. We would build it if there were not a kilowatt of power to be developed. We ought to build it if there were not a single horsepower left. But, developing it for the purposes I have named, to improve navigation and to improve flood control, we can not make that development without making the development of power possible by the expenditure of a comparatively small sum of money in addition. Should we do it? Would we not be guilty of an economic sin if we did not do it? We are building this dam strictly for governmental purposes, performing a governmental function. By doing it we can develop some power, and why not give the people of that vicinity, of the States of the South, the benefit of that cheap power, and give the people of the United States a yardstick that will there be developed to show what is possible in developing power?

Before we get through with flood control, we are going to build dams all up and down the Mississippi Valley. We will probably build hundreds of them. In the cases of many of them it will be an impossibility, it will not be practicable in others, to develop any power. We are going to build them anyway. But, wherever we build one, and power was a practical result of it, we would violate our duty to humanity if we did not develop the power. We would be committing a sin that would be unpardonable, because we could make available for the people cheaper electricity, cheaper power, and save something for the Government.

Bear in mind this other proposition, that nobody but the Government will ever build Cove Creek Dam for a flood control and navigation proposition. Nobody will think of it. We can not expect anybody to think of it or do it. The Government must do it. Incidentally, the Government will, as I have said, improve its own property, almost double it in value, by doing that.

Let us see something about what it will cost, and so forth.

Mr. VANDENBERG. Mr. President, may I ask the Senator one question before he proceeds with that?

Mr. NORRIS. Certainly.

Mr. VANDENBERG. I am wondering precisely how section 15 ultimately will operate. The Secretary of War is authorized, with appropriations hereafter to be made available, to construct, and so forth. Would the Secretary be justified under that authorization in proceeding? He has no appropriation, but merely an authorization. In other words, would a subsequent appropriation be necessary in order to validate that?

Mr. NORRIS. Some of it.

Mr. VANDENBERG. The Cove Creek factor could not be developed without a specific subsequent appropriation?

Mr. NORRIS. No. Cove Creek Dam, according to the plans and specifications, will be 225 feet high. It will impound more than 3,000,000 acre-feet of water. Its costs, including navigation cost, is now estimated to be $37,540,643. Senators will find in the report which I made figures which do not exactly correspond with these. They are less than the ones I have just given. But the figures I gave in the report were the best I could secure according to estimates of Government engineers at the time I wrote the report.

Cost of transmission line: This will be a transmission line connecting Cove Creek Dam with Dam No. 2. That cost is estimated to be $6,043,397.

Senators will note that when I gave the estimate of the cost of the dam proper I included navigation costs. That means locks or lifts. I very seriously doubt whether those locks or lifts will be constructed. If not, the cost will be very materially decreased; it will be decreased several million dollars.

As I have said, I doubt whether they will put in locks at that dam. Cove Creek is not a navigable stream as a practicable proposition. The lake which would be developed there would be navigable, but it would hardly pay to put in locks and lifts at Cove Creek for the purpose of connecting the lake with the river below. I doubt whether it is practical to do that. But the costs I have given include those locks or lifts which will raise the barges from the river below, 225 feet, to the level of the lake above.

I have some figures as to comparative costs which I think I had better give now. The original estimate was $25,000,000. For Senators who want to go into the matter more in detail I think I ought to give the detailed figures which constitute this cost, but inasmuch as this might be wearisome to those who do not want to go into the detail of it, I will ask that these detailed figures be printed at this point in my remarks without reading. They are found on pages 270, 271, and 272 of the hearings before the Military Affairs Committee of the House and they are the estimates of the engineers. Major Coiner, I think, was the witness who put in the figures. I think, if Senators will examine this, they will find that every detail that can possibly be conceived of has been taken into consideration in making this estimate.

The PRESIDING OFFICER. Is there objection?

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

Estimate of cost, Cove Creek Dam and initial transmission line to Wilson Dam

Item	Quantity	Unit cost	Total
Main dam:			
Cofferdams	700 linear feet	$125 per linear foot	$87,500
Earth excavation	59,951 cubic yards	$1 per cubic yard	59,951
Rock excavation	89,211 cubic yards	$4 per cubic yard	356,844
Preparing foundation and grouting	165,242 square feet	$0.40 per square foot	66,096
Concrete mass	628,145 cubic yards	$10 per cubic yard	6,281,450
Piers, arches, walls	7,286 cubic yards	$15 per cubic yard	109,290
Parapets roadway, finish	1,500 cubic yards	$30 per cubic yard	45,000
Railroad track, foundation drains, miscellaneous equipment		Lump sum	125,000
Roadway, lighting and conduit		do	10,000
Total, main dam			7,141,131
Spillway:			
Earth excavation	373,584 cubic yards	$1 per cubic yard	373,584
Rock excavation	162,759 cubic yards	$4 per cubic yard	651,036
Preparing foundations	113,750 square feet	$0.40 per square foot	45,500
Concrete mass	53,149 cubic yards	$10 per cubic yard	531,490
Piers, arches, apron	10,651 cubic yards	$15 per cubic yard	159,765
Parapets, roadway, finish	350 cubic yards	$30 per cubic yard	10,500
Gates, gantry, tracks		Lump sum	85,000
Roadway lighting and power		do	5,000
Total spillway			1,861,875

Estimate of cost, Cove Creek Dam and initial transmission line to Wilson Dam—Continued

Item	Quantity	Unit cost	Total
Power house:			
Cofferdams	350 linear feet	$125 per linear foot	$43,750
Earth excavation	33,427 cubic yards	$1 per cubic yard	33,427
Rock excavation	33,515 cubic yards	$4 per cubic yard	126,060
Preparing foundations	26,832 square feet	$0.40 per square foot	10,732
Concrete draft tube and intake sections	61,324 cubic yards	$12 per cubic yard	735,888
Steel penstocks		Lump sum	150,000
Building structure		do	514,500
Sash, doors, skylights		do	35,000
Heating, lighting, and power		do	30,000
Tiling, painting, and finishing		do	25,000
Turbines and governors		do	763,200
Generators and exciters		do	1,100,400
Switchboard and low-tension wiring		do	318,000
Transformers and high-tension equipment		do	630,000
Auxiliaries		do	187,500
Head gates, gantry, and tracks		do	200,000
Total, power house			4,903,457
Barge lift:			
Cofferdams	350 linear feet	$125 per linear foot	43,750
Earth excavation	6,222 cubic yards	$1 per cubic yard	6,222
Rock excavation	15,511 cubic yards	$4 per cubic yard	62,044
Preparing foundations	24,000 square feet	$0.40 per square foot	9,600
Concrete mass reinforced	94,408 cubic yards	$15 per cubic yard	1,416,120
Superstructure and parapets	1,226	$30 per cubic yard	36,780
Gates and machinery		Lump sum	200,000
Lift tank and machinery		do	220,000
Counterweights		do	140,000
Chains		do	375,000
Gantry and bridge		do	100,000
Elevator, pumps, and miscellaneous equipment		do	25,000
Total barge lift			2,634,516
Reservoirs:			
Land	54,525.7 acres	$38.91 per acre	2,121,666
Clearing	20,076 acres	$90	1,806,840
Buildings and structures		Lump sum	1,758,995
Railroad relocation	9.46 miles	do	2,734,149
Highways and bridges		do	2,311,815
Dikes and grouting, ranges A, B, and G		do	500,000
Cemetery relocation		do	85,280
Total reservoir			11,318,745
General:			
Construction camp		Lump sum	1,046,000
Construction plant		do	1,614,000
Construction, railroad	20 miles	$10,000 per mile	200,000
Permanent railroad		Lump sum	750,000
Permanent highway	6 miles	$25,000 per mile	150,000
Grading and planting		Lump sum	100,000
Garage		do	213,000
Office and clerical		do	486,000
Superintendence and layout		do	480,000
Engineering		do	827,048
Legal		do	106,083
Holidays		do	196,000
Flood losses		do	100,000
Total general			6,268,131
Contingencies, taxes, insurance and interest during construction			3,412,785
Grand total cost of Cove Creek Dam			37,540,643
Initial transmission line:			
Right of way	250 miles	$500 per mile	125,000
Clearing	50 miles	$2,000 per mile	100,000
Towers and extensions	1,750 miles	$1,000 each	1,750,000
Distribution and erection	1,750 miles	$125 each	218,750
Excavation for foundations	7,000 holes	$5	35,000
Foundations	7,000	$20	140,000
Conductors	8,580,000 pounds	$0.17	1,458,600
Distribution and stringing	1,500 miles	$100 per mile	150,000
Ground wires	1,029,600 pounds	$0.08 per pound	82,368
Distribution and stringing	500 miles	$50 per mile	25,000
Insulators in place	210,000 units	$3 per unit	630,000
Insulator hardware	10,500 sets	$10 per set	105,000
Carrier telephone equipment		Lump sum	15,000
Net total cost of initial transmission line			4,834,718
Engineering, overhead, and contingencies, 25 per cent			1,208,679
Grand total cost of initial transmission line			6,043,397
Grand total cost of Cove Creek Dam and initial transmission line			43,584,040

COMPARISON OF MAJOR FISKE'S TENTATIVE ESTIMATE FOR COVE CREEK DAM WITH LATEST FIGURES

No detailed figures of Major Fiske's tentative estimate are on file. By analogy from a rough breakdown of the total which Major Fiske made for another purpose it is possible to arrive at an approximation of the main features he considered. To compare these figures with those contained in the detailed estimate prepared by Major Watkins it is necessary to prorate the general and contingent expenses of the latter among the main construction items. Based on such methods the comparison is as follows:

Item	Fiske estimate	Present estimate
Dam and spillway	$5,000,000	$12,140,000
Reservoir:		
Flowage	5,000,000	6,017,000
Highway relocation	1,000,000	3,115,000
Railroad relocation	1,000,000	3,685,000
Clearing	1,000,000	2,433,000
	8,000,000	15,250,000
Power house	7,000,000	6,600,000
Total power costs	20,000,000	33,990,000
Navigation facilities	5,000,000	3,550,000
Grand total	25,000,000	37,540,000

Mr. NORRIS. Mr. President, I explained a while ago that these figures were a little larger than those found in the report. It was on a reexamination and a more complete survey that some of the figures were found to be too low. The figures I am now giving are the latest estimates of Government engineers, and are given after a complete and detailed examination of all the matters involved in the proposition.

Cove Creek is principally valuable for the creation of a storage reservoir, but it will have a power-plant capacity of about 220,000 horsepower. That is not primary power. I am unable to say what portion of the year that can be used. I do not think anybody knows now.

As I said a while ago, this plant will have to be operated several years before that will be known. There are times in the year when they will commence to let the water out in order to get ready for the next flood, and be prepared to hold back the flood waters of the next spring. They will find from practical experience just when they can let the water out with the least loss of power and with the greatest benefit to navigation. So that there would be much more machinery installed for the development of power than a private party would install if he were running it. We would go to a little less expense because we would be using the machinery, perhaps, for a time to the maximum, and the maximum use at Cove Creek will be at the time when we are using the minimum at Dam No. 2. This would be washing one hand with the other.

I see the Senator from Tennessee [Mr. McKELLAR] honoring me with his attention. I want him to take this suggestion into consideration. The Tennessee River, as he knows much better than I do, every year does a great deal of damage by overflow. Sometimes when the floods are high the damage is exceedingly great. The flood waters get so high that they interfere with navigation. Then there will be a time in the year when the Tennessee River for practical purposes will not be navigable. What does that mean, Senators? It means that people who are going to buy or build boats or barges for the Tennessee River will take into consideration the fact that they can use them only part of the year. They will therefore charge that much more freight, as they ought to, because for a considerable portion of the year their investment is going to be without any return, and hence they must charge a higher rate.

If the flow of the stream could be increased or controlled so as to make the river navigable throughout the year or through a larger portion of the year, there would be more boats built and lower rates charged. The benefit of improved navigation runs all through the equation. Every business man and every consumer, everybody living in the great Mississippi Valley, would benefit to quite an extent in the lowered cost of living. Railroads competing with the barge lines on the Tennessee River would reduce their freight rates. It would be a lasting benefit, more or less local, it is true, but nevertheless covering a large territory.

Mr. McKELLAR rose.

Mr. NORRIS. I yield to the Senator from Tennessee.

Mr. McKELLAR. In line with what the Senator is now saying I call his attention to the fact that General Brown, Chief of Engineers, within the last few days has made a very elaborate report, though I have not yet read it, recommending that the Government should at once undertake the task of rendering

navigable the entire Tennessee River up as far as Knoxville, which is in the neighborhood of the Cove Creek Dam. I call the Senator's attention to that fact merely for the purpose of showing that what the Senator is now presenting is in exact line with the report of the Chief of Engineers of the United States in that regard.

Mr. NORRIS. I thank the Senator for his interruption. There can be no doubt about it. We ought to consider this matter as nearly as we can on a scientific basis. There can be no doubt about the great benefit to navigation. No one doubts that since the beginning of the Government we have been appropriating public funds to improve navigation and to improve flood control.

Let me give the Senate some figures with reference to flood control which would result from the construction of this dam. This would not happen if a private party built the dam, but if the joint resolution now before us is enacted into law this is what would happen. Cove Creek as a storage reservoir would reduce flood heights as follows:

Rockwood. The Senator from Tennessee is acquainted with the location of Rockwood?

Mr. McKELLAR. Yes. It was in that vicinity where there was such a disastrous flood last year causing the greatest kind of damage.

Mr. NORRIS. How much would the Cove Creek Dam reduce the flood height at Rockwood? It would reduce it 6.6 feet. Just this one dam would reduce the flood height at Rockwood nearly 7 feet. That often would mean the difference between contentment and disaster.

Chattanooga is one of the great cities of the country, a great manufacturing city, one of the live progressive municipalities of the United States.

The building of the Cove Creek Dam and the impounding of the flood waters there would reduce the flood height at Chattanooga 5.7 feet, nearly 6 feet. Again it would mean that hundreds of acres, in the vicinity of Chattanooga, which sometimes are overflowed and great damage done, would be free from that danger. This would make a gage height of 32.7 feet, which is below the flood stage. In other words, it would reduce it to the point where there would be no flood danger.

Mr. BLACK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Alabama.

Mr. NORRIS. I yield.

Mr. BLACK. I desire to add something to the Senator's statement with reference to floods, taken from General Brown's report. I am reading from the proof sheets; it is just in process of being printed. General Brown said:

> Floods occur frequently on the main stream and on the lower part of most of the tributaries. The damage done by ordinary floods is not great, but the flood of 1926, the largest of record, caused damages estimated at $2,650,000. The district engineer states that still larger floods are possible, and that a flood of the magnitude which might be expected to occur once in 500 years would do damage amounting to $14,000,000. Including damages from such future floods, he estimates the average damage from floods at $1,780,000 annually.

Mr. NORRIS. I thank the Senator, although he anticipated me in the figures which he has just given. I have from the same source the same figures. Nevertheless, I thank the Senator.

At the city of Florence the Cove Creek Dam would reduce the flood height nearly 2 feet; at Johnsonville nearly 2 feet. These are not my figures, Senators. They are the scientific deductions of professional men, the engineers upon whose judgment we must rely in all such matters.

As the Senator from Alabama [Mr. BLACK] said, the flood damage in 1926 was $2,650,000. That was the exception. That does not happen every year. Nevertheless the building of the one flood dam at Cove Creek would relieve Chattanooga and that valley from all those dangers.

Some one intimated a while ago that this is to give a benefit to Tennessee, but it is to be paid for out of the public funds. Mr. President, we built a levee in Louisiana and we paid for it out of the Public Treasury. We have done that hundreds of times; we have expended millions of dollars in that way. It is a governmental problem, as everybody knows. The flood waters which do damage in Alabama sometimes come from Tennessee. The flood that does damage in Louisiana may come from the Rocky Mountains, or a part of the waters causing that flood may come from that source. So we must not be narrow-minded in these matters.

I represent a State which will get as little direct benefit out of this matter as any State in the Union. As I said yesterday, I have sometimes been criticized and sometimes condemned because I have taken such an interest in this matter. But we ought to look at it as broad-minded men, taking into view the entire Nation. While in this case we will bring a direct benefit to the people of Tennessee and Alabama, and to all the other Southern States to a lesser degree, yet when we get through with the flood-control program we will have benefited Louisiana, Mississippi, Arkansas, and all the States up the Mississippi Valley and the States bordering on the tributaries of the Mississippi River. In a word, it is a national problem and we ought to consder it as representatives of a Nation and not as representatives of a locality.

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

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

Mr. NORRIS. I yield.

Mr. VANDENBERG. I am sure the Senator does not mean that it is narrow-minded if a representative of a State far removed from the immediate area involved, after being perfectly willing to send millions and millions of dollars into this secton for flood control, subsequently questions the right of the benefited territory to charge the Federal Government a dividend against the beneficence.

Mr. NORRIS. No; and I do not want my friend from Michigan to get the idea that I have any such thought in my mind. His question is perfectly legitimate. There are many men, perhaps a majority of men, who will agree with him that there ought to be nothing in the measure before us to compensate either Alabama or Tennessee for the losses they will have sustained on account of tax revenue which will be removed. I admit, as I said, that it is a two-sided question. The expression I used about being "narrow-minded" has no application whatever to the Senator from Michigan—in fact, I did not have anybody in mind when I used it.

Mr. McKELLAR. Mr. President——

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

Mr. NORRIS. I yield.

Mr. McKELLAR. In that connection, let me say to the Senator from Michigan that when the dam is completed it will virtually remove one of the counties of Tennessee, known as Hancock County, where the greater part of the land will be under water. The State will be deprived of the revenue from taxation of the property, because it can not tax land underneath water. The project will also take a large part of Anderson County and, I believe, a slightly less part of Campbell County.

Under these circumstances I hope the Senator from Michigan will not feel that it is unfair that the State of Tennessee, being deprived of such a large amount of tax revenue and of the property which is now there producing tax revenue, should be entitled to a reasonable portion of the gross proceeds set aside in lieu of the taxes it has been receiving. Of course a considerable amount of personal property will have to be moved out of that vicinity. I hope the Senator will not feel that such setting aside to Alabama and Tennessee of a reasonable portion of the gross returns would be improper or unjust or unfair.

Mr. VANDENBERG. Mr. President, will the Senator from Nebraska permit me to ask the Senator from Tennessee a question?

Mr. NORRIS. Certainly.

Mr. VANDENBERG. Does the Senator feel that the loss in tax revenue is greater than the gain in flood control and navigation?

Mr. McKELLAR. No; I would not say that. I think the gain will be very considerable in navigation and very considerable in flood control; but greater than all that will be the gain in the production of power both at Cove Creek and at Muscle Shoals, and incidentally on down the river at other points, because when the dam is completed at Muscle Shoals, it will make possible the construction of other dams not now commercially profitable or possible along the river.

I thank the Senator from Nebraska for permitting me to interrupt him.

Mr. NORRIS. Mr. President, I have been speaking of floods. I want now to refer briefly to navigation. The construction of the Cove Creek Dam and the reservoir behind it would improve navigation, as I have said, from the Clinch River, near where the dam is to be located, to Chattanooga. It would raise the low-water depth from the present level of 1.3 feet to 2.8 feet. Senators might say that is a small amount; but it increases the low level of the river by exactly 1 foot 6 inches, and on a river where flatboats and barges are use, 2 feet of water is often sufficient for navigation. It is true it would be better to have 3 feet or 4 feet, but when the water is raised to its maximum it will only lack 0.2 of a foot of being 3 feet deep as a result of the building of this dam alone. So that it will practically make the river navigable the year around. As I under-

stand the statements of the engineers, they have taken the lowest level, which is 1.3 feet, and it will more than double the depth.

Under those circumstances, Mr. President, realizing that otherwise none of these benefits can accrue, how can we refuse to provide by law for the building of the Cove Creek Dam by the Government of the United States? We have seen that if the Government does not build this dam none of these benefits will ensue; there will be no flood control. So I want to say to the Senators from Louisiana that they ought to be just as much interested in this plan as are the Senators from Tennessee. If adopted, it is going to reach out the hand of rescue to the extent of holding back 3,000,000 acre-feet of water, and often down in Louisiana the holding back of that amount of water alone would save the levees; would mean the difference between destruction and prosperity. How anyone can vote against this proposition, especially one coming from the States which will be affected, is more than I can understand.

It seems to me that we who live in the other States which will not receive this direct benefit must realize that the Government in carrying out its great program of flood control must begin somewhere. Here is a good place to begin, where it will cost the Government less almost than in any other place, because the Government owns Dam No. 2. It will redound to the increased value of that property; it will set an example to all the people of the United States. As I said awhile ago, it will establish a yardstick showing what may be done when we properly utilize the resources that God Almighty has given to our people.

The next improvement of this kind to control the flood waters of the Mississippi River may be in North Dakota. I understand that there is an actual reservoir above Bismarck, where, by the construction of a proper dam, it will be possible to store water to a sufficient extent to hold back for two years the entire flood of the Missouri River at that point, such a dam impounding 15,000,000 acre-feet of water in the natural reservoir which God has there created. That may be the next place where such a plan will be carried out.

Mr. McNARY. Mr. President——

Mr. NORRIS. I yield to the Senator from Oregon.

Mr. McNARY. I will suggest, for the information of the Senate, that the place to which he refers in North Dakota is called Devils Lake.

Mr. NORRIS. Yes. In my own State, on a tributary of the Missouri, the waters of which ultimately flow into the Mississippi, a survey was made several years ago at a place where two dams could be built. The Senate, at my request, once passed a bill providing for that development. There could be developed there, as I remember, some 60,000 horsepower by the construction of two reservoirs which would hold back the flood waters of the Platte. The dams would not be so large as the Cove Creek Dam; the acre-feet would be much fewer; but before we succeed in controlling the flood waters of the Mississippi River it will be necessary in all probability to construct such works up and down the tributaries of that stream from their sources to their mouths. What is proposed to be done at Cove Creek is along that line, and at Cove Creek the Government owns the property. It is proposed to take a step which will practically double the value of the property and which will make the Tennessee River one of the great navigable streams of the world. That river will be navigable practically for 300 miles. By this one public improvement there will be at least partial control not only of flood waters in Tennessee and Alabama, but in Indiana, Missouri, and in every State down the Mississippi River to its mouth.

However, Mr. President, that is not the end of this story. The pending measure, if enacted into law, will show what can be done by the proper utilization of the natural flow of the streams which belong to all the people and not to any private corporation or organization of private corporations, such as the Power Trust. It will enable measurements and comparisons to be made everywhere in the United States, and wherever the Power Trust reaches out its withering hand and brings it down with crushing force upon the people of a little municipality, charging them exorbitant rates for electricity which is generated from the flowing streams of the country, from the natural resource that God in His beneficence intended all the people should have in every locality, those oppressed people can hold this proposed legislation up as a model.

Its results will show what can be done by honest development, by honest capitalization, by honest management, instead of by private power corporations which feed water into their capitalization as they feed water over their dams, compelling the people to pay returns on such watered capital, compelling them to pay exorbitant rates for electricity made from their own resources. The benefits of this measure, in the end, will reach every home, every fireside, every manufacturing plant in the entire land.

Mr. President, we have just passed a tariff bill in which in some instances tariff duties have been levied simply because of the existence of a Power Trust, simply because the people have not taken advantage of their God-given natural resources. We have, for instance, levied a tariff on carbide. Pretending to be the friends of the farmer, pretending to legislate for the farmer, we have levied a tariff on carbide, 60 per cent of the entire output of which in this country is used by the farmer. Carbide goes out beyond where electric wires reach, into the farm homes, into the distant sections where modern invention has not as yet reached the people. Carbide enables those people to have light and power. Yet we put a tariff tax on it. Why? Because in the making of carbide vast amounts of power are necessary; power is the principal investment in the making of carbide; and just across the line in Ontario, Canada, where they have a power development similar to that which we are trying to provide at Muscle Shoals, power is produced for less than it is produced on this side of the line, where water powers are privately owned and where the Power Trust is in control. So we levy a tariff on carbide, which our people, already burdened by exorbitant charges of the Power Trust, must pay, because in Ontario, Canada, under Government control power is cheaper than it is here. In other words, we are taxing all the people in order to protect the Power Trust, which in its unholy greed, is grabbing the resources that ought to belong to all our people. That is what we have done. Carbide is only one instance.

The records of the Ways and Means Committee show that in connection with the tariff bill recently passed by the Senate there appeared before that committee representatives of the National Gravel and Crushed Stone Association—I do not know whether that is the right name, but it is something like that—pleading for a tariff on gravel and crushed rock. Why? Listen to their own words as taken from the written brief filed by them and which I read into the CONGRESSIONAL RECORD during the tariff debate so that he who runs may read. What did they say? They said:

> Gravel must be washed; stone must be crushed; it takes a great deal of power under modern conditions to prepare gravel and stone for use in erecting cement buildings. We can not compete with the Canadian producers of crushed rock and gravel, and the reason why we can not compete is because they are able to obtain power 60 per cent cheaper than we can obtain ours on this side of the line.

Although the power is generated by the same river at Niagara Falls, these men said that when bought over here it costs 60 per cent more than when bought on the other side. And so they wanted a tariff on gravel and crushed rock to protect them from cheap power.

The reason we do not have cheap power, the reason we do not have as cheap power as they have anywhere on earth is because the Power Trust is in control of power production in this country; it is because of the manipulations of the Power Trust; it is because of the false and misleading propaganda which the Power Trust has circulated in every school district, in every municipality, among the churches, the lodges, the boy scouts, and the women's clubs, poisoning the minds of our people and especially of the rising generation, in the effort to create opposition to the kind of government control which has produced such cheap power in Ontario. So we must levy a tax against cheap power.

We have the water power; Muscle Shoals is an illustration. The Tennessee River, if properly developed, would afford a demonstration of our ability to produce power here as cheaply as it can be produced anywhere. The people of America who are now paying 8, 10, and 12 cents per kilowatt-hour for the lights in their little homes and cottages ought to be getting it for 2 cents, and, instead of buying current for light only, they ought to have all the conveniences of this modern age; they ought to be able to cook their meals by electricity, to pump water by electricity, to heat their bath water by electricity, almost to live by electricity. Lighting would be but one of the uses to which they ought to be able to put electric current. The reason they can not do it is not because the power is not here, for God has built the mountains; He has caused the streams to flow; He has made the rain to fall and the waters to tumble from the mountain peaks down into the valleys and the meadows; and if only those waters were properly harnessed, they would generate electricity in abundance for all the people. We have turned it over to the Power Trust, however. We have prevented the people from using their own property. We have taxed them in order that they may use their own property. That is what stands in the way of happiness and prosperity in millions of American homes to-day.

Here is an opportunity to lower the cost that the business man must pay, to lower freight rates, to improve navigation, to improve flood control, to save the homes of thousands of people from destruction by flood waters, and to carry into every one of those homes electricity made from the people's own property. How and why should we hesitate in order that we may deprive our people of those blessings that God intended we should have, and in order to turn them over to private initiative, to private corporations, for private gain, making themselves fat and luxuriously wealthy out of the natural resources of the country?

Mr. President, I ask unanimous consent to print as an appendix to my remarks the joint resolution that is before us, and also the report that I have made from the Committee on Agriculture and Forestry on the joint resolution.

The PRESIDING OFFICER (Mr. KEAN in the chair). Without objection, it is so ordered.

The joint resolution and report are as follows:

Senate Joint Resolution 49

Joint resolution to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes

Resolved, etc., That for the purpose of maintaining and operating the properties now owned by the United States in the vicinity of Muscle Shoals, Ala., in the interest of the national defense and for agricultural and industrial development, and to aid navigation and the control of destructive flood waters in the Tennessee River and Mississippi River Basins, there is hereby created a body corporate by the name of the "Muscle Shoals Corporation of the United States" (hereinafter referred to as the corporation). The board of directors first appointed shall be deemed the incorporators and the incorporation shall be held to have been effected from the date of the first meeting of the board. This act may be cited as the "Muscle Shoals act of 1929."

SEC. 2. (a) The board of directors of the corporation (hereinafter referred to as the board) shall be composed of three members, not more than two of whom shall be members of the same political party, to be appointed by the President, by and with the advice and consent of the Senate. The board shall organize by electing a chairman, vice chairman, and other officers, agents, and employees, and shall proceed to carry out the provisions of this act.

(b) The terms of office of the members first taking office after the approval of this act shall expire as designated by the President at the time of nomination, one at the end of the second year, one at the end of the fourth year, and one at the end of the sixth year, after the date of approval of this act. A successor to a member of the board shall be appointed in the same manner as the original members and shall have a term of office expiring six years from the date of the expiration of the term for which his predecessor was appointed.

(c) Any member appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(d) Vacancies in the board so long as there shall be two members in office shall not impair the powers of the board to execute the functions of the corporation, and two of the members in office shall constitute a quorum for the transaction of the business of the board.

(e) Each of the members of the board shall be a citizen of the United States and shall receive compensation at the rate of $50 per day for each day that he shall be actually engaged in the performance of the duties vested in the board, to be paid by the corporation as current expenses, not to exceed, however, 150 days for the first year after the date of the approval of this act, and not to exceed 100 days in any year thereafter. Members of the board shall be reimbursed by the corporation for actual expenses (including traveling and subsistence expenses) incurred by them while in the performance of the duties vested in the board by this act.

(f) No director shall have any financial interest in any public-utility corporation engaged in the business of distributing and selling power to the public nor in any corporation engaged in the manufacture, selling, or distribution of fixed nitrogen, or any ingredients thereof, nor shall any member have any interest in any business that may be adversely affected by the success of the Muscle Shoals project as a producer of concentrated fertilizers.

(g) The board shall direct the exercise of all the powers of the corporation.

(h) All members of the board shall be persons that profess a belief in the feasibility and wisdom, having in view the national defense and the encouragement of interstate commerce, of producing fixed nitrogen under this act of such kinds and at such prices as to induce the reasonable expectation that the farmers will buy said products, and that by reason thereof the corporation may be a self-sustaining and continuing success.

SEC. 3. (a) The chief executive officer of the corporation shall be a general manager, who shall be responsible to the board for the efficient conduct of the business of the corporation. The board shall appoint the general manager, and shall select a man for such appointment who has demonstrated his capacity as a business executive. The general manager shall be appointed to hold office for 10 years, but he may be removed by the board for cause, and his term of office shall end upon repeal of this act, or by amendment thereof expressly providing for the termination of his office. Should the office of general manager become vacant for any reason, the board shall appoint his successor as herein provided.

(b) The general manager shall appoint, with the advice and consent of the board, two assistant managers, who shall be responsible to him and through him to the board. One of the assistant managers shall be a man possessed of knowledge, training, and experience to render him competent and expert in the production of fixed nitrogen. The other assistant manager shall be a man trained and experienced in the field of production and distribution of hydroelectric power. The general manager may at any time, for cause, remove any assistant manager and appoint his successor as above provided. He shall immediately thereafter make a report of such action to the board, giving in detail the reason therefor. He shall employ, with the approval of the board, all other agents, clerks, attorneys, employees, and laborers.

(c) The combined salaries of the general manager and the assistant managers shall not exceed the sum of $50,000 per annum, to be apportioned and fixed by the board.

SEC. 4. Except as otherwise specifically provided in this act, the corporation—

(a) Shall have succession in its corporate name.

(b) May sue and be sued in its corporate name, but only for the enforcement of contracts and the defense of property.

(c) May adopt and use a corporate seal, which shall be judicially noticed.

(d) May make contracts, but only as herein authorized.

(e) May adopt, amend, and repeal by-laws.

(f) May purchase or lease and hold such personal property as it deems necessary or convenient in the transaction of its business, and may dispose of any such personal property held by it.

(g) May appoint such officers, employees, attorneys, and agents as are necessary for the transaction of its business, fix their compensation, define generally their duties, require bonds of them and fix the penalties thereof, and dismiss at pleasure any such officer, employee, attorney, or agent, and provide a system of organization to fix responsibility and promote efficiency.

(h) The board shall require that the general manager and the two assistant managers, the secretary and the treasurer, the bookkeeper or bookkeepers, and such other administrative and executive officers as the board my see fit to include, shall execute and file before entering upon their several offices good and sufficient surety bonds, in such amount and with such surety as the board shall approve.

(i) Shall have all such powers as may be necessary or appropriate for the exercise of the powers herein specifically conferred upon the corporation, including the right to exercise the power of eminent domain.

SEC. 5. The board is hereby authorized and directed—

(a) To operate existing plants for experimental purposes, to construct, maintain, and operate experimental plants at or near Muscle Shoals for the manufacture of fertilizer or any of the ingredients comprising fertilizer for experimental purposes.

(b) To contract with commercial producers for the production of such fertilizers or fertilizer materials as may be needed in the Government's program of development and introduction in excess of that produced by Government plants. Such contracts may provide either for outright purchase by the Government or only for the payment of carrying charges on special materials manufactured at the Government's request for its program.

(c) To arrange with farmers and farm organizations for large-scale practical use of the new forms of fertilizers under conditions permitting an accurate measure of the economic return they produce;

(d) To cooperate with national, State, district, or county experimental stations or demonstration farms, for the use of new forms of fertilizer or fertilizer practices during the initial or experimental period of their introduction.

(e) The board shall manufacture fixed nitrogen at Muscle Shoals by the employment of existing facilities (by modernizing existing plants), or by any other process or processes that in its judgment shall appear wise and profitable for the fixation of atmospheric nitrogen. The fixed nitrogen provided for in this act shall be in such form and in combination with such other ingredients as shall make such nitrogen immediately available and practical for use by farmers in application to soil and crops.

(f) Under the authority of this act the board may donate not exceeding 1 per cent of the total product of the plant or plants operated by it to be fairly and equitably distributed through the agency of county demonstration agents, agricultural colleges, or otherwise as the board may direct for experimentation, education, and introduction of the use of such products in cooperation with practical farmers so as to obtain information as to the value, effect, and best methods of use of same.

(g) The board is authorized to make alterations, modifications, or improvements in existing plants and facilities.

(h) To establish, maintain, and operate laboratories and experimental plants, and to undertake experiments for the purpose of enabling the corporation to furnish nitrogen products for military and agricultural purposes in the most economical manner and at the highest standard of efficiency.

(i) The board shall have power to request the assistance and advice of any officer, agent, or employee of any executive department or of any independent office of the United States, to enable the corporation the better to carry out its powers successfully, and the President shall, if in his opinion the public interest, service, and economy so require, direct that such assistance, advice, and service be rendered to the corporation, and any individual that may be by the President directed to render such assistance, advice, and service shall be thereafter subject to the orders, rules, and regulations of the board and of the general manager.

(j) Upon the requisition of the Secretary of War or the Secretary of the Navy to manufacture for and sell at cost to the United States explosives or their nitrogenous content.

(k) Upon the requisition of the Secretary of War the corporation shall allot and deliver without charge to the War Department so much power as shall be necessary in the judgment of said department for use in operation of all locks, lifts, or other facilities in aid of navigation.

(l) To produce, distribute, and sell electric power, as herein particularly specified.

(m) No products of the corporation shall be sold for use outside of the United States, her Territories and possessions, except to the United States Government for the use of its Army and Navy or to its allies in case of war.

SEC. 6. In order to enable the corporation to exercise the powers vested in it by this act—

(a) The exclusive use, possession, and control of the United States nitrate plants Nos. 1 and 2, located, respectively, at Sheffield, Ala., and Muscle Shoals, Ala., together with all real estate and buildings connected therewith, all tools and machinery, equipment, accessories, and materials belonging thereto, and all laboratories and plants used as auxiliaries thereto; the fixed-nitrogen research laboratory, the Waco limestone quarry, in Alabama, and Dam No. 2, located at Muscle Shoals, its power house, and all hydroelectric and operating appurtenances (except the locks), and all machinery, lands, and buildings in connection therewith, and all appurtenances thereof are hereby intrusted to the corporation for the purposes of this act.

(b) The President of the United States is authorized to provide for the transfer to the corporation of the use, possession, and control of such other real or personal property of the United States as he may from time to time deem necessary and proper for the purposes of the corporation as herein stated.

SEC. 7. (a) The corporation shall maintain its principal office in the immediate vicinity of Muscle Shoals, Ala. The corporation shall be held to be an inhabitant and resident of the northern judicial district of Alabama within the meaning of the laws of the United States relating to venue of civil suits.

(b) The corporation shall at all times maintain complete and accurate books of accounts.

SEC. 8. (a) The board shall file with the President and with the Congress, in December of each year, a financial statement and a complete report as to the business of the corporation covering the preceding fiscal year. This report shall include the total number of employees and the names, salaries, and duties of those receiving compensation at the rate of more than $2,500 a year.

(b) The board shall require a careful and scrutinizing audit and accounting by the General Accounting Office during each governmental fiscal year of operation under this act, and said audit shall be open to inspection to the public at all times and copies thereof shall be filed in the principal office of the Muscle Shoals Corporation at Muscle Shoals in the State of Alabama. Once during each fiscal year the President of the United States shall have power, and it shall be his duty, upon the written request of at least two members of the board, to appoint a firm of certified public accountants of his own choice and selection which shall have free and open access to all books, accounts, plants, warehouses, offices, and all other places, and records, belonging to or under the control of or used by the corporation in connection with the business authorized by this act. And the expenses of such audit so directed by the President shall be paid by the board and charged as part of the operating expenses of the corporation.

SEC. 9. The board is hereby empowered and authorized to sell the surplus power not used in its operations and for operation of locks and other works generated at said steam plant and said dam to States, counties, municipalities, corporations, partnerships, or individuals, according to the policies hereinafter set forth, and to carry out said authority the board is authorized to enter into contracts for such sale for a term not exceeding 10 years and in the sale of such current by the board it shall give preference to States, counties, or municipalities purchasing said current for distribution to citizens and customers.

SEC. 10. It is hereby declared to be the policy of the Government to distribute the surplus power generated at Muscle Shoals equitably among the States within transmission distance of Muscle Shoals.

SEC. 11. In order to place the board upon a fair basis for making such contracts and for receiving bids for the sale of such power it is hereby expressly authorized, either from appropriations made by Congress or from funds secured from the sale of such power to construct, lease, or authorize the construction of transmission lines within transmission distance in any direction from said Dam No. 2 and said steam plant: *Provided*, That if any State, county, municipality, or other public or cooperative organization of citizens or farmers, not organized or doing business for profit, but for the purpose of supplying electricity to its own citizens or members, or any two or more of such municipalities or organizations, shall construct or agree to construct a transmission line to Muscle Shoals, the board is hereby authorized and directed to contract with such State, county, municipality, or other organization, or two or more of them, for the sale of electricity for a term not exceeding 15 years, and in any such case the board shall give to such State, county, municipality, or other organization ample time to fully comply with any local law now in existence or hereafter enacted providing for the necessary legal authority for such State, county, municipality, or other organization to contract with the board for such power: *And provided further*, That any surplus power not so sold as above provided to States, counties, municipalities, or other said organizations, before the board shall sell the same to any person or corporation engaged in the distribution and resale of electricity for profit, it shall require said person or corporation to agree that any resale of such electric power by said person or corporation shall be sold to the ultimate consumer of such electric power at a price that shall not exceed an amount fixed as reasonable, just, and fair by the Federal Power Commission; and in case of any such sale if an amount is charged the ultimate consumer which is in excess of the price so deemed to be just, reasonable, and fair by the Federal Power Commission, the contract for such sale between the board and such distributor of electricity shall be declared null and void and the same shall be canceled by the board.

SEC. 12. Five per cent of the gross proceeds received by the board for the sale of power generated at Dam No. 2, or from the steam plant located in that vicinity, or from any other steam plant hereafter constructed in the State of Alabama, shall be paid to the State of Alabama; and 5 per cent of the gross proceeds from the sale of power generated at Cove Creek Dam, hereinafter provided for, shall be paid to the State of Tennessee. Upon the completion of said Cove Creek Dam the board shall ascertain how much excess power is thereby generated at Dam No. 2, and from the gross proceeds of the sale of such excess power 2½ per cent shall be paid to the State of Alabama and 2½ per cent to the State of Tennessee. In ascertaining the gross proceeds from the sale of such power upon which a percentage is paid to the States of Alabama and Tennessee the board shall not take into consideration the proceeds of any power sold to the Government of the United States, or any department of the Government of the United States used in the operation of any locks on the Tennessee River, or for any experimental purpose, or for the manufacture of fertilizer or any of the ingredients thereof, or for any other governmental purpose. The net proceeds derived by the board from the sale of power and any of the products manufactured by the corporation, after deducting the cost of operation, maintenance, depreciation, and an amount deemed by the board as necessary to withhold as operating capital, shall be paid into the Treasury of the United States at the end of each calendar year.

SEC. 13. The Secretary of War is hereby empowered and directed to complete Dam No. 2 at Muscle Shoals, Ala., and the steam plant at nitrate plant No. 2, in the vicinity of Muscle Shoals, by installing in Dam No. 2 the additional power units according to the plans and specifications of said dam, and the additional power unit in the steam plant at nitrate plant No. 2: *Provided*, That the Secretary of War shall not install the additional power unit in said steam plant until, after investigation, he shall be satisfied that the foundation of said steam plant is sufficiently stable or has been made sufficiently stable to sustain the additional weight made necessary by such installation.

SEC. 14. It is hereby declared to be the policy of the Government to utilize the Muscle Shoals properties for the fixation of nitrogen for agricultural purposes in time of peace.

SEC. 15. The Secretary of War is hereby authorized, with appropriations hereafter to be made available by the Congress, to construct, either directly or by contract to the lowest responsible bidder, after due advertisement, a dam in and across Clinch River in the State of Tennessee, which has by long usage become known and designated as the Cove Creek Dam, according to the latest and most approved designs of the Chief of Engineers, including its power house and hydroelectric installations and equipment for the generation of at least 200,000 horsepower, in order that the waters of the said Clinch River may be impounded and stored above said dam for the purpose of increasing and regulating the flow of the Clinch River and the Tennessee River below, so that the maximum amount of primary power may be developed at Dam No. 2 and at any and all other dams below the said Cove Creek Dam.

SEC. 16. In order to enable and empower the Secretary of War to carry out the authority hereby conferred, in the most economical and efficient manner, he is hereby authorized and empowered in the exercise

of the powers of national defense in aid of navigation, and in the control of the flood waters of the Tennessee and Mississippi Rivers, constituting channels of interstate commerce, to exercise the right of eminent domain and to condemn all lands, easements, rights of way, and other area necessary in order to obtain a site for said Cove Creek Dam, and the flowage rights for the reservoir of water above said dam, and to negotiate and conclude contracts with States, counties, municipalities, and all State agencies and with railroads, railroad corporations, common carriers, and all public utility commissions and any other person, firm, or corporation, for the relocation of railroad tracks, highways, highway bridges, mills, ferries, electric-light plants, and any and all other properties, enterprises, and projects whose removal may be necessary in order to carry out the provisions of this act. When said Cove Creek Dam and transportation facilities and power house shall have been completed, the possession, use, and control thereof shall be intrusted to the corporation for use and operation in connection with the general Muscle Shoals project and to promote flood control and navigation in the Tennessee River and in the Clinch River.

SEC. 17. The corporation, as an instrumentality and agency of the Government of the United States for the purpose of executing its constitutional powers, shall have access to the Patent Office of the United States for the purpose of studying, ascertaining, and copying all methods, formulæ, and scientific information (not including access to pending applications for patents) necessary to enable the corporation to use and employ the most efficacious and economical process for the production of fixed nitrogen, or any essential ingredient thereof, and any patentee whose patent rights may have been thus in any way copied, used, or employed by the exercise of this authority by the corporation shall have as the exclusive remedy of a cause of action to be instituted and prosecuted on the equity side of the appropriate district court of the United States for the recovery of reasonable compensation. The Commissioner of Patents shall furnish to the corporation, at its request and without payment of fees, copies of documents on file in his office.

SEC. 18. The Government of the United States hereby reserves the right, in case of war or national emergency declared by Congress, to take possession of all or any part of the property described or referred to in this act for the purpose of manufacturing explosives or for other war purposes; but, if this right is exercised by the Government, it shall pay the reasonable and fair damages that may be suffered by any party whose contract for the purchase of electric power or fixed nitrogen or its ingredients is hereby violated, after the amount of the damages have been fixed by the United States Court of Claims in proceedings instituted and conducted for that purpose under rules prescribed by the court.

SEC. 19. (a) All general penal statutes relating to the larceny, embezzlement, conversion, or to the improper handling, retention, use, or disposal of public moneys or property of the United States, shall apply to the moneys and property of the corporation and to moneys and properties of the United States intrusted to the corporation.

(b) Any person who, with intent to defraud the corporation, or to deceive any director or officer of the corporation or any officer or employee of the United States (1) makes any false entry in any book of the corporation, or (2) makes any false report or statement for the corporation, shall, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than five years, or both.

(c) Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the corporation or wrongfully and unlawfully to defeat its purposes, shall, on conviction thereof, be fined not more than $5,000 or imprisoned not more than five years, or both.

SEC. 20. In order that the board may not be delayed in carrying out the program authorized herein the sum of $10,000,000 is hereby authorized to be appropriated for that purpose from the Treasury of the United States, of which not to exceed $2,000,000 shall be made available with which to begin construction of Cove Creek Dam during the calendar year 1929.

SEC. 21. That all appropriations necessary to carry out the provisions of this act are hereby authorized.

SEC. 22. That all acts or parts of acts in conflict herewith are hereby repealed.

SEC. 23. That this act shall take effect immediately.

SEC. 24. The right to alter, amend, or repeal this act is hereby expressly declared and reserved.

[S. Rept. No. 19, 71st Cong., 1st sess.]

DISPOSITION OF MUSCLE SHOALS

Mr. NORRIS, from the Committee on Agriculture and Forestry, submitted the following report (to accompany S. J. Res. 49):

The Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 49) to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals, in the State of Alabama, and for other purposes, having had the same under consideration, report favorably thereon and recommend that the joint resolution do pass.

Muscle Shoals is an old friend. After more than 10 years of investigation, discussion, and consideration it is still with us. Up and down the ragged road of legislative consideration we have traveled together through many weary and discouraging epochs of parliamentary mysteries and doubts. Senators have been born into and have died out of its various controversies, and, like Jarndyce *v.* Jarndyce, it is still with us.

The Senate Committee on Agriculture has conducted more hearings and listened to more argument, both pro and con, on this question than perhaps any other subject that ever came before it for official action. Various bills have been introduced and reported. Some of them have passed the Senate. Bills on the same subject have passed the House of Representatives. On one occasion, several years ago, disagreeing action of the two Houses was harmonized in a conference report. The conference report was agreed to by one branch of the Congress but was rejected on a point of order in the other. Before a new conference report could be agreed to the Congress expired by limitation.

The President of the United States appointed several committees to investigate the subject. All sorts of propositions have been made by power companies of various kinds, but until the Seventieth Congress no complete agreement, so far as Congress is concerned, was ever arrived at.

It is no secret that this delay has in the main come about through the activities of combinations of great power and financial concerns which were primarily interested in getting control of Muscle Shoals for the power possibilities involved.

The country has, perhaps, forgotten that it was through the investigations that were made of Muscle Shoals that the investigation of propaganda of all kinds carried on by the power companies was first initiated. It was many times charged on the floor of the Senate in the discussion of the Muscle Shoals question that there existed in this country a power trust; that it extended to all parts of the country; that it was engaged in political activities from the lowest to the highest of offices. Those who made the charge were often scoffed at and their efforts were ridiculed and condemned. The charges were repeated. Further investigation threw a little more light upon the subject with the ultimate result of finally bringing about the recent investigation which has been going on for more than a year by the Federal Trade Commission.

It has been developed that aggregations of capital and combinations of utility companies have a nation-wide organization. They have undertaken, through the intricate and secret control of the most human activities, to build up a public sentiment in favor of their viewpoint and in opposition to the retention by the Government of Muscle Shoals and other similar properties.

The investigation has shown that $400,000 was raised by these power companies to be spent in the city of Washington, primarily for the defeat in Congress of three items of legislation. One was Muscle Shoals, one was Boulder Dam, and the other was a Senate resolution providing for the investigation of the Power Trust itself.

When this resolution was finally passed and the investigation was begun by the Federal Trade Commission, the patriotic conscience of all citizens was shocked by the developments which took place. It was shown that many millions of money was being spent in all parts of the country for the purpose of controlling the press, for the purpose of influencing our public schools, our educational institutions, secret societies, and organizations of all kinds. The methods pursued were secret and underhanded. All sorts of devices were utilized to deceive the people on the power question.

Day after day the country has been shocked with new developments coming from the Federal Trade Commission. Millions of dollars have been spent, as is shown by that investigation, for the purchase of newspapers, for the employment of college professors and school-teachers, and in the election of public officials. From the unimportant school director to the highest office in the land nothing has been overlooked.

Muscle Shoals is one important element which has brought about this great combination of power companies. It is one of the key positions. These companies did not want the Government to operate Muscle Shoals. They did not want an illustration given to the country as to just how cheap electric current could be supplied to the homes and to the factories.

At this writing the investigation is still incomplete. The financial structure under which this huge combination has been operating is still more or less a secret. It is known, however, that the income of public-utility corporations is derived from the contributions made by the citizens at large. The profits have been so huge that these surplus millions have been used in an attempt to deceive the people with the money which was wrongfully taken from them. If it had not been for this combination of selfish financial interests, the Muscle Shoals question would have been settled long ago.

But the contest is still going on. In the face of the terrible disclosures made by the Federal Trade Commission, the Power Trust is still active. It still opposes to the bitter end any legislation similar to the Muscle Shoals bill. It demands that the natural resources of the country shall be turned over to private corporations for private profit. It insists on capitalizing, for its own profit, the property of the people. It still insists that the truth shall not be known and that the public shall not

secure reliable information as to what is being done by private monopoly with the national resources of the country.

The question involved in the consideration of Muscle Shoals is not whether we favor Government or private operation. The Government now owns the property at Muscle Shoals. There has been expended in this investment in the neighborhood of $150,000,000 of public money. This has been done in behalf of national defense and in behalf of methods to bring about improvements in agriculture.

The question is not whether the Government shall acquire the property at Muscle Shoals but rather whether it shall retain what it has already acquired through taxation; whether it shall continue, as the original act provided it should, to operate Muscle Shoals in behalf of the people and whether it shall utilize that property to its fullest advantage in the development and the cheapening of fertilizer. These are governmental functions. Everybody admits they are, and the present resolution has no other object than the proper handling of governmental property; the proper and fair continuance of governmental functions; and the preservation of property already owned by the Government of the United States.

It is not a question of putting the Government into business, but it is a question of protecting Government property, the improvement of navigation, and the controlling of damaging flood waters. All these are governmental functions. The improvement of our national defense, the preservation of the fertility of our soil, the control of our navigable streams, and the protection of our people from the damaging destruction of flood waters are the primary reasons why this resolution (S. J. Res. 49) should be passed.

Why should we hesitate to take these necessary steps? If in carrying them out we incidentally produce more power than the Government can utilize, it ought to be a subject for congratulation if, in performing these governmental functions, we can as an incident thereto, develop both cheap water power and cheap electricity and give them to the people at prices that will demonstrate the possibilities of the proper uses of our flowing streams. If, in carrying on these proper governmental functions, we incidentally lighten the burdens of the home and cheapen the necessary and essential elements in manufacturing, we should rejoice rather than despair. And yet, the opposition which has been so powerful and which has prevented the passage of proper legislation regarding the Government's property at Muscle Shoals is moved entirely by the selfish financial interest that great combinations of wealth can bring to themselves if they are permitted to capitalize the power of our flowing streams.

If, in the manufacture of explosives for our Army and Navy; in the cheapening of fertilizer for our farms; in the improvement of the navigability of our streams; in the protection of our people from the damage of flood waters, we incidentally give other benefits to hundreds of thousands of our citizens should we hesitate to go forward simply because, in these incidental benefits, we are preventing private monopoly from gouging the people of the country in the charging of exorbitant rates for electricity.

The passage of this resolution is only a business proposition. It ought to have the unanimous support of all those who believe in the preservation of our natural resources and the prevention of their exploitation by private monopoly for private gain.

Muscle Shoals had its inception when a patriotic people, fearful that our Government might become involved in a world war struggle, through its Congress, authorized the President of the United States to establish plants for the production of war explosives. It was a patriotic movement to make our country independent of the balance of the world in the production of nitrogen for production of ammunition. The World War had demonstrated that modern warfare demanded the production of explosives in quantities theretofore unknown.

One of the necessary elements was more and more nitrogen. We were dependent to a great extent for our nitrogen upon imports from beyond our borders, and yet an unlimited supply of nitrogen was contained in the atmosphere. The problem was to get from the atmosphere this necessary ingredient.

Up to that time but two methods were known to the scientific world of extracting nitrogen from the atmosphere. The older of these processes was what was known as the arc process. Another process then well understood was an improvement over the arc process known as the cyanamide process. Both of these processes required a vast amount of power, and President Wilson selected Muscle Shoals in Alabama, where it was decided to locate a plant larger than any then known to extract nitrogen from the atmosphere to be used as national defense in supplying our Army and Navy with explosives.

Under this authority the construction of Dam No. 2 at Muscle Shoals was begun, and at the expense of $67,000,000 nitrate plant No. 2 was constructed.

Because the building of Dam No. 2 would require several years in its construction, it was decided to build a large steam plant to be used in the operation of the nitrate plant before power from Dam No. 2 could be utilized, and also to establish in that vicinity a stand-by steam plant which could be used as an auxiliary after the dam was completed.

It was known at that time that Germany had developed a cheaper method of extracting nitrogen from the air by what was known as the Haber process, but our chemists and scientific men were not fully conversant with this more modern process and were not certain that they understood sufficiently well the intricacies of the process to guarantee the erection of a plant that would bring about production under that process, so it was decided to build nitrate plant No. 1, designed to extract nitrogen from the air by what was known as the Haber process. This plant was much smaller than plant No. 2 because of the uncertainty and the lack of knowledge in regard to it. Nitrate plant No. 1 was, therefore, constructed partially as an experimental plant. Its construction cost a little more than $12,000,000. Connected with it was a steam plant of sufficient capacity to operate it. This experiment, however, proved to be a failure, and at nitrate plant No. 1 no nitrogen has ever been produced. The expensive machinery installed therein has nothing but a scrap value.

Nitrate plant No. 2, however, was successful in every way. At the time of its construction it was perhaps superior to any plant of its kind in the world. It has a capacity of 40,000 tons of fixed nitrogen per annum. It was completed about the time of the close of the war and has never been operated except to demonstrate its capacity to do the work for which it was designed. To operate nitrate plant No. 2 would require nearly the entire primary capacity of Dam No. 2.

The operation of nitrate plant No. 2, while not requiring as much power as the more ancient arc process, nevertheless requires a vast amount of power. After the war was over our chemists were enabled to study more fully the Haber process used by the Germans, and the scientific world now recognizes that for more practical purposes the Haber process has superseded the cyanamide process. It has itself been greatly improved, simplified, and cheapened and, in the modified and improved form, it is the one most universally used throughout the civilized world. In its modifications and changes it has become commonly known as the synthetic process. Very large plants have been established in different countries, quite a number of them in our own country, by private corporations. Changes are continually being made. Improvements in the process are rapidly taking place. In all these changes and in all these improvements less and less power is used, so that at the present day power is a secondary consideration in the establishment of a modern process for the extraction of nitrogen from the atmosphere. The most important element in a nitrogen plant is cheap coal, a coal from which coke can be economically produced, and about the only necessity for power in connection with such a plant is its use in the operation of the necessary machinery.

We find, therefore, that the location of a nitrate plant at Muscle Shoals was based upon what was then believed to be the greatest asset—cheap power. There is no doubt but that at the time the Government built this great nitrate plant cheap power was the most important element to take into consideration. If, however, we were at the beginning and were hunting a location for a nitrate plant, it would not be located at Muscle Shoals. Power would not be taken into consideration. The chief thing to be sought would be cheap coke. No one, however, favors the abandonment of our great enterprise at Muscle Shoals. Everyone realizes that after the expenditure of the vast amount of Government funds it would be unwise to seek a new location and abandon our enterprise.

One reason why this is so is because nitrogen has a peace value as well as a war value. Nitrogen is one of the chief elements of fertilizer, and the importance of fertilizer is growing every year. Every student of the subject knows that the perpetuity of our Government—in fact, of the civilized world, unless some now unknown thing is invented and developed—depends upon fertilizer, which is a necessary and important thing in which all classes of people, the producer and the consumer, are vitally interested. More and more fertilizer will be used, and more and more fertilizer should be used in order to preserve the fertility of our soil and guarantee a future production of food products sufficient to satisfy the needs of our growing population.

It is fair to say that Muscle Shoals, while originally established as a matter of national defense, has become more important as a fertilizer proposition. In fact, when the original act was passed it was known that the extraction of nitrogen from the atmosphere was as important to agriculture in time of peace as it was in the production of explosives in time of war. It has, therefore, a peace value of perhaps more importance to the prosperity of our country than its war-time value. Muscle Shoals, therefore, can be compared to a great battleship, but it is worth much more than a fleet of battleships, because armed vessels are of no value in time of peace, but this great battleship is as valuable in time of peace as during war.

While great improvement has been made in the extraction of nitrogen from the atmosphere since we started our work at Muscle Shoals, yet it is well understood by the scientific world that there is much still to be desired, and scientists everywhere believe there will be much more yet accomplished in the way of cheapening the production of fertilizer and its application to the soil. The cheapening of the process, the mixture, and the application to the soil of fertilizer are recognized everywhere as proper governmental activities. The expenditure of gov-

ernmental funds for the cheapening of fertilizer and for improved and more economical use in its application to the soil are absolute necessities to the future welfare of the human race. No private corporation or monopoly would be justified in making the costly experiments which are necessary to bring about this economy. Many of these experiments will not only be expensive but they will probably be failures. Improvements must not only be made in the production of fertilizer, but as great a field for improvement is open in its use and application to the land. In carrying out these experiments it will often happen that not only is the material in the fertilizer and the cost of its production a loss but that the soil to which it is applied is completely put out of productive use in its application.

It is seen, however, that while the Government engaged in this great enterprise at Muscle Shoals with the best of intentions and for justifiable reasons, we have on hand a vast amount of water power which will not be used in the production of fertilizer. It is true that the trend of improvement may change. It may be that through the ingenuity of chemists and other scientific men the cyanamide process will again, through some improvement, come into general use, or some new process may be invented which will require a larger amount of power than is utilized under present modern facilities. But the trend of modern investigation and modern improvement is all in the other direction. In the cyanamide process there has been great improvement since the construction of nitrate plant No. 2, and even if we were going to use that plant in the extraction of nitrogen from the atmosphere it would be good business judgment to install many improvements now known and now understood. To put nitrate plant No. 2 in modern condition would require at the very least over $3,000,000.

When the Government commenced the construction of these great plants it was necessary to build homes for the workers, and the Government bought sufficient land and built a town at nitrate plant No. 1, and another town at nitrate plant No. 2. At nitrate plant No. 1 we have over 100 permanent houses, and nearly 200 permanent residences at plant No. 2. Permanent residences were also constructed at Waco quarry. The houses at the nitrate plants were fully equipped with every modern convenience. A large number of other houses were also built for temporary purposes. Over 30 miles of macadamized roads were constructed on this property. A large furnished hotel was constructed by the Government at nitrate plant No. 2. At these two Government-owned towns there are 4,200 acres of land, a great portion of which is still vacant and ready for additional improvement.

The question now is, and for 10 years has been, What shall the Government do with this great investment? The original act providing for the construction of this great plant provided specifically that the Government property there should never be leased to any private monopoly, but that it should be operated by the Government itself.

In the first place, no private individual can be expected to spend the vast sums of money necessary in carrying on experiments for the cheapening of fertilizer production. To make this a success it is and always must be a governmental proposition, and it seems, therefore, proper that the primary and first object the Government should have in view is the utilization of this property for experimental purposes in fertilizer. Moreover, if a private individual or corporation should discover an improvement of importance in the fertilizer industry he would at once secure patent and have a monopoly. Any improvements which may be made by the Government in its experiments with new improved processes would be open to the world and manufacturers and dealers in fertilizer would be able to adopt the improved methods developed by the Government.

No one contends that there could be manufactured at Muscle Shoals sufficient fertilizer to supply the needs of the country. Its value, therefore, is mainly as an experimental plant. It should be carried on on a large scale. The measure which we are reporting (S. J. Res. 49) provides for the largest and most expensive experiment in the production, distribution, and application of fertilizer that has ever been undertaken in the history of the world, and all of this expense will be paid for by the sale of surplus power.

The fertilizer proposition is growing more acute every year. The use of fertilizer in the agricultural regions of the South and East is not only desirable but absolutely necessary. The extent of the territory to which fertilizer becomes necessary is growing year by year. It is almost impossible to exaggerate the importance of the fertilizer question. It is a mistake to think it is entirely an agricultural proposition. The consumers of the country are just as much interested in cheap fertilizer as is the farmer who produces the crop. We are justified in making every effort to cheapen the fertilizer process, either from a peace standpoint or from a war standpoint, but when we combine the two and see how they work so harmoniously together it is difficult to understand how any citizen having in mind the future welfare of our country can object to the expenditure of public funds in this direction.

DAM NO. 2

The greatest one improvement of a permanent nature at Muscle Shoals is Dam No. 2. This is one of the largest dams of its kind in the world. This dam can well be divided into three parts; the lock on the right bank of the river for the protection of navigation; the spillway dam, which occupies the northerly three-fourths of the river bed; and the power house, which continues the dam to the left or south bank of the river. The total length, bank to bank, is approximately 4,500 feet. The dam section is 2,890 feet long and the power-house section is 1,184 feet. The remaining distance, or 426 feet, is taken up by the lock and abutment connections. There are two locks in tandem; that is, one below the other, each 300 feet long by 60 feet wide, with 7½ feet of water on the miter sills, and a lift of 45½ feet, or a total lift of 91 feet, for both. The upper lock is spanned at its upper end by a bascule bridge, carrying the highway part across it from the north bank to the concrete arch bridge, which spans the remainder of the entire structure.

The spillway dam is composed of two sections, the nonoverflow and the overflow or spillway section. The nonoverflow section is 180 feet long, extending to the original bluff line, where it connects with the spillway section. Both sections are nonreinforced gravity structures surmounted, as already stated, by concrete arch bridge. The spillway section provides for the regulated discharge of excess water over the crest by means of 63 controlling gates in order to maintain the pool above the dam at a fixed elevation. The pool extends up the river to the site of the proposed dam, known as Dam No. 3, a little over 14 miles. The water thus impounded will have a surface area of 14,037 acres. The total height from the river bed to the top of the gates or pool elevation is 97 feet. The roadway is some 20 feet higher. The foundations extend 15 to 16 feet into the rock bed. The width of the dam at bedrock is 101 feet, and it has an apron 59 feet wide, making a total of 160 feet. The maximum head of water on the turbines will be 96 feet and the minimum 68 feet.

The power-house section is pierced by three penstocks for each generating set, each about 12 by 16 feet in size, which carry the water to the turbines. The electrical transformer and distributing apparatus is located on the bluff overlooking the power house. Not all of the turbines have yet been installed. When they are, however, they will be capable of developing over 500,000 horsepower.

The primary horsepower, however, is a little less than 100,000, and yet, as will be seen from the table included in this report, there are times when there is water enough running over the dam to produce a million horsepower. We desire to call particular attention to this point because it is one of the weaknesses of the power possibilities at this great dam. Primary power is that power which can be used every day during the year, every hour during the day, and every minute during the hour. All other power is secondary. Secondary power, as is well known, is of but little value as compared with primary power. Anything, therefore, at this dam which would increase its facilities by holding back flood waters and letting them out during dry seasons would very materially increase the value of the dam itself. We will refer to this again when considering the Cove Creek Dam. Gage readings of the Tennessee River have been carefully taken for a period of 50 years. These readings show that the amount of power which can be produced at Dam No. 2 is as follows:

	Horsepower
99.4 per cent of the time	87,300
97 per cent of the time	100,000
88.3 per cent of the time or about 10 months	141,000
66⅔ per cent of the time or about 8 months	205,000
50 per cent of the time or about 6 months	306,500
20 per cent of the time or about 2½ months	600,000
7 per cent of the time or a little less than 1 month	1,000,000

It will be seen at once upon examination of this table that the power possibilities at this dam are dependent to a great extent upon some means by which either the flow of the river can be equalized by the construction of storage dams or by the use in connection with the dam of auxiliary steam plants, or both. It is quite evident that the cost of power is greatly decreased by any means that has a tendency to equalize the flow to be used whenever the river is low to keep up the development of power. The Government, as before stated, already has a steam plant at Muscle Shoals. It is capable of developing 120,000 horsepower. In addition to this it has a steam plant at nitrate plant No. 1 capable of developing 5,000 horsepower. By the use of these plants in connection with water-power development at Dam No. 2 a great deal of secondary power can be converted into primary power at a very low cost.

There flows over the top of this dam at the maximum discharge of the river more than twice as much water as tumbles down the precipice at Niagara. It is one of the greatest engineering feats of its kind ever attempted, and if the flow of the Tennessee River can be equalized by the construction of storage dams it will stand in a class by itself as one of the greatest power-development projects in the history of civilization. When it is fully equipped with 18 units as contemplated by the Government engineers, there would be installed machinery for the development of 540,000 horsepower. The total cost of the dam is nearly $50,000,000.

STEAM PLANTS

As before stated, the Government owns two steam plants at Muscle Shoals. The large one was designed to generate 120,000 horsepower. Of this amount 80,000 horsepower has been installed. The other steam plant was located at nitrate plant No. 1 and has a capacity of 5,000 horsepower.

It will be seen that when this additional machinery is installed, if these two steam plants were used solely as auxiliaries to Dam No. 2, they would increase the primary power at that dam in round numbers to a total of 225,000 horsepower. It will be shown later in this report that by the construction of a storage dam as provided for in the joint resolution at Cove Creek, Tenn., the primary power at Dam No. 2 will be nearly doubled.

COVE CREEK DAM

The Government now owns Dam No. 2 and the steam plants. In round numbers their combined cost to the taxpayers of the country has been in the neighborhood of $125,000,000, and by the time the contemplated work is completed we will have expended over $150,000,000.

The combined use of these plants produce in round numbers 225,000 primary horsepower, but, as we have seen, much more than this amount of power is to a great extent going to waste because it can be generated only a portion of the year. What would the owner of such a valuable property do if he were able to practically double the amount of primary power that can be produced? We have the dam, we have the machinery, and we have an opportunity, instead of producing 225,000 horsepower, to double that amount. Why should not the Government, like a private owner, if it can take a step that will double the value of the property it owns, proceed to do so? And suppose we say that in addition to this a step can be taken to make the Tennessee River navigable for several hundred miles. What will we say if, in addition to this, a measure that would bring about these two great improvements would also be one of the greatest steps which can be taken to prevent damage by floods, not only in the Tennessee Valley but in the Mississippi Valley as well? All this and more can be brought about by the construction of Cove Creek Dam as provided for in Senate Joint Resolution 49.

Cove Creek Dam is located on the Clinch River in the State of Tennessee, and by long usage has become known and designated as Cove Creek Dam. It is a little over 300 miles up the river from Dam No. 2. Cove Creek Dam is primarily a flood-control and navigation proposition. Power, although a large amount can be developed there, is but an incident to its importance. This dam will be located at the mouth of a natural reservoir, probably the largest natural reservoir east of the Mississippi River. It will impound about 3,000,000 acre-feet of water. Under no circumstances should the Government ever permit a private corporation to build this dam for the purpose of generating power. If it is used solely as a power-development proposition, its value in flood control and navigation will be completely destroyed. If a private corporation should build this dam, it would permit the reservoir to fill with water and remain full, so that it could get the entire amount of fall from the regular flow of the stream. When the flood waters come, they would go over the dam and do their work of destruction just the same as though the dam were not there. Instead of regulating the Tennessee River for navigation purposes, such a dam, operated for power exclusively, would not increase the flow of the Tennessee in low water and would not decrease it in high water. On the other hand, if it were operated as a flood-control and navigation proposition, the reservoir would be emptied once every year. Its waters would be used to increase the flow of the Tennessee River when more water was desired, and the waters would be held back when the Tennessee was high and when additional water would do damage rather than bring benefits.

If the Government built the dam and operated it on a flood-control and navigation basis it would hold the waters back when the river was high and let them out when the river was low, and in this way, by the operation of Cove Creek Dam in conjunction with Dam No. 2 now owned by the Government, the value of both dams would be vastly increased and the benefit to the country would be the maximum amount of benefit from the minimum expenditure of money.

When the Tennessee River is low the power developed at Dam No. 2 is necessarily small, but that would be the time when the flood waters held back at Cove Creek Dam would be released. By the operation of these two dams in conjunction it is estimated by engineers that the primary horsepower at Dam No. 2 would be doubled. Cove Creek Dam itself would generate a vast amount of power. The resolution (S. J. Res. 49) provides that in the building of Cove Creek Dam water-power machinery capable of producing 200,000 horsepower shall be installed. There would be times in the dry season of the year, when the Tennessee is low, when the maximum amount of this power would probably be developed at Cove Creek. There would be other times in the year, when flood waters had been released at Cove Creek Dam, when but little power would be developed at that place. But to compensate for this loss in power the same amount of additional power would be generated at Dam No. 2, so that by operating the two dams in conjunction the maximum amount of primary power would be produced at the minimum expenditure of money.

If Cove Creek Dam were simply a power proposition we would not advocate including it in this bill. If the Government did not already own Dam No. 2 we would not include it, but by including it, since the Government does own Dam No. 2, we not only double the value of governmental property but we produce more benefits for the public in the way of navigation and flood control than perhaps can be brought about by an equal expenditure of money anywhere in the Mississippi Valley.

The country is more and more beginning to realize that flood control is a national proposition. It is a proper governmental function, and it is dawning on us more clearly every day that the Government, for the benefit of the entire Mississippi Valley, must, in a national way and in a national scope, take hold of and solve the controlling of the flood waters of the Mississippi Valley.

Cove Creek Reservoir standing alone would, by holding back such vast volumes of water, be able in many instances to take away the danger that comes almost yearly to the citizens of the lower Mississippi Valley.

The Tennessee River is one of the largest navigable streams in the United States. If it is ever made navigable the year around, one of the absolute necessities will be the construction of Cove Creek Dam and its operation as a flood-control and navigation proposition. If the Government is to control the flood waters in the Mississippi Valley, one of the necessities will be the construction of Cove Creek Dam. If, in our negligence, we should permit this dam to be built by a private corporation for the development of power alone, the time will come in the controlling of the flood waters of the Mississippi Valley when the Government would be required, from the very necessity of the case, to condemn the dam and take it over and utilize it as a necessary measure in the controlling of flood waters and for the benefit of navigation. If we should permit the construction of this dam by private individuals for private profit in the development of power alone, we would commit a sin of negligence against future generations. No proper survey of the flood-control question can be made without including the storage of flood waters where nature has provided storage reservoirs. Cove Creek Reservoir is such an instance. It is one of the most outstanding in the country, and its utilization for flood control and navigation will eventually be seen and realized regardless of what mistakes this Congress may make. We have an opportunity now, not only to take this great step in flood control and navigation but in so doing to dovetail this great undertaking into the operation of Dam No. 2, which the Government now owns, and incidentally to supply a vast number of homes, municipalities, and manufacturing establishments with cheap power.

From an economic sense and for the benefit not only of Tennessee and Alabama but for the benefit of the entire Mississippi Valley the construction of the dam at Cove Creek is an absolute necessity. The engineers estimate that its cost will be, including transmission line to Dam No. 2, $34,140,000. The dam will be 225 feet high.

SENATE JOINT RESOLUTION 49

This joint resolution provides for the organization of a governmental corporation which shall be controlled by a board of directors consisting of three persons. The corporation shall be known as the "Muscle Shoals Corporation of the United States." Members of the board are to be appointed by the President by and with the advice and consent of the Senate. The term of office of members of the board is fixed at six years. It is required that members of the board shall be citizens of the United States and shall receive compensation at the rate of $50 per day for each day actually engaged in the performance of the duties vested in the board. It is provided that they shall receive pay for not exceeding 150 days for the first year after the approval of the act and not to exceed 100 days in each succeeding year. Their salaries and expenses are to be paid by the corporation out of the income from the sale of power. It is provided in the joint resolution that no director shall have any financial interest in any public-utility corporation and shall not have any interest in any business that may be adversely affected by the success of the Muscle Shoals project. It is the duty of the President, in appointing the members of this board, to select men who have a belief in the feasibility and wisdom of the provisions of the joint resolution.

The general control and management of the corporation is vested in a general manager and he is held responsible to the board for the official conduct of the business. He is appointed for a term of 10 years, but is subject to removal by the board for cause. Provision is made for the appointment by the manager, with the consent of the board, of two assistant managers. One of the assistant managers shall be a man possessed of knowledge, training, and experience to render him competent and expert in the production of fixed nitrogen. The other assistant manager shall be a man trained and experienced in the production and distribution of hydroelectric power. The combined salaries of the general manager and the two assistant managers must not exceed the sum of $50,000 per annum, the exact salaries within this limitation to be fixed by the board.

The powers and duties of the corporation are such as are usually given to corporations of this kind. In a general way the corporation may purchase or lease and hold personal property, and there will be turned over to it by the Government the real property now owned by the Government at Muscle Shoals. The bill provides that the board may appoint all the necessary employees, etc., for the carrying out of the purposes of the corporation.

The board is directed to operate the existing plants now at Muscle Shoals for experimental purposes. The members are given authority to construct, maintain, and operate such plants at or near Muscle Shoals for the manufacture of fertilizer or any of the ingredients comprising fertilizer. They are given broad powers in the experimental field. They

are directed to arrange with farmers and farm organizations for large-scale practical use of new forms of fertilizer which may be developed under such conditions and which will permit actual measurement of the economic return produced therefrom. It is their duty to cooperate with National, State, district, or county experimental stations or demonstration farms, for the use of new forms of fertilizer or fertilizer practices.

They are directed to manufacture fixed nitrogen at Muscle Shoals by the employment of existing facilities or such other process or processes as the board may deem wise and profitable. They are authorized to modernize existing plants. They are authorized to donate not exceeding 1 per cent of the total product of the plant or plants operated by the corporation and to distribute the same fairly and equitably through the agency of county demonstration agents, agricultural colleges, or otherwise as the board may direct for experimentation, education, and introduction of the use of such products in cooperation with practical farmers so as to obtain information as to the value, effect, and best methods of use of the same.

They are authorized to maintain and operate laboratories and experimental plants and to undertake experiments for the purpose of enabling the corporation to furnish nitrogen products for military and agricultural purposes in the most economical manner and at the highest standard of efficiency.

They are also authorized to secure assistance and advice from any officer, agent, or employee of any executive department or of any independent office of the United States in order to enable the corporation to better carry out its powers; and the President is authorized to direct that such assistance, advice, and service shall be rendered to the corporation.

The Secretary of War and the Secretary of the Navy are authorized to requisition the board for the manufacture of explosives at cost. They are directed to supply, without cost, to the War Department all the power necessary to operate the locks on the Tennessee River. All surplus power not used for the purposes herein described the board is directed to sell. They are directed to keep accurate books of account and provision is made for annual reports and for the audit and examination of their accounts. These reports must be made both to the President and to the Congress annually.

The resolution declares it to be the policy of the Government to distribute the surplus power equitably among States within transmission distance; and in order to give the board a fair basis for making contracts and for receiving bids for the sale of power it is authorized, either from appropriations made by Congress or from funds secured from the sale of power, to construct, lease, or authorize the construction of transmission lines within transmission distance.

In the sale of power preference shall be given to States, counties, municipalities, and other public or cooperative organizations of citizens or farmers not organized for profit, but doing business for the purpose of supplying electricity to its own members. It is provided that when any such State, county, municipality, or cooperative organization of citizens or farmers, or any two or more of such municipalities or organizations shall construct or agree to construct transmission line or lines to Muscle Shoals, the board is directed to contract with such State, county, municipality, or other organization, or any two or more of them for the sale of electricity for a term not exceeding 15 years. Any surplus power not so sold to any of the above-named organizations can be sold to any person or corporation engaged in the distribution and resale of electricity for profit, but in such sale the board shall require that such person or corporation agree that any resale of such electric power by such person or corporation shall be sold to the ultimate consumer at a price which shall not exceed an amount fixed as reasonable, just, and fair by the Federal Power Commission. It is provided that the Government shall complete the steam plant at Muscle Shoals by installing additional machinery and also by installing the additional machinery at Dam No. 2, and likewise shall build and construct Cove Creek Dam. When this dam is constructed it shall be turned over to the corporation for control and management the same as the other properties located at Muscle Shoals in Alabama.

Section 12 of the joint resolution provides that 5 per cent of the gross proceeds received by the board for the sale of power generated at Dam No. 2, or from the steam plant located in that vicinity, or from any other steam plant hereafter constructed in the State of Alabama, shall be paid to the State of Alabama, and 5 per cent of the gross proceeds from the sale of power generated at Cove Creek Dam shall be paid to the State of Tennessee. Upon the completion of Cove Creek Dam the board shall ascertain how much excess power is thereby generated at Dam No. 2, and from the gross proceeds of the sale of such excess power 2½ per cent shall be paid to the State of Alabama and 2½ per cent to the State of Tennessee. The object of this provision is to compensate the States of Alabama and Tennessee for any loss in the way of taxes which such States might suffer by reason of the Federal Government owning and operating these properties, which might otherwise be owned and operated by private corporations. The rates of payment are, of course, tentative, but it is believed the amounts are fair, just, and equitable.

It will be conceded that for any strictly governmental purpose the Federal Government should not pay taxes to the States where any of its property is located, but in case the Government in carrying out governmental functions produces a surplus commodity that it does not use and sells such commodity upon the market, it does, perhaps, prevent such manufacture and sale from being done by private parties who would pay taxes to the State upon the property so used.

This surplus power which the board will so dispose of is only an incident to carrying out the proper and designated governmental functions brought about by the Government in its manufacture of explosives for war purposes, in the fertilizer field, in its activity in regard to flood control, and in its improvement of the navigability of our streams. It would not be proper for the States, even if they had the power, to levy taxes upon the entire investment of the property, because this investment is necessary in carrying on proper governmental functions. It is impossible, of course, to accurately divide this investment and to say how much of it is utilized in flood control, in improving the navigability of the Tennessee River, in the manufacture of explosives for war purposes, and in the experimentation and development of fertilizer ingredients, or how much of it is utilized in the production of surplus power thus produced. An investigation of the taxes paid by private corporations engaged in the generation and distribution of electric power discloses a wide variance as to what per cent of their gross income is paid in the shape of taxes. The figures vary all the way from a little over 2 per cent to as high, and sometimes higher, than 8 per cent. Under the circumstances the percentages provided for to be paid to the States of Alabama and Tennessee in lieu of taxes is quite liberal.

With this exception the joint resolution is exactly the same, word for word, as the one which passed both Houses of Congress during the last session and which was submitted to the President a few days before the adjournment of the Seventieth Congress. The President neither vetoed nor signed the bill, and it was a question whether the bill became a law or whether the action of the President in neglecting to return it to Congress constituted a pocket veto. The question was definitely determined by the Supreme Court in the case of The Okanogan Indians et al. v. The United States, which was decided May 27, 1929. This made it necessary for the Congress to take further action, and the joint resolution, with the exceptions above noted, is an exact copy of the measure which passed Congress in the Seventieth Congress.

In ascertaining the gross proceeds from the sale of power upon which a percentage is paid to the States of Alabama and Tennessee, the board shall not take into consideration the proceeds of any power sold to the Government of the United States, or any department of the Government of the United States used in the operation of any locks in the Tennessee River, or for any experimental purpose, or for the manufacture of fertilizer or any of the ingredients thereof, or for any other governmental purpose.

The net proceeds derived by the board from the sale of power and from the sale of any products manufactured by the corporation, after deducting the cost of operation, maintenance, depreciation, and an amount deemed by the board as necessary to withhold as operating capital, shall be paid into the Treasury of the United States at the end of each calendar year.

Reservation is contained in the joint resolution for the Government of the United States, in case of war or national emergency, to take possession of all or any part of the property referred to in the act for the purpose of manufacturing explosives or for other war purposes. But if this right is exercised by the Government, the Government shall pay the reasonable and fair damage which may be suffered by any party whose contract for the purchase of electric power or fixed nitrogen or its ingredients is thereby violated.

Section 20 provides that in order that the board may not be delayed in carrying out the program authorized in the resolution the sum of $10,000,000 is authorized to be appropriated from the Treasury of the United States.

CONCLUSION

In conclusion the opinion is expressed that the joint resolution is a fair and honorable compromise. It does not, perhaps, express the idea of any one individual. It does not, in full, meet the desires of any of those who have been active in this 10-year struggle; but when the preceding Congress, after a very lengthy and full discussion, passed the same joint resolution and presented it to President Coolidge, we had reached a conclusion which met with the approval of a large majority of those who had given years of study to the subject, and it is hoped that the present Congress will add its approval and that the joint resolution now submitted will be speedily passed.

THE ECONOMICS OF THE PEACE PACT

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject of the Economics of the Peace Pact, delivered by John H. Gray before the Council on International Relations.

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

Ladies and gentlemen, until the age of steam and the birth of modern science war affected chiefly the combatants and left the civil population, save in the area of fighting, largely undisturbed. War was usually

undertaken for purely economic reasons and resulted in gains for the victors. Furthermore, it was confined for the most part to a relatively small part of the earth's surface. Until about the time of the American Revolution, which marks substantially the time of the changed economic conditions due to the advance of science and the rise of machinery, one nation would conquer territory, hold it in military subjection, and collect tribute from it in money and goods. Thus was Rome built up and made prosperous.

The growth of ethical sentiment, backed by national jealousies, has shown, as in the case of the Ruhr invasion by France, that this is no longer possible. The attempt to hold foreign people in military subjection is an enormous injury to the conquered people, but a much greater injury to the conqueror—an insupportable financial burden. International financial obligations, in the twentieth century, must be collected by peaceful means whether they are voluntarily entered into or imposed by a conqueror. War itself is so destructive that it is often more disastrous to the victors than to the defeated. This has proved decidedly true in the case of the World War. England was more deeply and more permanently injured than any of the defeated nations. For, while Germany is fast regaining her place in the economic and political family of nations, England has not only permanently lost her leadership but actually lowered her economic and political position. Even Russia, in spite of the stupid and brutal opposition of the whole world, is fast coming back as an important factor in the world's economic and political life.

Any future war, if there be one, is likely to be much more destructive and involve an even larger portion of mankind both in its direct participation and in its devastation than the late war. The real causes of war are primarily economic—the desire for trade, for gain, and for exploitation of natural resources and weaker peoples. This fundamental desire, or cause, is backed, supported, and encouraged by the fetish of nationalism, and a cultivated hatred of the foreigner.

No nation, to-day, is willing to live in isolation. None could live so, if it tried to, on any scale expected and desired by all. That is as true of our Nation as of any other. Cut off from all connection, we doubtless could, after a long time for readjustment, exist physically on our great variety and extent of natural resources. But the scale of living would be that of six centuries ago in England, and it is unthinkable that any modern people would care for or endure such a scale of living. They would rather adopt the attitude of the prisoners in the Colorado State prison.

The industrial revolution brought the development of resources, the rapid expansion of population, the territorial division of labor with all of its international trade, and, above all, with all its international credit. If the benefits of this movement are to be realized, this territorial division of labor and this extension of credit must be maintained. But war at once disrupts and destroys the whole delicate fabric.

The conclusion from this brief summary is, that to maintain the present level of civilization or to raise it, the world must be organized on an international basis for peace. I have ceased to contribute to the Red Cross whose main purpose camouflaged by helping in earthquakes, floods, and civil disasters, is to mitigate the horrors of war. Nor am I interested in mitigating the rules of war. For the last war, as all previous wars, showed that in war, laws and moral codes disappear, and each side, at home and in the field, does whatever it thinks will help win the war. If war can not be prevented, civilization is doomed.

I take it, therefore, that this society is strictly a peace society, devoted to maintaining world peace and preventing war. Limitation of armament on sea or land is not the way to peace. Limitation of armament will naturally come as the peace sentiment grows, and the will for peace is extended, but that can never be the main objective. Every movement for mere limitation of armament implies that we expect and are preparing for another war. It is based on fear. So long as that fear exists, preparation for war will go on, and the danger of war continues. Unless and until we can give the nations a sense of security and remove the fear of war our endeavors are in vain.

Nor is the most important element in preventing war a signing of treaties or other agreements to abolish war. So long as any nation has a genuine fear of being wiped out or of having its economic status greatly injured unjustly, there will be danger of war. Mutual understanding and fair dealing is the road to permanent peace.

To abolish misunderstanding, fears, and suspicions is to prevent war. Agreements, treaties, and conventions are chiefly helpful, because of the suspicions and fears they destroy in the course of the discussions leading up to such agreements. We talk about such treaties as if they had the binding and compelling force of private business contracts. This is as foolish as to talk about the so-called interallied debts as if they were private business contracts.

The fundamental motives, traditions, and assumptions underlying a private business contract are entirely absent in the case of the interallied debts. This is true of both the formation and the enforcement of such obligations. It is as irrational to call the international allied obligations growing out of the war, debts, as it is to call black white. Such language is a gross and dangerous abuse and misuse of terms.

I welcome every friendly international conference and treaty for the abolition or prevention of war, but it is valuable not because it is a contract not to go to war, but because the nations have in some measure shown their motives, fears, hopes, and suspicions in the course of negotiating the treaty. In other words, the negotiation and not the signing is the significant thing in bringing mutual trust and confidence. When, if ever, complete mutual understanding is attained, a formal treaty will not be necessary. We do not require solemn written contracts that our fathers and mothers and our best friends will not rob, murder, or cheat us. We try to bind over to keep the peace people we do not trust, and usually fail to obtain peace thereby.

If we would understand the danger of war to-day we must take a glance at the economic development of the last 150 years.

When the steam engine came, England was the only nation that, because of her insular position, had already accumulated enough capital to take advantage of the discovery, and was, at the same time, so isolated by nature that she could enter upon production on the capitalistic basis.

As a consequence, she became the chief manufacturer and the shipbuilder and the shipowner of the world. This was at a time when population and demand for goods were expanding at a wholly unprecedented rate. Such a position gave England such a monopoly of manufacture and trade as had never been seen before. This movement got into full swing in 1815 after the Napoleonic wars. This progress and supremacy lasted unchallenged for a round century, interrupted only by the Crimean War. England remained absolutely neutral and engaged in no other war during this century with any important or industrial nation. With the development of her manufacturing industry her shipbuilding and merchant marine developed, and most significant for our present purpose her navy developed. It was by such means, and, during this period, that Britannia came to rule the waves. In a war-beset world, it was rational to consider that this whole industrial, commercial, and financial edifice, with all its prestige and domineering attitude depended on the navy. If this position was to be maintained, England not only had to have a navy stronger than any other nation but stronger than all other nations combined. The object of the navy was to keep the trade channels open for neutral trade during the almost continuous wars of other European nations. England's national policy was based on the theory that she was to remain neutral and at peace and get all the profits of trade, while other nations were at war. When England was at peace she always cried for the freedom of the seas. That is, that private property on the seas, except contraband—a term very indefinite—should not be molested or interfered with by belligerents. This was a profitable and convenient doctrine for England, for it gave her navy supremacy in war and peace. If, perchance, England did at any time go to war when all laws are ignored and violated her navy was strong enough to stop neutral trade in spite of her previous position that such trade should be not interfered with. Her navy made her a law unto herself.

But when the United States had subdued the Continent and became measurably rich, and Germany had become a world power, and France, Russia, and other large nations had developed large standing armies—this latter development dating in its significance only from the time of our Civil War—it was inevitable that the British monopoly of the seas should be challenged. Time does not permit me to review the discussions of the freedom of the seas or to show how every nation that expects to be neutral, when others are at war, demands that private property on the sea be exempt from capture by belligerents, and that when perchance the same nation itself becomes involved in war it seeks to be in the position England was actually in for a century; namely, to have a navy strong enough to command the sea and to stop neutral trade to its enemies—notwithstanding any previous declaration for freedom of the seas. This was exactly our position in the Civil War. At all other times, till 1914, we were interested in having the seas kept open for neutral trade. For we assumed that we would always be neutral in European wars.

The natural growth of trade and commerce, the development of world-wide credit and international trade, and the general means of communication during the nineteenth century made it inevitable that England's monopoly would be challenged sooner or later, otherwise the rest of the world could do only what England allowed it to do and could live only as England wished and permitted it to live. There were before the Great War and there are to-day too many powerful peoples and nations to make it thinkable that England, America, or any other nation can long dominate the world. Britannia no longer rules the wave.

The Great War demonstrated that no nation can stay out of a great war. The richer it is, and the more overseas trade it has, the surer it is to be drawn into the war. There has been much idle talk of why we went into the late war. All competent persons now know that we went in because of the attacks on our property and lives on the high seas. The strange thing is that England, because of the superior strength of her navy, injured us much more in our property than Germany did, and during our neutrality invaded our property rights to a much greater extent.

Had Germany refrained from attacking the lives of our citizens by the submarine, we might have been forced in on the side of Germany.

When our lives were attacked the emotional appeal, at a time of universal war hysteria, was irresistible. This is indicated—not proved—by the fact that we never declared war on some of Germany's allies who were engaged in active fighting, and that the popular feeling against Germany's allies never reached the height of that against Germany.

Our isolationists may warn against entangling alliances with Europe, but the fact is that tens of billions of foreign trade and of foreign credits makes the world to-day an economic unit. We are already entangled in European affairs more deeply and more significantly than we would be by the strongest treaties even of military alliance—more than by membership in a thousand League's of Nations and World Courts or peace pacts or Locarno treaties.

Under present world conditions, we are as sure to enter any great war anywhere in the world as if our own territory were directly attacked. Since the world is now an economic unit, we must by mutual understanding, fair play, and cooperation all learn to live together and preserve world peace, or we must all be destroyed together by war. No one nation—navy or no navy—can ever again have the dominance Great Britain had a generation ago. That Great Britain knows this is shown by the Premier's visit. The Great War taught us not only that the world is an economic unit and that no great nation that has important overseas credits and overseas trade can remain neutral but it taught us, also, that no nation—not even the most powerful one—can have a navy strong enough to dominate the seas of all the earth. Up to 1914 England had dominated the seas and gobbled up most of the undeveloped territory in the shape of colonies. But the system carried in itself the very seeds of destruction. For every step that looked like success created jealousies and tended to drive all the rest of the world into combination to combat such a domination.

When the test came, it was plain that the English Navy—the greatest the world had ever seen—was not equal to the occasion. It could fight successfully any one nation but not the whole world. If the United States had gone in on the other side or even remained neutral, in all probability, the German side would have won the war. For, although the American Navy was of some assistance in the war, the war demonstrated, once for all, that modern war is won quite as much by the organization and use of industrial resources behind the lines as by military and naval forces and strategy. Contrary to the popular belief of our own bullying, boastful, bragging Nation, no single nation—not even our own—has sufficient resources, in extent and variety either to live in isolation on a civilized plane, or to conquer the whole world in war. Proud as we are, rich as we are, powerful as we are, we must either learn by mutual understanding, fair play, and cooperation with all other nations to live in peace, or go down to destruction with the meanest nation in universal war.

There is no doubt that the war leaving us virtually untouched in man power and economic strength, while it left Europe broken and devastated in man power, manners, and morals, left us the most powerful nation in the world. Our chance for further growth was greatly enhanced by the need of impoverished Europe for goods. Consequently, our growth in wealth during the last 10 years exceeds not only anything else in human history but even outruns the dreams of humanity. On the other hand, our policy has been one of dog in the manger. Apparently, our Government officials have proceeded on the theory that we are to dominate the world in coming days as England dominated it in the nineteenth century. This policy is infinitely more dangerous than it was a century ago. For, notwithstanding the recarving of state boundaries at Versailles, there were not so many well-integrated, strong, states then as now. The means of communication were not so well developed, the facilities for cooperation not so abundant, and above all there was, a century ago, vast undeveloped regions for people to overflow into and escape economic pressure in the developed regions. If we insist on world domination our course is likely to be a much briefer one than England's was.

If there be any logical basis for the foregoing analysis, civilization can be saved only by cooperation among the nations, including our own. The question for us is what can we do to allay friction, suspicion, misunderstanding, and to lead to mutual understanding and cooperation for world peace.

There is no doubt that all the world is now suspicious of us, of our motives, intentions, and actions. Europe is justly grieved by our air of indifference and lack of cooperation in international affairs. Among the chief items of their complaint is our failure to join the League of Nations and the World Court, and our dealing with the so-called interallied debts—obligations which are, as previously explained, not debts at all. Their latest grievance is Secretary Stimson's utterance in regard to the proposed Bank for International Settlements, and the President's statement in the joint release by him and the British Premier to the effect that, while Great Britain may cooperate with the continental nations, we are unable to do so. Since the International Bank is primarily, but by no means entirely, meant to deal with reparation payments, Stimson's utterance seems an attempt to save the face of the Government and to maintain the fallacious position held by our Government for the last 10 years, that reparations have nothing to do with interallied debts, and that we have no concern in reparations. In a left-handed and roundabout way, we have so far determined essentially the course and extent and conditions of reparations, and are sure to be an important factor in the International Bank. But if our Government persists in its present attitude our interest will be represented by Wall Street bankers independent of control or supervision by the Federal reserve system. Such an attitude is not conducive to international cooperation nor to world peace.

Our whole attitude toward the Caribbean peoples and Latin America has led the South and Central American nations to fear that we mean to dominate their economic, and, eventually, their political life, and, coupled with our refusal to cooperate with Europe, has caused fear, jealousy, and suspicion among European nations. Our handling of the so-called interallied debts has greatly intensified this hostility. For the present we are increasing our foreign trade and piling up fabulous profits, but we are alienating the whole world and creating a unified feeling against us.

But perhaps the crowning cause of enmity and suspicion comes from the fact that while in general we refuse to cooperate with Europe and insist on payment on the war debts, we are constantly raising our protective tariffs to hinder and ultimately to prevent such payment. Time is too short for me to enter upon a full explanation of the theory of international trade or international payments. It must suffice to state categorically the doctrine accepted by every competent economic student the world over and apply the principles to the present international situation.

The fact is that when a government or its citizens owe money to foreign governments or their citizens there are just three possible ways of meeting the obligation, namely, to send a net balance over the movements in the opposite direction of gold, goods, or services, or all three combined. We have become the chief creditor nation and now have due us from abroad in addition to payments for all of our exports about $25,000,000,000. That is, when these debts are actually paid we must receive that amount in one of the three forms named or in all three combined in addition to payment for all our exports. Expressed in another way, to meet the annual interest for our foreign claims we must have what the economists call a favorable balance each year (without any payment on principal) of about $1,250,000,000. The history of the last eight years shows that under present conditions and at present price levels it just about requires all that the world exports to us to pay for the necessary food and raw materials and necessary manufactures to keep the civilization going.

The matter is obscured, but the principle is not changed, by the fact that trade is now world-wide, and any country pays for its imports by sending exports to the country where it can sell most advantageously and by paying in bills of exchange on that country on which, for the moment, exchange is most favorable. The matter is still more obscured by vast international investments and lending. This in no wise modifies the doctrine that each nation must ultimately pay all of its international obligations in one of the three ways already named. To illustrate this point, it is popularly supposed that Germany can pay reparations indefinitely while she has what is popularly called an adverse balance of trade, by which we mean that she imports more commodities each year than she exports. Anyone can pay his debts as long as he can borrow the money. The fact is that up to the end of 1927 Germany had borrowed (Journal of Commerce, New York, December 29, 1927) abroad $556,000,000 more than she had paid in reparations. Of this sum, $1,500,000,000 was borrowed from Americans. Such operations simply pile up annual interest to be paid abroad, and thereby postpone the evil day.

Surely one can not in any logical or economic sense pay his debts by borrowing. In an economic sense Germany has not paid one dollar of reparations, although she turned over during the first four years of the Dawes plan alone to the Allies on reparation account to the end of 1927 not less than $930,000,000.

But let us look more closely at the three possible means of payment under present world conditions. We now have approximately half the gold of the world. All the chief countries of the world have made great sacrifices, borne largely by the working classes, to restore the gold standard, abandoned all but universally during the war. There is no more gold to-day outside of the United States than is absolutely needed for banking reserves to preserve that standard.

In fact, there is to-day a decided alarm over the gold supply and an international struggle for gold. To destroy the gold standard in even one important country would be to upset the credit and trade of the whole world. Save in the disturbance by war no considerable portion of international balances are ever paid in gold, and gold much more now than ever before is simply used as a banking reserve. Since we have the gold of the world, any considerable payments to us in gold are entirely out of the question unless we are to upset and destroy world credit. The bidding for gold by the central banks of the world is already a disturbing element in world trade. Germany can not pay reparations in gold, and Europe can not pay the interallied debts in gold. A country that performs services for foreigners in any way, such as by carrying goods in its ships for foreigners, can use these balances to pay debts or balances on imports. But as Germany was deprived of her ships as a result of the war this method

of paying reparations or debts is closed to her at present. This then, save for Great Britain and some of the very small countries, has become negligible as a means of building up international balances to pay for goods or to pay debts with.

It ought to be plain, therefore, that, under present circumstances, Germany can pay reparations only by exporting more goods than she imports. Since the war, on the contrary, she has imported more goods than she has exported. The same condition prevails as to nearly all the European countries impoverished by the war. They are poor and must export largely to pay for necessary food and raw materials.

Notwithstanding the attitude of our Government, in the long run, the payment of our claims on account of war debts depends entirely on the payment of German reparations. In the long run, no reparations, no payment of our war debts.

If the private debts foreigners owe us—about $15,000,000,000—if the German reparations are to be paid, if the interallied debts are to be paid, they must all be paid by the European nations finding a profitable foreign market for their goods; not necessarily in this country; but in some country. The war increased our carrying trade, and we are still further cutting into the ability of foreigners to pay us in services by diminishing their carrying trade by extending our own by Government subsidies in various ways.

This brings me to the main point I wish to make to-day; namely, that the constant raising of our protective tariff for the last half century and the present attempt to raise it still more is the greatest menace of world peace. If the existing debts, private and governmental, can be paid to us only in goods and we are the greatest single market in the world, it is folly to close this market by ever-increasing tariffs.

I know that this is a controverted subject, and that the mere mention of it evokes all sorts of partisan and emotional ructions. That is the reason I speak of it. It is said by all 100 per cent Americans, and all patrioteers and all profiteers, that all professors are reds and free traders. I am neither a red nor a free trader in theory. If I were a free trader I should oppose any radical, violent, or sudden change in the tariff. For the worst tariff in the world to which the business of the world has adjusted itself is more advantageous if it is reasonably sure to endure than the best tariff subject to frequent changes and a constant fear of changes. Furthermore, what I have to say about the present monstrous tariff has no possible logical relation to the theory of protection or free trade.

Our tariff for the last 50 years and more has not been made with any reference to the theory of free trade or protection as an abstract theory or with any reference to the public welfare, real or supposed. It has been the result of strong groups deciding to get all the advantage they could for their group by legislation, then approaching other well-organized groups and by log-rolling agreeing to vote for whatever rates such groups wanted for their industries in return for the support of the schemes or rates of the first groups. These groups are always better and better organized, and more and more powerful. Their influence reaches to every primary, to every election, to every important administrative and judicial appointment, and even into the schools, the colleges, and the churches.

Time does not permit me to go into the methods of this system, nor is it necessary to do so before such an audience as this. All that I have said to-day has been meant to show the relation of this problem to world peace.

Whatever may have been the condition before the war, the war has changed the entire face of the world. As a result, we have become the richest nation of the world, the largest creditor, the largest holder of gold, and one of the largest carrying nations. The world is bound together by trade and credit as never before. World peace now depends on us as it never before depended on any other nation. This vast economic system can be held together and maintained only by cooperation, among the nations, even to the extent of rationing the more fundamental economic raw materials. Such cooperation can not be effective with the United States remaining outside the circle and failing to cooperate. The United States can not cooperate until its attitude on the protective tariff is changed. It goes without saying that we can not cooperate effectively so long as we are outside the League of Nations and the World Court, the two most effective agencies of international cooperation the world has ever seen.

DRAFTING OF PROPERTY IN TIME OF WAR

Mr. DILL. Mr. President, on April 1 the House of Representatives passed a joint resolution—House Joint Resolution 251—entitled "Joint resolution to promote peace and equalize the burdens and minimize the profits of war." It has been sent over to the Senate and referred to the Military Affairs Committee; and I want to call attention in connection with it to Senate Joint Resolution 128, which I introduced in the Senate to meet this situation.

The House joint resolution provides for the creation of a commission to study and consider amending the Constitution of the United States to provide that private property may be taken by Congress for public use without profit during war times. It is another way of presenting the question presented by the Reed-Wainwright joint resolution and is designed primarily, in my judgment, to elicit a report that will recommend the drafting of men in time of war and the taking of property for public use at a stated rate of interest under the guise of drafting property.

I want to call attention to the fact that it is a ridiculous and cumbersome proposal to do a thing in this manner that should be done directly. The only way Congress can ever draft property in time of war is to do so under a constitutional amendment. The fifth amendment to the Constitution forbids the taking of private property "without due process of law." It declares also:

> Nor shall private property be taken for public use without just compensation.

All of this talk about taking property by drafting it in time of war is nothing more nor less than talk designed to mislead the public into thinking that something of that kind can be done under the Constitution as it now exists so there will not be so much objection to the proposal to provide for drafting men.

The constitutional provisions make the drafting of property as such absolutely impossible. Congress can limit the profits on property now. That will prevent profiteering; but that is not enough. Congress should have the right to take property as it takes men for war purposes if it is to carry out this doctrine that is being preached in the newspapers to the effect that we should draft property as we do men.

In war a soldier receives $30 per month. Most of it goes to his dependents or to pay insurance. If he is killed, he is already paid for. That is the result of drafting men. If he lives to come home, he and his children for the rest of their lives help to pay billions in taxes to repay bondholders for money loaned the Government at 4¼ per cent during the war. Thus, he must help to pay for the food, the clothing, the guns, the ammunition, and other equipment that were used when he and his comrades were in the Army.

Why not draft property? A citizen can always get more property, but what about a soldier who is drafted? He has only one life, and when that is taken it is the end of him.

If we intend to draft property, let us make the Constitution clear. Let us give Congress the authority to do that thing. We need no cumbersome commission to tell the Congress what to do in this situation. All we need is action; and that action ought to be taken without any commission of any kind to mislead the public on this subject.

The joint resolution proposing such an amendment is pending before the Judiciary Committee. Let the committee report it favorably and Congress submit it to the States.

CRIME CONDITIONS IN THE DISTRICT OF COLUMBIA

Mr. BLEASE. Mr. President, I had an idea that we had about settled the question of war. The Senator from Pennsylvania [Mr. REED] and the Senator from Arkansas [Mr. ROBINSON] have been gone now for about two months. I understand they have Secretary Stimson over there with them. I thought they had gone there to stop war, and I do not see any use in our being here making preparations to have a war and be paying out thousands and thousands of dollars to have those fellows over there who say they are going to have no more war.

We have a war right here in Washington that I think is more important to the people of this country than the war they are talking about over there at the present time.

I noticed in last night's Evening Star where a young man riding along up here on the street stopped his car at a street light, something to which I have always been opposed. As far as I can see, all that these street lights do is to deprive people of work. Very often you go to one of these lights and stop. There is nobody coming up the side street. There is nobody in front of you. If they had a man standing there with some judgment to give you a signal when there was not any danger of collision, you could go ahead. Instead of that you have to stand up there until this machinemade concern, which deprives people of jobs, signals you when to go. So while this young man was standing there night before last, obeying the law, an attack was made upon him by reason of which he had to have one of his eyes removed. While Pratt was up in his office, receiving the flowers and congratulations of the policemen for the "splendid work" he had done for the past year, this poor fellow was out there obeying the law and a thug was knocking out his eye.

Also in the same paper I find where the police made a raid and found four stills—just think about it, now—four stills in Washington! Why, U. S. Grant, Leo Rover, Mr. Henry Pratt, the chamber of commerce, the editor of the Washington Post, and certain citizens' associations in Washington say there is no crime here. When I introduced a resolution here on October 4, 1929, found on page 4195 of the RECORD, these individuals came

out and said that there was not any crime in Washington; that I did not know what I was talking about. Well, it seems that this poor devil who lost his eye thinks there is some crime in Washington. I made the statement then that when this matter was brought home to some people they were going to realize that there was a necessity for this town to be waked up, and for the police force, from the top to the bottom, to be notified that crime is going on in the city of Washington.

On page 2891 of the CONGRESSIONAL RECORD of January 28, 1926, away back over four years ago, there is an account of how a man was driving down the streets of Washington, and when one of the police stopped him to tell him he was violating the law, he said to the policeman, "It is none of your damned business." The Government of the United States said, "That is right; tell him it is none of his damned business. You belong to an embassy. You are higher than the laws of the United States. You come from a foreign country. Your boss wears a crown. Possibly you kiss his big toe when he takes his shoes off and gives you a chance. That is away above the American Government. Curse the police; run over them, you people that belong to embassies. Sell liquor; send your runners around over town, your drummers, and sell liquor," as some of them have been doing and are now doing.

It has not been very long since three brands of embassy liquor were very popular around this city. You could go into certain places and be offered a drink, and it was this same brand, this same bottle that came from the same embassy. They are foreigners, and they are above the American law; but if an American citizen goes out here and has a little half pint of liquor, or tells a policeman that it is "none of his damned business" if he violates the law, or runs over some little boy and kills him, they break your necks. (See resolution, CONGRESSIONAL RECORD, December 17, 1925, pp. 991, 992.)

It reminds me of an Italian in my State, a very prominent one, an alderman of the city of Charleston. We had a lieutenant governor in my State who was promoted to the governorship by reason of a governor resigning. He had been president of a bank in the city of Charleston, and the bank had broken. I am not charging that to him. I am just telling you what this Charleston alderman said to me. I went down in my campaign, and he said, "This is a peculiar government you have here. I have been here a long time, but I do not understand this Government."

I said, "Mr. Chicco, what is the matter with the American Government?"

He said, "Well, in my country, if a man breaka da bank, put him in the penitentiary. In China, if a man breaka da bank, breaka da neck. In this country, if a man breaka da bank, maka him the Guv." [Laughter.]

I think that is just about what we are coming to in Washington. We are just about getting to that condition; and yet Pratt looks at his flowers and smiles, and some other man has his good time somewhere else, with crime rampant all over the city.

Right to-night there will be whisky and dope sold, as it was sold last night, within 300 yards of the room in which I am now standing talking. It has been reported to the Federal Government by letter which I wrote, and I have the reply to it. The Federal Government has not done one thing to stop it, because it is run by a foreigner. It has been reported to the police department and they dare not go in the place. Why, Mr. President? That is a question which I think somebody in this country ought to answer.

I objected yesterday to the confirmation of one of these new commissioners. I have no objection to him. I hope he will be confirmed. I have not any objection to General Crosby. I want to see General Crosby and this other man confirmed. I do not know his name; it starts with "R-i-c-h," and I think he ought to have it changed, because I think he will be rich by the time he serves this place for four years. If he gets just his pro rata share of the graft which the gamblers and the bootleggers and the dope sellers are paying in Washington, he will come out rich, and he need not get it all.

I know whereof I speak. I see these people. I talk to them. I ride on the street cars and I hear people talking there. I talk to people around hotels. I talk to taxi drivers. I talk to people who come in contact with the common people of the country, and I know that there are places being run in Washington to-day where the lowest down, most filthy crimes are being committed. Government officers know it, some of the officials of Washington know it. Why is it not stopped if somebody is not getting graft, and being paid to be blind when they should see, and to be deaf when they should hear? I know why. There are policemen on the police force in the city of Washington who dare not do their duty.

Just a few days ago a man went up and made a raid. Look at the criticism he is receiving to-day. Why? Because he went into a man's home? No; he did not go into any man's home. The man and woman concerned in that case admitted that there were 12 jars of liquor in that "home." They had deprived it of being a home. When a man makes a brothel out of his home it is no longer his castle. When a man turns the house where he and his family live into a blind tiger or into a bawdy house or place of crime it is no longer a home and has no longer the right to protection which it is said belongs to a man's castle under the English law.

Why should an officer of the law, if he sees a murder committed, have to go off and make up a warrant to arrest the man; give him time to get into an automobile and leave?

When an officer sees whisky in his own sight, when he sees a crime in his own sight, or if he has every reasonable right to believe—not flimsy ideas, but every reasonable right to know—that crime is being committed in a place, why should that place be left and the people in it be given hours while you go and get a search warrant from some little magistrate in order to carry out a search? You have to go to somebody to write up a search warrant, and the chances are that when he gets it written up he can hardly sign his name.

Here in my hand I hold a picture showing a sample of what is going on here in Washington. Look at this barroom. Look at the counter. Look at the beautiful brass rail. Look at the jugs and the bottles. Look at the people in the bar. When a policeman saw that why should he go back 4 or 5 miles and ask somebody to let him have a search warrant while these people can destroy all of the evidence, while they can themselves escape?

Mr. President, that is nothing but a flimsy excuse for notifying people. As I said on this floor before, and I know it to be true, men have gone and applied for search warrants for the enforcement of the law—and I have been told this by one of the best law-enforcement officers in this city—and prior to making out a search warrant somebody connected with the district attorney's office slipped out and phoned to the place to be raided; there was a man stationed in that place, the phone rang, he heard it ring, and in a few minutes after that conversation everything in that house was cleaned out, and when the officer got there with the search warrant there was nothing there. Certainly not. Why should that man connected with the district attorney's office phone to that place while that warrant was being obtained if somebody was not paying him a graft fee?

Mr. President, I do not want to take up the time of the Senate, but I do think the case of this young man getting his eye knocked out night before last certainly called for serious consideration by Henry Pratt, or somebody else. Where is the lawbreaker? Ask Pratt. When is your life safe if a thing like that can happen right in the center of the city, right in the business part of the city? Suppose the wife of some Senator were coming to the Capitol Building for him, or suppose she had been out late at one of her parties, or possibly out shopping a little late and was going to her home, or your sweet, beautiful daughter were going home, and when she stopped at one of these lights some negro should climb into her automobile and commit an assault. If you did your duty you would take a double-barreled shotgun and blow his brains out, if you had to go into the Washington jail to do it. Yet the police force sit here, with crime rampant in the city, day after day, and if any effort is being made to stop it, I certainly do not see it. The police force has not been improved, and conditions have not grown better. This man Pratt sits up and has a big idea, to dismiss a man from the force who searches without a warrant. He has a big idea, Mr. President, to say that officers shall not do anything unless they first come and ask him, while he is sitting up in his office smiling over his flowers because he has made such a wonderful record. Who gave him the flowers? His pets? Who gave him the flowers? Men at whom he smiled, who failed to discharge their duty, which met his approval? Possibly so.

President Hoover is trying to correct the evil, for which I thank him, and I think the District Committee should bring in the name of General Crosby. I am not in favor of military government; God forbid. South Carolina lived under one, under a Republican administration, for a while, and it came just about as near being hell on earth as any earthly hell can be. I do not want it. But if it is necessary, in order to protect the boys and girls of this city, give us two military men instead of one. If it is necessary in order to stop crime in Washington, then I say confirm General Crosby.

I shall turn over to him, when he is confirmed, every proof I have. I shall lend him every assistance possible to help him to give this city a clean administration.

Some people may smile. Possibly this young doctor smiled a few days ago when I made some remarks, but the poor boy, whom I pity from the bottom of my heart, is not smiling to-day, with his eye gone. You will not smile when it comes home to you. I hope the committee will bring in the nomination of General Crosby. Let him watch Pratt and see Pratt improve or go.

I ask to be permitted to insert in the RECORD, along with my remarks, clippings showing a few of the crimes that have taken place in Washington within the last few days, and to say watch early developments, early exposures.

The VICE PRESIDENT. Is there objection?

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

[From the Washington Post, Tuesday, March 25, 1930]

POLICE PROTECTION IS DECLARED JOKE—RECENT HOLDUPS RECALLED AT MEETING OF NORTH CAPITOL CITIZENS—CROSBY CHOICE SCORED

"Police protection! Why, it's a joke," declared James C. O'Connell, of 2106 First Street NW., discussing the police "shakedown" scandal at a meeting of the North Capitol Citizens' Association at McKinley High School last night.

The association includes in its territory the section at First and Thomas Streets NW., where James Crotts, young carnival showman, was shot by Policeman S. F. Gravely after Crotts and two companions, one of whom was a policeman, were declared to have attempted to "shakedown" two girl inmates of a disorderly house for $30 "for protection."

"We have no police protection in this neighborhood," Mr. O'Connell declared, "and things are getting worse. Many shops around here have been held up at least once in recent months; I know of at least two that have been held up twice, and one that was robbed three times."

[From the Washington Post, Tuesday, March 25, 1930]

TWENTY-FOUR ARE ARRAIGNED ON LIQUOR COUNTS; SIX PLEAD GUILTY—MOTORIST TAKING QUART TO WIFE'S CARD PARTY IS NOT CHARGED—HART EXPLAINS POLICY OF PROSECUTION OFFICE—PUNISHMENT SOUGHT ONLY IN CASES PRESENTING SIGNS OF COMMERCIALISM

Out of the 33 persons arrested over the week-end by police raiding squads operating in widely scattered sections of the city and charged with violating the prohibition law, 24 were arraigned, 6 of that number pleading guilty, and the other 18 entering not-guilty pleas and demanding trial by jury.

DRINKING LAID TO PUPILS AT MERGER QUIZ—EASTERN HIGH STUDENTS CITED BY OPPONENT OF REDUCED CAR FARES—SAYS RESTAURANT NEAR BY SELLS RUM—NOONAN ASKS FREE RIDES THAT SAVINGS MAY GO FOR MILK AND SOUP—DISTRICT IS ASKED TO BEAR EXPENSE—TRACTION COMBINE HEARING HEARD BEFORE HOUSE SUBCOMMITTEE

A story of drinking by Eastern High School students was injected into the traction merger hearing at the Capitol last night.

Henry W. Lynn, 316 Sixteenth Street SE., told a House District Subcommittee that he was opposed to granting reduced fares to high-school students because of their drinking and smoking, and he then went on to cite what he said was an actual example of their depravity.

"Right down here by the Eastern High School," he said, "just a short ways from it, there is a place that sells lunches, etc., anywhere from sandwiches to pigs' feet, in the front room, and they can go into the back room and buy whisky.

QUARTER FOR GILL

"I was in that place myself to get a shot, which I take occasionally, and while in there two high-school boys came in and two girls, and they bought a half pint and the four of them drank it.

"Also while I was in there, a little girl about 9 years old came in and says, 'Mother says to send her a gill.' They put a gill in a half-pint bottle. She paid a quarter for it, and went out.

"That place is right close to the Eastern High School."

[From the Washington Herald, March 25, 1930]

UNITED STATES WILL ASK FOR THREE INDICTMENTS IN POLICE SCANDAL—JURY TO DECIDE ON DETAILS OF INVESTIGATION—ROVER SAYS HIS OFFICE WILL NOT FOLLOW SIDE ISSUES OF CASE UNLESS REQUESTED

Investigators of Washington's latest police scandal marked time yesterday as the District attorney's office prepared to ask the grand jury to-day to indict three men, one of them a policeman, for attempting to "shakedown" an alleged disorderly house in the 1900 block of First Street NW.

The jury will not be asked to follow the many complicated and mysterious trails that lead from the original case, District Attorney Leo Rover said.

[From the Evening Star, Washington, D. C., Monday, March 24, 1930]

YEAR'S RECORDS BROKEN BY "DRUNK" ARRESTS

All 1930 records for the number of "drunks" and disorderly persons arrested were broken Saturday night and Sunday when 340 persons whose actions were influenced by alcohol were apprehended by police.

One hundred and twenty of these were arraigned in police court to-day, and all but nine were kept in police lock-ups for periods varying from over 24 hours to 5 or 6. Most of those tried received sentences without a great deal of testimony, as the docket was crowded.

Sixty-one of the drunk and disorderly persons were arrested by officers connected to the second precinct.

WEEK-END RAIDS SET COURT RECORD—POLICE TAKE 42 PERSONS IN DRIVE ON LIQUOR-LAW VIOLATORS

Police scouring every section of the city arrested 42 persons for violations of the prohibition law over the week end. Assistant District Attorney David A. Hart announced to-day that all but five of these were charged at police court, setting a court record for number of persons arraigned on one day for dry-law infractions.

The raids were participated in by the personnel of almost every precinct in the city, special undercover men, and squads working for the District attorney's office and the individual precinct captains.

BARRETT SQUAD ARRESTS NINE

The fourth precinct squad, composed of Detective R. J. Barrett, N. G. Thayer, and J. W. Casey, raided five houses in southwest Washington and arrested nine persons. In most of the raids only small amounts of liquor were seized. Prosecutor Hart refused to issue papers against three persons who were represented by Attorney J. P. Mullen.

Eight raids and a like number of arrests were made by the second precinct squad, made up of Henry Rinke, Edward Shelton, and V. D. Hughes.

Sergt. Oscar J. Letterman and his special vice squad of detectives, Richard Cox and J. A. Mostyn, apprehended seven alleged violators. More than 100 quarts of alleged whisky were seized in each of three of the raids.

LEAPS TO SUSPECTED CAR

Detective W. R. Laflin, of No. 8 precinct, made a spectacular leap from a police car to an alleged rumrunning machine to arrest James L. Lyon, 3400 block of N Street, and J. R. Becraft, 2400 block of Seventeenth Street. Laflin also arrested D. P. Butler, colored, and charged him with transportation and possession of liquor.

Hart refused to press charges against Jared D. Smith, 49, who told Policeman H. C. League that he was carrying 2 pints of whisky home to his wife, who was having a card party. Raymond Simmonds, 3123 Fifteenth Street NE., was released at court, as the assistant district attorney held that twelfth precinct police had no right to enter the man's garage, where 20 gallons were found.

POLICE WIN RUM CHASE—WHISKY AND CAR SEIZED AND DRIVER ARRESTED BY TWO OFFICERS

Seizure of 138 quarts of alleged corn whisky, confiscation of an automobile, and the arrest of the driver of the car resulted when policemen chased and caught a suspected rumrunner early last night.

The driver of the car, who was booked as A. A. Trachtenberg, of the 400 block of K Street, is alleged to have leaped from the machine and disappeared, only to be later arrested. He was charged with transportation and possession. The arresting officers were W. C. C. Wrenn and A. J. Loftus, of the seventh precinct.

[From the Washington Herald, March 25, 1930]

SCHOOL CHILDREN BUY GIN, IS CHARGE—SAW GIRLS DRINK, CAR-FARE INQUIRY TOLD BY EXPERT—RUM SHOPS THRIVE NEAR SCHOOLS, HE AVERS—HITS LOW RATE—WOULD MEAN MORE FUNDS FOR GIN, HIS PLAINT

Grant of free street-car transportation to Washington school children would only give them more money to purchase whisky, cigarettes, and rouge.

This was the opinion expressed last night by Henry W. Lynn, street-railway expert, at a merger hearing before a subcommittee of the House District Committee.

SAW GIRLS DRINK

Lynn told the committee he had personal knowledge of drinking among students attending Eastern High School, because he was in a speak-easy located near the school recently when two boys and two girl students came in, bought half a pint of whisky, and drank it in his presence. Lynn said:

"Right down here by the Eastern High School there is a place that sells anywhere from sandwiches to pigs' feet in the front room, and they can go in the back room and buy whisky.

"I was in the place myself to get a shot, which I take occasionally, and while in there two high-school boys came in and two girls, and they bought half a pint of whisky and the four of them drank it.

"Also while I was in there a little girl about 9 years old came in and said: 'Mother says to send her a gill.' They put a gill in a half-pint bottle. She paid a quarter for it and went out."

Lynn, who was given permission to extend his remarks in the record, told reporters the neighborhood near the Eastern High School is infested with speak-easies. Some of the proprietors, Lynn said, will sell whisky to anyone, regardless of age or sex.

[From the Washington News, March 31, 1930]

SERGEANT FIHELLY SAYS HE WILL FIND THREE MEN WHO ATTACKED HIM—EYESIGHT OF HEADQUARTERS DETECTIVE MAY BE IMPAIRED; STOLL AND SHELBY PROBING—NO CLUE YET DISCOVERED—MYSTERY SURROUNDS EARLY MORNING ASSAULT ON SERGEANT IN APARTMENT AT SIXTEENTH AND S

Police to-day are investigating a mysterious assault on Detective Sergeant Arthur T. Fihelly, of headquarters, which occurred early yesterday in a first-floor apartment at 1801 Sixteenth Street NW.

Fihelly was *taken* to the eighth precinct in a patrol wagon and later released in the custody of Detective Sergeant Benjamin G. Kuehling, also of headquarters.

POLICEMAN SWORTZEL INDICTED IN ALLEGED EXTORTION ATTEMPT—COMPANION AND MAN WOUNDED BY DETECTIVE ALSO NAMED; SECOND "SHAKEDOWN" ALLEGED

One side of Washington's police scandal came to a head to-day with the indictment of Pvt. Ardie Swortzel, suspended fourth precinct policeman; John S. Elgin, of 1205 K Street NW.; and James Crotts, of Lexington, N. C., on charges of attempted extortion against occupants of two houses in the District.

The first count of the true bill, which heretofore has not been revealed, charged that the trio conspired between January 1 and March 19 to demand of Ada Reed $25 for "police protection" on a disorderly house the latter is said to have been running at 801 P Street NW.

The second charges they attempted to "shakedown" Marie Foster for $30 to keep the police from invading a house in 1900 block of First Street NW. This is where Crotts was shot by Detective S. F. Gravely.

WHAT ABOUT IT, MAJOR?

Police Chief Pratt has an announced policy governing the department under his command. It is supposed to be the cardinal policy of his administration. He has repeated it over and over and has insisted with emphasis that he means it. This policy is that the constitutional rights of citizens shall not be violated by policemen.

If this means anything, it means that unwarranted entry into private premises of citizens and seizure or destruction there of furniture or any other form of property shall not be done.

And yet, on one day, Captain Stott enters a place without a warrant, arrests a man for possession of liquor, and smashes the furniture with an ax. The very next day, Sergeant Letterman, not to be outdone, with an old warrant for an alleged bootlegger in his pocket, goes to the apartment of another person altogether and without due process of law enters, searches, seizes, and arrests a reputable citizen who has no connection with the alleged bootlegger named in the warrant.

What is the trouble? Can not Major Pratt control his men?

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

PRATT LAYS POLICE TROUBLES TO PAY—INCREASED SALARIES WOULD ATTRACT SUPERIOR MEN, SAY OFFICIALS—MEASURE IS INDORSED

District police officials yesterday concurred in criticisms of the department made by Representative HOLADAY, of Illinois, in a speech on the floor of the House yesterday in the course of discussion of the pending District appropriation bill.

While no direct statement on the subject was obtained, Maj. Henry G. Pratt, superintendent of police, pointed out that the defects of the department emphasized by Representative HOLADAY in his speech in the House had been publicly stressed in public statements, reports, and recommendations which have been made to the commissioners, to the Budget Bureau, and to Congress.

One of the reasons advanced in support of the pending police and fire department pay bill is that the higher salaries provided in that measure would permit the two services to attract a better-educated personnel and provide an increased incentive to the men in the ranks to seek promotion through efficient police service.

Police department officials were loath to comment on the subject for publication because of their fear that what they said might be misinterpreted as an effort "to pass the buck" to Congress or as a criticism of Congress or of Representative HOLADAY. Neither did they want to appear in the rôle of subservient "yes men" who were seeking to curry favor.

But it was pointed out that in a recent report submitted to the commissioners by Major Pratt improvements advocated included establishments of a radio system of communication through the department, development of an increased detective force to reduce the extraordinary number of cases now assigned to be investigated, provision for a police school for the thorough training of policemen in their work, development of a chemical and analytical laboratory, and other improvements.

In their letter to the House and Senate committees indorsing the pending pay bill the commissioners told Congress that it was the intention to increase the educational requirements for appointment to the two services if the pay bill were approved by Congress.

One of the most important factors in good police work involved in the pending District appropriations bill, Major Pratt believes, involves the increased number of commissioned officers in the department. He believes that the additional officers provided for will make for a closer supervision of the men under them. Added to this will be the increased attractiveness of the individual officer's job because of the increased pay provided for in the pending bill.

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

RUM RAID IS MADE WITHOUT WARRANT AS TEST MEASURE—BAR AND ALLEGED LIQUOR DESTROYED "TO FIND OUT ATTITUDE" OF ROVER—EIGHTEENTH STREET PLACE IS "SUBJECT"—POLICE CAPTAIN STOTT CONDUCTS ACTION; TO LAY EVIDENCE BEFORE UNITED STATES ATTORNEY

Expressing the intention of "finding out the attitude" of United States District Attorney Leo A. Rover about the matter of making raids on so-called speak-easies without warrants, Capt. William G. Stott, of the third precinct, led a raid early yesterday afternoon on an alleged speak-easy located on Eighteenth Street between L and M Streets NW., and succeeded in destroying a 35-foot mahogany bar, 40 gallons of alleged liquor, and arresting one man.

The man arrested, who gave the name of Frank James Smith and his address as Thirteenth between O and P Streets NW., was said by police to be only a drink dispenser at the place, the real proprietor or proprietors of the place being absent at the time of the raid.

According to Captain Stott, the precinct prohibition men had known of the speak-easy for some time, but because of their inability to make a "buy" at the place due to the fact that the greatest precautions were taken in the matter of selecting customers, the police were not able to secure a warrant for the address, and the raid was made without it.

BREAK WAY INTO PLACE

Police were forced to break their way into the second-story room in the rear of the supposedly vacant house, going through three reinforced doors. The entrances were all fitted with electric alarms, and secured by 4 by 6 planking.

During the 20 minutes the police were forcing their way in, Smith is alleged to have destroyed over 40 gallons of liquor, which was in 5-gallon glass containers. The elaborate bar was destroyed by the police, as well as the remaining bottles of pop, which had been used as mixers, and chairs which lined the walls.

LOOKS TO DISTRICT ATTORNEY

Stott made no effort to conceal the fact that he raided without a warrant, and that he and his men had no right to enter the place, technically speaking. The precinct commander stated that he intended to place the facts before United States Attorney Rover, and let him dispose of the matter as he saw fit.

The reason, he said, that the prohibition men were so handicapped in their efforts to enforce the existing laws was that there were so many formalities placed in their path by the laws themselves, and that the methods used in the case yesterday were the only way possible for him to make a determined effort to dry up his precinct.

The district attorney's office had requested the police, Captain Stott said, to report to it all the addresses found to be used for illegal purpose. He was emphatic in declaring that he intended to do whatever the district attorney instructed him to do in enforcing the law, and any disposition of the case they might make was agreeable with him.

[From the Washington Post, Wednesday, March 26, 1930]

HATCHET USED IN CRUSADE AS TRIO IS SEIZED—LAW ENFORCEMENT DRIVE IS WAGED BY LONE VOLUNTEER—DELICATESSEN MAN IS STRUCK ON HEAD—ALLEGED ASSAILANT THEN ELUDES SEARCH BY POLICE—EMPTY RUM JARS FOUND IN HIS ROOM—PROPRIETOR OF HOUSE STATES ROOMER LEFT OWING FOR HIS BILL

An amateur crusader, fired with zeal to "clean out all these Washington speak-easies women are patronizing," staged a dramatic law enforcement drive of his own in the sixth precinct yesterday to net three persons on six charges before he disappeared last night while police were seeking him in connection with a sensational foray, in which a man was slightly injured by a hatchet.

Giving his name as complainant in the three police cases as David O. Sizemore, 52 years old, of a Sixth Street residence near G Street NW., the man culminated his activities last night in an H Street delicatessen near Second Street NW. by wielding a hatchet in a Carrie Nation stunt, according to Precinct Detective J. F. Boxwell.

HATCHET WIELDED, CLAIM

Fred Myers, 50 years old, proprietor of the shop, was quoted by the detective as declaring that Sizemore, who formerly had worked there, entered the establishment and engaged in a heated altercation, in which Myers was hit on the head. A woman screamed, and Sizemore

was declared to have fled, Myers being removed to Casualty Hospital for brief treatment.

The detective declared he found three empty half-gallon liquor jars in Sizemore's rooms, and that the proprietor there told him that the man, returning a week ago from Philadelphia, had made his getaway without paying his bill.

Sizemore first appeared at the sixth precinct station at 3 o'clock in the afternoon with a tip that he had bought liquor in a house in Balls Court NW. There police arrested Fannie May Miller, colored, 33 years old, on charges of sale of one drink and possession of 2 quarts of liquor.

An hour and a half later, at Third and F Streets NW., he seized Richard Moran, 38 years old, of Tenth Street near E Street SE. Calling a policeman, he charged the man with begging in the street. The policeman placed a charge of drunk and a charge of disorderly conduct against Moran when the man was reported to have resisted arrest.

In the same neighborhood an hour later Sizemore took in custody Maurice Connery, 40 years old, of Second Street near C Street NW. Calling another policeman, he listed himself as complainant again on charges of begging in the street.

[From the Washington Post, March 26, 1930]

ROVER IS GIVEN LIST OF 10 SPEAK-EASIES IN SCHOOL CHARGES—LYNN ASSERTS ALL SELL LIQUOR IN VICINITY OF EASTERN HIGH—PROHIBITION AGENTS WILL MAKE INQUIRY—QUIZ BY GRAND JURY INTO ALLEGED DRINKING OF PUPILS TO WAIT—SAW BUYING DONE, ACCUSER DECLARES—KRAMER AND BALLOU DOUBT WET PARTY WAS STAGED BY STUDENTS

No grand jury inquiry into the charge of drinking by Eastern High School students will be conducted until an investigation is made by prohibition agents of the 10 alleged speak-easies which Henry Lynn yesterday charged are operating in the vicinity of the school.

District Attorney Leo A. Rover made this announcement following a conference yesterday afternoon with Mr. Lynn and Assistant District Attorney Harold W. Orcutt, who is in charge of prohibition enforcement.

Goaded by school officials and police to present facts to bolster his allegation of drinking, Mr. Lynn appeared at Mr. Rover's office and submitted to him a list of places, where, he said, drink can be bought.

DATA ARE GIVEN ORCUTT

Upon the presentation of the list by Mr. Lynn, Mr. Rover submitted the information to Mr. Orcutt for investigation. If his charges are substantiated it was indicated that the grand jury will be asked to review the evidence.

Mr. Lynn, whose charge threw a verbal bombshell into the traction merger hearing at the Capitol Monday night, told the District attorney that the incident to which he referred at the hearing had occurred last November. He told the committee that he had witnessed the purchase of liquor by Eastern High School students.

Mr. Rover did not say whether Mr. Lynn had proved to him that the high-school students were the participants in the occurrence he witnessed. Following Mr. Lynn's recital the district attorney submitted the charges to Mr. Orcutt.

DEMAND FOR FACTS MADE

With the publication of Mr. Lynn's testimony before the committee, school and police officials issued a demand for the facts. Police Chief Henry G. Pratt communicated with the District attorney's office suggesting that Mr. Lynn be called.

Stephen E. Kramer, assistant superintendent in charge of high schools, addressed a communication to Mr. Lynn asking specific information regarding the drinking party. Mr. Kramer further asked that the facts be presented upon which Mr. Lynn based his charge that the persons drinking were students of Eastern High School.

Interviewed yesterday afternoon, Mr. Kramer and Superintendent Frank W. Ballou asserted that they had received no complaints from teachers of drinking by the pupils. Both expressed doubt that if there had been a drinking party, as charged by Mr. Lynn, that the participants were students of any high school.

REMOVAL OF STIGMA SOUGHT

In justice to the other students, they said, a correct presentation of the case should be made by Mr. Lynn, to obliterate any stigma that may have been placed on the students of Eastern High as a result of Mr. Lynn's accusation.

In his letter to Mr. Lynn Mr. Kramer said that information regarding his charge was desired so that prosecution could be made of the individuals concerned and the danger would be eliminated.

Charles Hart, principal of Eastern High School, made a report to school authorities yesterday in which he classified as "improbable" that such an incident as mentioned by Mr. Lynn could have happened during a school day.

Mr. Lynn, who lives at 316 Sixteenth Street SE., also told the committee on Monday night that he had seen a 9-year-old girl purchase a gill of gin from the store in which he witnessed the alleged drinking party.

[From the Washington Daily News, Friday, March 28, 1930]

STATEMENT OF STOTT IN WARRANTLESS RAID BEING INVESTIGATED—PRECINCT COMMANDER'S ALLEGED "BROADSIDE" AGAINST DISTRICT ATTORNEY BRINGS ACTION

Police Chief Pratt to-day launched an inquiry as to whether Capt. William G. Stott, commanding the third precinct, has declared war on the District attorney's office, or intends to do so. It was for such a crusade that Pvt. Robert J. Allen was dismissed from the force.

When Major Pratt reached his office this morning he saw new accounts in the morning papers of Stott's raid on an alleged speak-easy at 1116 Eighteenth Street NW., admittedly made without a warrant, after which the police smashed the furniture.

LAUNCHES BROADSIDE

Stott, so it was reported, then "launched a broadside of criticism" at District Attorney Rover's office, saying that he proceeded without a warrant because of difficulty he experiences in getting warrants. Stott also was quoted as saying that he would take his case to Assistant District Attorney Hart, and if he would not act would put it directly up to Rover himself.

Major Pratt summoned Inspector T. R. Bean and instructed him to ascertain from Stott whether his actions and utterances had been faithfully reported.

At the time former Private Allen publicly criticized the District attorney's office, Major Pratt stated that the police department had no intention of antagonizing the District attorney, with whom it must constantly cooperate.

He added that if there arose anything in the nature of a complaint concerning the Federal prosecutor or his aides, it was the duty of policemen to send it, through official channels, to the chief, who, if he concurred, would transmit it to the commissioners.

DIPLOMATIC TECHNIQUE

This technique has been developed so that diplomatic or other communications between the District government and the District attorney's office may be restricted to the heads of the two establishments. The theory is that intervention by a subordinate may cause the wires to be crossed, with resulting official disturbances.

Major Pratt, too, has continued the policy of former Chief Hesse, in protecting constitutional rights of citizens. There is an approved way of raiding speak-easies. It does not contemplate smashing into places without warrants.

PLEADS NOT GUILTY

Frank J. Smith, who was arrested in the warrantless raid, entered a plea of not guilty to sale and possession in police court to-day, demanded a jury trial, and was released on $1,000 bond.

Captain Stott led his men on the raid "to find out the attitude of Rover on dry enforcement," he said. Undercover agents had been unable to purchase liquor at the Eighteenth Street address. The third precinct commander was certain that the apparently vacant house was a speak-easy.

COULDN'T GET WARRANT

As a buy is necessary to secure a search warrant, Captain Stott went ahead with his raid without the necessary papers.

Police were forced to batter their way through three reinforced doors, fitted with electric-alarm systems and secured by 4 by 6 wooden beams.

In a second-floor room they found a 30-foot mahogany bar and an impressive array of glassware, Captain Stott said. On the floor, the captain reported, were evidences that about 40 gallons of liquor had been hurriedly poured out.

"The floor was running with liquor," he said. "It was so wet that we were able to use pieces of cardboard and scoop up about a pint and a half for evidence."

EQUIPMENT DESTROYED

Smith, the only person found by police in the room, was placed under arrest.

Captain Stott made no attempt to conceal the fact that he raided without a warrant and that technically he had no right to enter the place.

But that failed to stop him from using axes and sledge hammers on the bar, chair, bottles of pop, the glassware, and fixtures. All were smashed and destroyed.

So many technicalities have been placed in the way of enforcement officers, he explained, that he was determined to make a test case to see if his precinct could not be dried up by direct action.

[From the Evening Star, Washington, D. C., Wednesday, April 2, 1930]

VICTIM OF ATTACK HAS EYE REMOVED—DRUGGIST MYSTERIOUSLY BEATEN AS HE STOPS CAR FOR TRAFFIC SIGNAL

Physicians early to-day were forced to remove the left eye of Seba L. Christie, 36-year-old pharmacist and proprietor of a drug store at Twentieth Street and Rhode Island Avenue NE., who was beaten with a blackjack about 11 o'clock last night in a mysterious attack by an unidentified colored man when he halted his car for a traffic light at U and Six-

teenth Streets while on his way from work to his home at 1706 Irving Street.

As Mr. Christie drew up before the red signal the colored man leaped to the running board of his machine and vigorously plied a blackjack. Christie, taken unawares, did his best to ward off the attack and finally managed to get his automobile under way.

This move apparently thwarted the attacker, who jumped from the car and disappeared. Dazed and bleeding from lacerations about the eye and mouth, Mr. Christie managed to pilot his car home. There he staggered in the door and his wife sent in a hurry call for the Emergency Hospital ambulance.

The ambulance surgeon, seeing the nature of Christie's injury, hurried him to the Episcopal Eye, Ear, and Throat Hospital, where he was attended by Dr. E. Prefontaina.

A losing fight was waged to save the eye, and doctors were forced to operate several hours after Christie's arrival at the hospital.

Christie was unable to furnish a description of his assailant, due to the suddenness of the attack and the extent of his injury. He had a small amount of money and several pieces of jewelry on his person at the time, but his assailant was unable to get at them.

FOUR STILLS FOUND IN RAID BY POLICE—SEIZE 15 GALLONS OF PEACH BRANDY AND ARREST ALLEGED OPERATOR

Raiding a residence in the 2300 block of Eighteenth Street shortly before noon to-day, police of No. 8 precinct destroyed four 25-gallon stills, 3 of which were in operation at the time, seized 15 gallons of peach brandy, and arrested the alleged operator of the distillery, Charles Welch, 21 years old, of the 400 block of D Street.

Capt. Robert E. Doyle, commander of No. 8 precinct, said the still had been in operation for some time and that he only succeeded recently in obtaining a warrant to search the premises.

The raiding party included Plain-clothesman W. R. Laflin, W. McEwen, and H. M. Smith.

[From the Evening Star, Washington, D. C., Thursday, March 27, 1930]

STOTT LEADS RAID WITHOUT WARRANT; BAR IS DEMOLISHED AND MAN ARRESTED—PRECINCT CHIEF CRITICIZES FEDERAL ATTORNEY'S OFFICE; CLAIMS SEARCH PERMITS DIFFICULT TO OBTAIN

Raiding without a search warrant and at the same time unloosing criticism at the office of the United States attorney against what he described as the difficulty in obtaining such warrants, Capt. William G. Stott, of the third precinct, led three of his men into a supposedly vacant house at 1116 Eighteenth Street this afternoon, demolished a 30-foot mahogany bar, destroyed 40 gallons of alleged whisky, and arrested one man.

A man giving the name of Frank J. Smith and his address as 1311 Thirteenth Street, described by the officers as the proprietor, was booked at No. 3 precinct on a charge of possession. Then after the arrest was made, Captain Stott protested against the difficulty he said was encountered in obtaining search warrants and stated that he intended "going on the mat" with United States Attorney Leo A. Rover about the particular case and similar cases.

UNABLE TO MAKE "BUY"

Records at the precinct reveal that policemen have known liquor was being sold at the place raided since February 14, Captain Stott said. He added that none of the precinct staff had been able to make a "buy," chiefly because of the elaborate system by which entrance was protected.

Captain Stott said he raided without a search warrant and that technically speaking he and his men had no legal right to enter the place.

Captain Stott and his party broke down a heavy door at the top of steep stairs on the second floor. A piece of 4 by 6 planking had been let down against the door from the inside. This planking was raised by an ingenious pulley device from the inside. Supposed customers were identified by a mirror fitted opposite the transom. An electric signal device also was used.

RAG IS USED AS SPONGE

Captain Stott said that as the party entered the door Smith was busy breaking every bottle in sight. It took so long to batter down the door that virtually all the bottles were broken when the officers entered, but Policeman Patrick O'Brien used a rag as a sponge and gathered up enough liquid to fill a pint bottle, and this was taken as evidence.

The officers making the raid, in addition to Captain Stott, were Bernard Day, a plain-clothes man; Officer O'Brien and Policeman C. R. Blick.

Mr. BLEASE. Mr. President, when I first introduced my resolution to investigate the police department of Washington and charged that crime was rampant in the city, if Chief Pratt, District Attorney Rover, Commissioner U. S. Grant, the editor of the Washington Post, the members of the grand jury, and certain citizens' associations had said, "We realize that what Senator BLEASE says is true and we are doing all that we can to clean up the situation, and while Senator BLEASE may overdraw the picture we know that our police are deficient in education matters," and so forth, I would not have had anything more to say about the matter but would have simply contented myself with trying to help them make Washington a cleaner city; but instead of that, quite on the contrary, they said, "BLEASE did not know what he was talking about; that blind tigers were not in Washington; that disorderly houses and gambling joints were not in Washington"; and tried to make it appear that I did not know conditions here, so I continued to put the proof of these facts in the RECORD and am submitting some further proof this morning, which I ask to have printed in the RECORD along with my remarks.

I now submit the case to the readers of the CONGRESSIONAL RECORD and let them see whether the high-up officials of this city were doing their duty and whether or not my "surgical operation" has been beneficial to Washington in waking up these lazy, sleeping officials and others and showing to the public that they were either incompetent, wholly ignorant of the situation, or lying.

I hope yet to be of some benefit to the people of the city in making improvements—to make it a more beautiful city and a safer place for women and children to live.

Pratt's outburst in the Washington Post of Friday, March 28, is certainly a big compliment to some of his policemen when he says that the trouble is that certain of his men do not get enough pay to keep them from being dishonest and dishonorable in the discharge of their duties. If he knew that, why did he say I did not know what I was talking about when I exposed conditions here?

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7960) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. NELSON of Wisconsin, Mr. ELLIOTT, Mr. BEERS, Mr. UNDERWOOD, and Mr. LOZIER were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 2515. An act allowing the rank, pay, and allowances of a colonel, Medical Corps, United States Army, or of a captain, Medical Corps, United States Navy, to any medical officer below such rank assigned to duty as physician to the White House;

H. R. 238. An act granting the consent of Congress to the State of North Dakota to construct, maintain, and operate a free highway bridge across the Missouri River at or near Fort Yates, N. Dak.;

H. R. 563. An act for the relief of Frank Yarlott;

H. R. 4604. An act to provide for the recording of the Indian sign language through the instrumentality of Maj. Gen. Hugh L. Scott, retired, and for other purposes;

H. R. 6337. An act granting the consent of Congress to George H. Glover to construct a private highway bridge across Flanders Bay, Hancock County, Me., from the mainland at Sorrento to Soward Island;

H. R. 6844. An act to grant the consent of Congress to the Highway Department of the State of Tennessee to construct a bridge across the Hatchie River on the Bolivar-Jackson Road near the town of Bolivar, in Hardeman County, Tenn.;

H. R. 7007. An act granting the consent of Congress to the State of Massachusetts to construct, maintain, and operate a free highway bridge across the Merrimack River at or near Tyngsboro, Mass.;

H. R. 7566. An act granting the consent of Congress to the Highway Department of the State of Tennessee to construct a bridge across the Holston River on projected Tennessee Highway No. 9 in Knox County, Tenn.;

H. R. 7580. An act authorizing the county of Lee in the State of Iowa and Wayland Special Road District in the county of Clark and State of Missouri to construct, maintain, and operate a free highway bridge across the Des Moines River at or near St. Francisville, Mo.;

H. R. 7829. An act granting the consent of Congress to the Great Southern Lumber Co., of Bogalusa, La., to construct, maintain, and operate a railroad bridge across the Bogue Chitto River in or near township 3 south, range 11 east, in the parish of Washington, State of Louisiana;

H. R. 8807. An act to provide for the coordination of the public-health activities of the Government, and for other purposes;

H. R. 9038. An act granting the consent of Congress to the State of New York to reconstruct, maintain, and operate a free

highway bridge across the West Branch of the Delaware River at or near Beerston, N. Y.; and

H. J. Res. 283. Joint resolution making additional appropriations for certain expenses under the Department of Justice for the remainder of the fiscal year 1930.

ANNIVERSARY OF CHARLESTON AND THE FOUNDING OF THE PROVINCE OF CAROLINA

The VICE PRESIDENT. Under authority of House Concurrent Resolution 27, the Chair appoints the Senator from Nevada [Mr. ODDIE], the Senator from Connecticut [Mr. WALCOTT], and the Senator from South Carolina [Mr. BLEASE] as the members, on the part of the Senate, of the committee to represent Congress at the celebration to be held in Charleston, S. C., April 10 to 13, 1930.

IMPORTATIONS OF OIL AND GASOLINE (S. DOC. NO. 125)

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, in response to Senate Resolution 229 (submitted by Mr. THOMAS of Oklahoma and agreed to March 8, 1930), information relative to the importations of oil and gasoline into the United States, which, with the accompanying data, was ordered to lie on the table and to be printed.

INTERNATIONAL PARLIAMENTARY CONFERENCE OF COMMERCE (S. DOC. NO. 124)

The VICE PRESIDENT laid before the Senate a communication from the Acting Secretary of State, transmitting copy of a letter from secretary general of the International Parliamentary Conference of Commerce, extending an invitation to the Congress to be represented at the sixteenth plenary assembly of the conference to be held at Madrid beginning the 6th of October, 1930, and stating that the department would be pleased to receive an indication of the views of the Senate with regard to the invitation in order that an appropriate reply may be made to the secretary general of the conference, which, with the accompanying correspondence, was referred to the Committee on Foreign Relations, and ordered to be printed.

PETITIONS

Mr. WALSH of Massachusetts presented petitions numerously signed by sundry citizens of the State of Massachusetts, praying for the passage of legislation granting increased pensions to veterans of the war with Spain, which were ordered to lie on the table.

He also presented the petition of the Panama Metal Trades Council, Balboa Heights, Canal Zone, signed by its secretary, John H. Sealey, praying for the passage of legislation granting increased pensions to veterans of the war with Spain, which was ordered to lie on the table.

ENROLLED BILL PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that on April 2, 1930, that committee presented to the President of the United States the enrolled bill (S. 3168) to amend the act entitled "An act to authorize and direct the survey, construction, and maintenance of a memorial highway to connect Mount Vernon, in the State of Virginia, with the Arlington Memorial Bridge across the Potomac River at Washington," by adding thereto two new sections, to be numbered sections 8 and 9.

REPORT OF POSTAL NOMINATIONS

As in open executive session,

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

BILLS INTRODUCED

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

By Mr. THOMAS of Oklahoma:

A bill (S. 4070) for the relief of Patrick J. Mulkaren; to the Committee on Claims.

A bill (S. 4071) granting an increase of pension to Hettie A. Kyker (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 4072) to provide for special assessments for the paving of roadways, laying curbs and gutters in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SIMMONS:

A bill (S. 4073) granting an increase of pension to Anna Lola Hendershott (with accompanying papers); to the Committee on Pensions.

By Mr. CONNALLY:

A bill (S. 4074) for the relief of Mary Elizabeth Fox; and

A bill (S. 4075) for the relief of the heirs of C. K. Bowen, deceased; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 4076) for the relief of the owner of the barge *Mary M;* and

A bill (S. 4077) for the relief of the Union Ferry Co., owners of the ferryboat *Montauk;* to the Committee on Claims.

By Mr. GOULD:

A bill (S. 4078) granting a pension to Caroline Hoyt (with accompanying papers); to the Committee on Pensions.

REPORTS OF COMMITTEES

Mr. HEBERT, from the Committee on Patents, to which was referred the bill (H. R. 10076) to amend sections 476, 482, and 4934 of the Revised Statutes, sections 1 and 14 of the trade-mark act of February 20, 1905, as amended, and section 1 (b) of the trade-mark act of March 19, 1920, and for other purposes, reported it without amendment and submitted a report (No. 312) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 3895) to authorize the Commissioners of the District of Columbia to widen Wisconsin Avenue abutting squares 1299, 1300, and 1935, reported it without amendment and submitted a report (No. 313) thereon.

Mr. BINGHAM, from the Committee on Territories and Insular Affairs, submitted a report (No. 314) to accompany the bill (H. R. 8559) to authorize the incorporated town of Cordova, Alaska, to issue bonds for the construction of a trunk sewer system and a bulkhead or retaining wall, and for other purposes, heretofore reported by him from that committee without amendment.

Mr. GOLDSBOROUGH, from the Committee on Patents, to which was referred the bill (S. 4015) to provide for plant patents, reported it with amendments and submitted a report (No. 315) thereon.

He also, from the Committee on Banking and Currency, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (H. R. 8877) to amend section 9 of the Federal reserve act, as amended (Rept. No. 316); and

A bill (S. 485) to amend section 9 of the Federal reserve act and section 5240 of the Revised Statutes of the United States, and for other purposes (Rept. No. 317).

Mr. ODDIE, from the Committee on Naval Affairs, to which was referred the joint resolution (S. J. Res. 24) for the payment of certain employees of the United States Government in the District of Columbia and employees of the District of Columbia for March 4, 1929, reported it without amendment and submitted a report (No. 318) thereon.

Mr. SWANSON, from the Committee on Naval Affairs, to which was referred the bill (S. 1638) for the relief of William Tell Oppenheimer, jr., reported it with amendments and submitted a report (No. 319) thereon.

Mr. COPELAND, from the Committee on Immigration, to which was referred the bill (S. 1455) to amend the immigration act of 1924 in respect of quota preferences, reported it with amendments and submitted a report (No. 322) thereon.

Mr. MOSES, from the Committee on Rules, to which was referred the resolution (S. Res. 227) to amend the Senate rules so as to abolish proceedings in Committee of the Whole on bills, joint resolutions, and treaties, reported it with amendments.

Mr. JOHNSON, from the Committee on Commerce, to which was referred the bill (H. R. 9592) to amend section 407 of the merchant marine act, 1928, reported it with an amendment.

RELIEF OF UNEMPLOYMENT

Mr. JOHNSON. From the Committee on Commerce I report back favorably, with certain formal amendments, the bill (S. 3059) to provide for the advance planning and regulated construction of certain public works, for the stabilization of industry, and for the prevention of unemployment during periods of business depression, and I submit a report (No. 320) thereon.

The PRESIDING OFFICER (Mr. HATFIELD in the chair). The bill will be placed on the calendar.

Mr. JOHNSON. From the same committee I also report back favorably, with certain formal amendments, the bill (S. 3061) to amend section 4 of the act entitled "An act to create a Department of Labor," approved March 4, 1913, and I submit a report (No. 321) thereon.

The PRESIDING OFFICER. The bill will be placed on the calendar.

Mr. WAGNER. Mr. President, the senior Senator from California has just made a report on behalf of the Committee on Commerce of some legislation introduced by me dealing with the subject of unemployment. So far as I know, everybody agrees that that is a subject which ought to be dealt with, and as far as I know, there is no opposition to the proposed legislation.

I ask unanimous consent that these bills may be made a special order for April 15. I fix that day in order to give the committee an opportunity to pass upon another bill, which is really a companion bill to these two bills, dealing comprehensively with the same subject. I understand the committee will take that bill under consideration on next Thursday.

The PRESIDING OFFICER. Is there objection?

Mr. FESS rose.

Mr. WAGNER. I may say to the Senator from Ohio that I discussed the matter with the senior Senator from Indiana [Mr. WATSON], and he told me he saw no objection to the request.

Mr. FESS. Did the Senator discuss it with the chairman of the Committee on Appropriations? I do not think the Senator would have any trouble in having the bills considered, but it is a question whether it is wise to fix some particular time for their consideration.

Mr. WAGNER. If the bills may be made a special order, I will be quite willing to give way for an appropriation bill on that day.

Mr. FESS. That is the only question I had in mind.

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

Mr. BLACK obtained the floor.

PENSIONS AND INCREASE OF PENSIONS

The PRESIDING OFFICER (Mr. HATFIELD in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 7960) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and to certain widows and dependent children of soldiers and sailors of said war, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBINSON of Indiana. 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 Presiding Officer appointed Mr. ROBINSON of Indiana, Mr. NORBECK, Mr. SCHALL, Mr. WHEELER, and Mr. BRATTON conferees on the part of the Senate.

MEMORIAL TO WILLIAM JENNINGS BRYAN

Mr. FESS. Mr. President, if the Senator from Alabama will yield, from the Committee on the Library I report favorably Senate Joint Resolution 127, authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial to William Jennings Bryan. I call it to the attention of the junior Senator from Nebraska [Mr. HOWELL].

Mr. HOWELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. BLACK. I yield just for a request, not for a speech at this time.

Mr. HOWELL. I ask unanimous consent for the immediate consideration of the joint resolution just reported by the Senator from Ohio.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. My attention was otherwise occupied for the moment. What is the measure?

The PRESIDING OFFICER. It is a joint resolution introduced by the junior Senator from Nebraska providing for the erection of a memorial to William Jennings Bryan in the city of Washington.

Mr. McNARY. Personally, I have no objection; but the distinguished senior Senator from Nebraska [Mr. NORRIS] expressed the hope that no legislation would be taken up until we had a final vote on the Muscle Shoals measure. If one exception is made, there will be many other requests. Indeed, I know of a number of Senators who want matters on the calendar taken up, if the Senator from Nebraska permits anything else to be considered.

Mr. NORRIS. Mr. President, my attention was diverted. I did not know what was being suggested.

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

Mr. NORRIS. I do not think we ought to lay aside the unfinished business every few minutes, if anyone is ready to speak upon it.

Mr. FESS. I had just reported a joint resolution from the Committee on the Library.

Mr. NORRIS. I have no objection to yielding to some Senator to make a report, or something of that kind. The difficulty is that if we take up one bill some other Senator will have another one, and the first thing we know we will have a debate on something besides the unfinished business. I do not want to be discourteous to anybody. I am not opposed to the joint resolution introduced by my colleague; of course, I am in favor of it. It is just what I would like to have done, and perhaps this evening, if we come to a time when no one is ready to speak on the unfinished business, just before adjournment, we may be able to take the joint resolution up; but I do not think we ought to take it up now. Let us go on with the regular order.

Mr. HOWELL. Very well, Mr. President.

EXECUTIVE MESSAGES

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

ADDRESS BY HON. FRANK B. KELLOGG ON WORLD PEACE

Mr. GILLETT. Mr. President, I ask leave to have published in the RECORD an address delivered by Hon. Frank B. Kellogg before the League of Political Education, in the Town Hall, New York City, March 28, 1930, on the subject of "The United States and the Outlook for World Peace."

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

I have been invited to speak on the subject of "The United States and the Outlook for World Peace." I am willing and anxious to be a member of that great army of earnest men and women who are to-day working all over the world to eliminate the horrors of war. So far as the antiwar pact is the fruit of that world-wide demand, I can probably say nothing new. The story of the pact is told in the correspondence leading to its consumation, and over and over again by statesmen, publicists, and the press; but the story of this world evolutionary movement for peace can not be told too often. It should be told to your children in the home and in the schools, in the churches, in peace societies, civic organizations, and in the press.

World revolution of this magnitude will not be accomplished by a single stroke of the pen, however universal and important the act may be. It will be accomplished when the conscience of mankind is stirred and public opinion revolts against war. It was in this spirit that the peace pact was born. It must be with this spirit that the movement is carried on to fruition. There have been movements for peace before. There have been organizations, conferences, and treaties to maintain peace and ameliorate the horrors of war. But never before has there been a world-wide, almost universal demand for the abolition of war. What is the cause of this great tidal wave of public opinion? Does it presage the advancement of civilization, the stirring of the moral forces of mankind, and the dawn of peace? Abuses of power always bring movements for human liberty. The world has been shocked and awakened by the appalling catastrophe of the last great conflict.

Writing near the beginning of the nineteenth century, De Segur, a French historian and one of Napoleon's generals, said:

"Universal peace is the dream of the wise. War is the history of mankind."

Undoubtedly at that time and for nearly a century afterwards this was the general concept of the place of war in national life. War heroes and international conflicts formed the chief topic of historians in the life of nations. If one looks back for more than 2,000 years before the last great conflict, the student of history will conclude that the cynical remark of De Segur was justified. But notwithstanding this, with the advancement of modern civilization, the spread of knowledge and the influence of religion, there has been a movement, gradual but powerful, toward the abolition of war. It is not difficult to see what, during the last 10 years, has given such an impetus to the movement. It was not alone the spread of ideals of higher education or the work of the idealist or dreamer. It was a practical demonstration to the world of the result of the most appalling war which ever afflicted mankind.

On that fateful day of June, 1914, Archduke Ferdinand, heir to the throne of Austria, was murdered in the streets of Serajevo, Bosnia, then under the Government of Austria. It was a brutal crime, for which the perpetrators should have been and were punished under the laws of the country. But can anyone say that to plunge all Europe—yes, most of the world—into war was a justifiable punishment? Nine million innocent men gave their lives upon the field of battle. Millions of widows and orphans suffered intolerable misery, and death left its mark on millions of homes. The destruction and war losses exceeded all the wars combined for more than a hundred years. This picture need not be drawn again. It is indelibly stamped upon the memory of every man and woman who went through this dark period, and has been bequeathed to the generations following.

The murder of the archduke was not the real cause of the war. It was the spark which touched off the powder magazine of Europe—a Europe already prepared for war. The cause of the war lies much deeper. The practice of centuries which considered war as the only remedy, the age-long belief that it was the legitimate instrument of national policy, excessive armament fears, national jealousies, racial hatreds, and economic rivalry were among its causes. Europe had been preparing for it for many years. Many thoughtful men foresaw the

storm, but to the great mass of peace-loving people it came like a thunderbolt from a clear sky, and they were powerless to prevent it or to exercise any reasonable restraint. They were rushed into a war which they did not desire and the cause of which few understood. This momentous decision was made by a few men in governments assuming to speak for millions of people whose sentiments they did not represent. To be sure, they exercised the power common in the old régime whereby the declaration of war was the prerogative of government officials and in the decision of which the people had no voice.

It was the recollection of these events and the horrors of this awful calamity which awakened the spirit of nations. Ten years have not dimmed the memory of these events. When one realizes the development, even since the close of that war, in scientific discoveries, in improvements in the machinery of destruction, in poisoned gas, in aviation, and in naval and war armaments, one can scarcely apprehend the results of another world war. When people say that war has and will always exist in the life of nations they forget that the war of to-day is not that of a half century and centuries ago. Cruel and barbaric as those wars were, they were nothing to the destruction of the whole lands, cities, and peoples in the last war, and there came a time when men and women inquired: Is there no remedy for this? Is there no other means of settling international disputes than the awful arbitrament of arms? Is the twentieth-century civilization to survive or is it to disappear like many of the forgotten civilizations?

To say that because war has always existed it must continue is to acknowledge the impotency of peoples to advance in the scale of civilization. The examples of all history contradict this. The development of individual liberty and benevolent governments, the abolition of slavery, the spread of Christianity and education, the advancement of the arts and sciences, the improvement in conditions of living and of industry all point to a continual progress, and why not progress in the abolition of war?

Much has been accomplished in the last 10 years by conferences and treaties between nations. The Washington conference entered into the 4-power treaty whereby the United States, the British Empire, France, and Japan agreed to respect their rights and relations to their insular possessions, and insular dominions in the region of the Pacific, and agreed that if there should develop a controversy arising out of these questions they should invite the other parties to a conference to which should be referred the subject for consideration and adjustment.

The League of Nations was created with a view to prevent conflicts between all nations; the Locarno treaties to guarantee the peace of Central Europe and for the adjustment of any questions which might threaten war in that region. That their object was the high purpose of maintaining peace, and that they have to a great extent been effective, must be admitted by all candid minds. That they are not perfect and may not accomplish everything desired is not an argument that they do not constitute important steps toward the goal of peace. No great reform was ever accomplished in a day or by a single act, but step by step in earnest and thoughtful progress.

It was in the atmosphere of the world's longing for peace and as a further step in its accomplishment that the treaty of Paris was born. It was the expression of the hope of millions of people. It came from the memory of desolated battle fields, from ruined homes, and broken men—memories which have stirred the great beating heart of humanity. Is it any wonder that there should be a world-wide protest against the horrors of war? As we look back over the titanic struggle and view its sacrifice of millions of men, the devastated nations and appalling losses, the misery and the crime which followed in its wake, is it any wonder that the peoples of the world are now insisting that there should be guaranties against the recurrence of such calamities?

As we look back over the ages we find that war has been the acknowledged instrument of national policy. It has been legalized by international law. What was needed in my opinion as a step in human progress was a solemn declaration, a binding agreement backed by the sentiment of the peoples of the world outlawing war, and, instead of recognizing its legality, making it a crime against the law of nations, a treaty so simple and unconditional that the people of all nations could understand it, a declaration which could be a rallying point for world sentiment, a foundation on which to build a world peace. It was for this reason that the authors of the treaty believed that the psychological effect of a multilateral treaty would be greater than 60 bilateral treaties.

When every nation in the world joins in this solemn pledge they will hesitate to go to war and to face the condemnation of all the world. I might say in passing that the treaty has been signed, adhered to, and ratified by their congresses and parliaments by 58 nations. Does anyone believe that this treaty would have been made had there not been an overwhelming sentiment and demand for it?

Already there are those who wish to weaken it and those who wish to strengthen it. We make no claim to perfection. All of the steps which have been taken to prevent war, to improve the condition of the world are of course subject to the errors of judgment and the frailties of humanity. In the last few months I have seen many suggestions from the advocates of perfection for changing and improving the treaty and providing some means for enforcement. I do not say that this treaty will immediately accomplish all that peoples have been struggling for throughout the ages, but I do say that I would not change one word. I should leave it as an absolute, unconditional pledge of nations and of peoples not to go to war, to renounce it as a national policy, and to settle all disputes by pacific means. No agreement could be more simple, unconditional, and better understood. I would leave it to be impressd upon the minds and the consciences of all the coming generations.

It is said by some that it is nothing but a treaty. How are you going to enforce it? There are only two means of enforcing a treaty. One is by war; the other is by the overpowering strength of public opinion. There is no easy magic way to world peace. It will be accomplished when the men and women of all nations determine that there shall be peace, when those at the head of governments recognize their responsibility for treaty obligations and their responsibility to the people, when nations are trained in the practice of arbitration, judicial settlements, and diplomatic means of adjusting controversies. It is said that this is a species of impracticable idealism, the figment of a dreamer's mind. But all great reforms have their origin in ideals. I know there are many intelligent and high-minded men who believe that the only means of enforcing this treaty is to create some supertribunal to decide when a nation has violated it and to punish the offender or enforce the treaty by arms. I do not believe that this is possible of accomplishment. Who is going to decide these questions and who is going to apply the force for punishment?

It was evident that to try to negotiate a treaty to meet all these doubts and solve all these problems would be a hopeless task. Not only would it have been impossible to negotiate a treaty with all of the nations of the world containing such conditions and provisions for sanctions but I doubt very much the efficacy of any such treaty. I believe that in the 10 years of the life of the League of Nations it has accomplished very much in the cause of peace, but its accomplishments have been through consultation and conciliation. Its influence has been by moral suasion rather than by force. In no instance has war been prevented by the force of arms.

It is a significant fact that the council and assembly of the League of Nations are now taking steps to bring the league covenant into harmony with the antiwar pact, thereby pledging the members of the league unconditionally against war. At the September meeting the British Government offered a resolution to carry out this purpose. In presenting this resolution the British Secretary of State for Foreign Affairs, speaking of the covenant, said:

"It went very far toward restricting the right of each state to resort to private war, but it did not go all the way. It left certain cases, notably under articles 12 and 15, where the right of private war in certain circumstances continued."

This proposition was discussed very generally at the assembly meeting in September, 1929. The position was supported by Great Britain, France, and by the representatives of a large number of other countries, members of the league. A resolution was adopted requesting the council to appoint a committee of 11 to draft amendments to the covenant of the league necessary to bring it into harmony with the pact of Paris. This resolution, among other things, declares:

"That it is desirable that the terms of the covenant of the league should not accord any longer to members of the league a right to have recourse to war in cases in which that right has been renounced by the provisions of the pact of Paris referred to above."

This committee met on February 20 at Geneva and unanimously reported amendments to the preamble and to articles 12, 13, and 15 of the covenant, pledging members of the league to settle all differences by pacific means and agreeing, in no case, to resort to war for the solution of their disputes.

The importance of this change in the league covenant can not be overemphasized. It brings the league covenant in harmony with the unconditional agreement not to go to war contained in the pact of Paris.

I am a great believer in conferences, diplomatic intervention, conciliation, arbitration, and judicial settlement of disputes. It has been said by some that this treaty should contain some such provisions. The objection to this is that all nations could not agree on the same provisions for settlement of disputes and advancing peace, but they could agree to outlaw war. Furthermore we have such treaties and new treaties are being made advancing the progress of conciliation and arbitration. Why change this treaty or encumber it with any such provisions? I would not amend this treaty with any conditions that envisage or contemplate war or in any way weaken the unconditional pledge of nations. All that can be accomplished by conciliation, arbitration, and diplomatic means of settlement of disputes can be provided by other treaties, as has been done to a very great extent. It is not necessary that this treaty should contain provisions for consultation in the event of threatened hostility. Such consultation is inherent in the treaty. Any of the signatory powers may call the attention of belligerents to the provisions of this treaty and urge its maintenance unimpaired, as was done in the late threatened conflict between Russia and China.

I know that some of the press and public men criticized our Secretary of State for joining with other nations in diplomatically calling the

attention of Russia and China to the provisions of this treaty. It was said by some that it was an unfriendly act and none of our business. Where all nations have joined in a treaty not to go to war but to settle their disputes by pacific means, why isn't it the business of any signatory of such a treaty to use its influence to adjust the difficulties and prevent a war?

It was certainly the business of the United States to do everything it could to prevent the violation of a treaty which it and the other nations had signed. I am convinced that these criticisms of the action of our Government arose from the long-established theory that war between two nations is their own private affair and that any intervention, by diplomacy or otherwise, is an unneutral act. The time is past when war is of interest only to the belligerents—it is now of interest to all the world. Under international practice and as recognized by The Hague Convention such intervention is not only proper but the duty of every signatory of this treaty. This was provided for by the first Hague conference in 1899. A treaty was entered into to which many of the nations were parties, including Russia and China, providing as follows:

ARTICLE III

"Independently of this recourse, the signatory powers recommend that one or more powers, strangers to the dispute, should, on their own initiative, and as far as circumstances may allow, offer their good offices or mediation to the states at variance.

"Powers, strangers to the dispute, have the right to offer good offices or mediation, even during the course of hostilities.

"The exercise of this right can never be regarded by one or the other of the parties in conflict as an unfriendly act."

A like provision is contained in the Second Hague Convention.

Of course, some people immediately seized upon the reply of Russia to show that the treaty had no effect. But Russia has not yet gone to war, and I believe that the treaty solemnly entered into by Russia and China has had a great restraining influence. I am convinced that it has also had such influence in the threatened conflict between Bolivia and Paraguay, and its influence will grow with time. It certainly is the duty of any of the signatories of this multilateral world treaty to use every legitimate influence to maintain its integrity and to prevent conflicts in violation of it. I do not mean by what I have said that the making of this treaty between all the nations is the end or should be the end of all effort to maintain world peace.

I am constantly being asked what I would suggest to implement the treaty and advance the cause of peace. My answer has always been: Educate the public mind in the principles of peace; increase by treaties and practice conciliation, arbitration, and judicial settlement of international disputes.

Impress upon the people of the world the importance of making their voice heard in the counsels of nations. This should be done in the schools, colleges, and universities, in the churches, in peace societies, and in all civic and commercial organizations. For if the treaty is to be kept as the solemn pledge of nations, it must be backed by public opinion, and public opinion to-day in the governments of the world is more potent than ever before. Such education is not in the least inconsistent with one's patriotic duty to his country. I am not an internationalist who believes in discouraging the highest sentiments of devotion to public duty and national patriotism. There is no nobler sacrifice than to give one's life for his country and there is no higher duty than to prevent the necessity of such a sacrifice. Our history is rich in heroic deeds for the preservation of human liberty; but is there any greater obligation of citizens, of peoples, and nations than to eliminate war as the means of obtaining and preserving human liberty and the advancement of civilization? There are certainly other means of adjusting international disputes. Great progress has been made along these lines since the war and further progress can and, I believe, will be made. I mean the adjustment of disputes through diplomatic means, through conciliation and arbitration and judicial settlements. To a very great extent the machinery for these international activities has been created by treaties, but I am convinced that this work should go on not only in impressing upon governments the importance of such means of adjustment, but from time to time improving and strengthening the machinery.

Before discussing the treaties which have been made for arbitration and conciliation, let me suggest that there seems to be some confusion in the public mind as to the proper function of a treaty for arbitration and judicial settlement and one providing machinery for conciliation.

Arbitration or judicial settlement can only apply to juridical questions—that is, questions capable of being decided by a tribunal on principles of established law, such as the construction of treaties or claims arising under well-established principles of international law. But while these questions often endanger the peace of states, they are not the only questions which have in the past been the cause of war, and it is my opinion that they are less liable to cause war than political or other causes. Such controversies can only be adjusted by diplomatic intervention or conciliation tribunals, and it is in this field that the advocates of world peace can accomplish most through educational policies.

Great progress has been made in arbitration and conciliation treaties in the last 10 years. The United States has in the past had many bilateral treaties of arbitration and treaties for conciliation. Time does not permit me to discuss these in detail. At a conference called by the last Pan American Union, and held in Washington in December, 1928, and January, 1929, all the Pan American States except Argentina entered into a multilateral compulsory-arbitration treaty for the adjustment of all juridical questions and a multilateral conciliation treaty, both of which were in advance of any other treaties ever made by the United States. These treaties have not yet been ratified by all the Governments, but I have confidence that they will be. The United States Senate has ratified the conciliation treaty, but has not yet ratified the arbitration treaty. When these treaties are ratified, appropriate tribunals will have been established for arbitration and to start the process of mediation and conciliation. I am convinced that all of the nations of the Western Hemisphere are profoundly impressed with the importance of these treaties. In Europe and the Far East the United States and other countries have made many bilateral arbitration treaties and conciliation treaties and there is a project now pending before the League of Nations for general arbitration, judicial settlement and conciliation. The league itself was constituted mainly for the purpose of providing for conciliation and in that field its activities have been most beneficial.

WORLD COURT

Another very important step has been taken in furtherance of the process of judicial settlement of international disputes. I refer to the creation of the World Court. I can add little to what has been said by Messrs. Root and Hughes in discussing this question. Both have been Secretaries of State and have had great experience in the adjustment of international controversies by diplomatic negotiation and by arbitration. Mr. Root was one of the framers of the World Court statute. Mr. Hughes has been one of the eminent judges of that court. The United States has for many years been an advocate of the establishment of such a tribunal. The nearest approach to it was made at The Hague conference when The Hague tribunal was established. But that was little more than creating a permanent panel from which arbitrators could be drawn, if nations so desired, for the establishment of arbitration tribunals. The advantages of a permanent tribunal with judges elected for a definite term of years and selected as they have been from eminent lawyers of various nations over the ordinary arbitration tribunal is manifest. People all over the world have more confidence in such a court made up of distinguished judges who realize the responsibilities of their position and the judicial attitude which always goes with a court. It is less liable to be affected by political considerations than is the ordinary arbitration tribunal. Arbitration is cumbersome, expensive, and the creation of the arbitration court is very difficult. The usual practice is for each nation to select one or two members and the arbitrator or third or fifth member is selected by some foreign country. It has been my experience that political considerations are much more liable to enter into the construction of such a court. The United States has as much to gain by the establishment of such a court as any country in the world. Under our system of jurisprudence the people are familiar with the adjudication of questions by such a tribunal.

There seems to be some misunderstanding of the functions of the World Court. In some quarters it is evidently feared that the court may pass on political questions and domestic questions which are exclusively within the jurisdiction of any sovereign state. If one will take pains to read the statute carefully, it will be seen that no such questions can possibly be submitted to the court without the agreement of the parties. Article 36 of the statute provides:

"The jurisdiction of the court comprises all cases which the parties refer to it and all matters specially provided for in treaties and conventions in force."

There is also a provision of the statute which permits nations to sign the so-called optional clause by which they declare "as compulsory ipso facto and without special agreement, in relation to any other member or state accepting the same obligation, the jurisdiction in all or any of the classes of legal disputes concerning—

"(a) The interpretation of a treaty;

"(b) Any question of international law;

"(c) The existence of any fact which, if established, would constitute a breach of an international obligation;

"(d) The nature or extent of the reparation to be made for the breach of an international obligation."

It will thus be seen that the court has no jurisdiction of political or domestic questions and that even if the United States should sign the compulsory clause, which it has not done, it only applies to purely juridical questions, that is, questions arising under a treaty or under well-settled principles of international law. We have signed such a treaty with the South American countries and signed bilateral treaties with many countries for arbitration of such questions.

The common argument is made against the World Court that it is a league court, thereby implying some control over the court or connection with the league which would be objectionable to the American people. Let us examine this subject. The league did not originate the idea,

formulate the statute, or adopt it. It is true that article 14 of the league covenant provided as follows:

"The council shall formulate and submit to the members of the league for adoption plans for the establishment of a Permanent Court of International Justice."

The idea of establishing a world court did not originate with the framers of the covenant. It had been discussed by statesmen and in conferences for many years. Two American Secretaries of State had instructed the American delegates at The Hague conferences in 1899 and 1907 to try to obtain the establishment of such a tribunal.

Pursuant to article 14 of the covenant, the council appointed a committee of jurists to draft a statute of the Court of International Justice. Mr. Elihu Root was a member of that committee. The principal obstacle which prevented the establishment of a world tribunal of this nature was some plan for the election of the judges that would satisfy the large nations and the small ones. No such plan had ever been devised until the meeting of the committee appointed by the council. I understand Mr. Root proposed the present system for the election of judges. It must be remembered also that the judges must first be nominated or proposed by the representatives of each country in the permanent court of arbitration known as The Hague tribunal, and those representatives are appointed by the separate states. The United States has four members of The Hague tribunal, appointed by this Government. In the election of Mr. Hughes, for instance, the members of The Hague tribunal from the United States proposed his name, and he was elected by the council and the assembly of the league, as all other judges are elected. Each must receive a majority vote of the council and of the assembly acting separately where all the nations' members of the league are represented. So far as I can recollect, no objection was made by the Senate to this system of electing judges, and the only reservation made was that the United States should have a vote equal with the other countries, both in the council and assembly, in such election, and the only commitments the United States makes in joining the World Court is to pay its share of the expenses of the court, amounting to about $38,000. The statute of the World Court was not adopted by the League of Nations; it was adopted by each separate country, whether a member of the league or not, the same as any treaty is made.

Another argument that I have heard is that the court will apply "league law." I do not exactly know what is meant by this, but every lawyer knows that the League of Nations does not and can not create international law. I can not see any danger whatever of the League of Nations having any influence in the court in the future any more than it has in the past, and I do not believe any fair-minded man familiar with the history of the court can claim that it has been subject to any improper influence, but, on the contrary, has maintained the high traditions of a great court. Why should the United States be afraid of associating itself with a court thus created? The court can not pass on political or domestic questions, can not pass on any question but a purely judicial one, and with the consent of the United States. Certainly the United States has had much more intimate association with the League of Nations activities than would it have by joining the World Court, a purely judicial tribunal.

Ever since the creation of the league the United States has sent delegates to very many conferences called by the league to consider a large number of subjects in which the United States was equally interested with other states. These conferences have considered a variety of subjects, such as disarmament, control of traffic in opium, control of traffic in arms, special commission on arms manufacture, international economic conference, conference on abolition of import and export prohibitions, restrictions on counterfeiting of currency, and to formulate proposals for the codification of international law. To 22 conferences the United States has sent regular delegates, and as to many of them Congress has appropriated the money to bear the expenses without objection. Besides this we have sent unofficial delegates in advisory capacity to 20 more conferences. This practice is necessary. Most of the nations of the world belong to the league, and the league's activities are to consider through conferences many of these most important subjects. Either the United States must attend where it has an interest or be left entirely outside with no means of protecting the interests of its citizens, and in many of these conferences, I am sure, the American delegates have had great influence.

One hears the common expression that the World Court is a "back door for entry into the league." I can not see how there is the slightest ground for such statement. Joining the World Court certainly is not as intimate a connection with the league as the numerous conferences which the United States has attended. In fact, I can not see any connection with the league, but out of extra precaution the Senate adopted the reservation providing that:

"Such adherence shall not be taken to involve any legal relation on the part of the United States to the League of Nations, or the assumption of any obligations by the United States under the treaty of Versailles."

This provision of the reservation was readily accepted by all the other countries.

I think one of the great objections to the court by some is its authority and practice of delivering advisory opinions. There is, I think, much misunderstanding on this subject. The advisory opinions of the court can only be given upon legal questions and by the consent of the parties. The Root protocol clearly protects the United States against the court giving an advisory opinion on any question in which the United States has or claims an interest without its consent.

While it is true that in this country advisory opinions are not generally authorized, however, 13 States have adopted the uniform declaratory judgments act. Moreover, the idea of jurists in foreign countries is different from the idea of jurists in our country. I can not see how the possession of power to give an advisory opinion, if the court sees fit, can be prejudicial to the United States. If anyone will read with care the 16 advisory opinions delivered by the court, he will see that the result has been the pacific settlement of disputes, many of them difficult of solution and liable to produce armed conflict between nations.

If the United States wishes for the creation of an international court, there is no other way than to join the one now existing and which has been functioning for years. It can not be expected that all the rest of the world will subordinate its views to a new creation simply to obtain the adhesion of the United States.

DISARMAMENT

One of the most important steps in the maintenance of world peace is the reduction and limitation of armament, both land and naval. This was recognized by all of the allied countries at the close of the war, for in framing the league one of the important articles provided that "the members of the league recognize that the maintenance of peace requires the reduction of national armament to the lowest point consistent with national defense," and provision was made formulating plans for such reduction. The preliminary conferences called by the league have been working on this subject for the last five years. I am satisfied that the United States has always been in favor of reduction and limitation of naval armament. I know that the President and our distinguished delegation in London have worked and are working earnestly for this purpose. I realize when we take into account the age-long prejudices and reliance on armament it is not an easy task, but I see no harm in stating certain general principles.

That competition in building armament is one of the causes of war will be admitted by everybody. It is unnecessary to point to many examples, and especially to the competition of armament in Europe just before the great conflict. If, notwithstanding the declaration of the nations made many times since the war for a reduction in armament, notwithstanding the nations of the world signed a treaty outlawing war, notwithstanding the many treaties like the League of Nations, Locarno, and 4-power treaties, notwithstanding the advancement in arbitration and conciliation, the principal naval and military powers continue to increase armament, the effect on the world is bound to be disastrous. The burden of such armaments to-day is enormous, and every individual citizen in every country will be the poorer. Frequently we see the charge made in the press that in spite of the protests of peace the big naval and military powers are constantly increasing armament.

I know that the people of this country are hopeful for the success of the London Conference, but I believe it would be unfortunate if there should be a general increase in the aggregate armaments of the world instead of a decrease. Increase of armaments of the big naval powers will not meet the situation. It will not convince the world of our intention to keep peace; it will not meet the frequent pledges of nations since the World War to reduce armament; it will not prevent competitive building; it will go far to maintain the whole system of balance of power, of military alliance, and of maintenance of peace by increasing armament. In the reduction of armament there is perfect safety. No one or two nations are going to be able to dominate the world. The control of the seas by one power is now an impossible dream. The security of the world can only be obtained by mutual consideration, confidence, and the advance of pacific settlement of disputes. The five powers represented in London were allies in the last war. They have a greater naval armament to-day than they had at the time of the Geneva Conference in 1927 and their fleets are more effective than at any time since the close of the war. During the last 10 years of profound peace their armaments have been adequate for defense.

What has occurred in that time to require additional building? Is there any more danger to-day than there was immediately after the Great War? It should, however, be understood that whatever reduction is agreed on in London the United States will have to retain a very considerable building program if it maintains parity with Great Britain.

If a 5-power treaty can not be made, then I hope they may enter into a 3-power treaty on the basis of the tentative understanding between Great Britain and the United States with a reduction of battleships between now and 1936. This would be a step in the right direction and would manifestly save the United States several hundred million dollars over what we would otherwise spend under the present building program and would save Great Britain and Japan corresponding amounts.

When asked why these enormous programs of building are necessary we are told to furnish "adequate defense." We might ask, Defense against whom? Outside of the five powers represented there are very small naval armaments in the world. Are they building against each other? If this is true there is little hope for permanent peace. Adequate defense is the Shibboleth of every big navy and army advocate in the world. What do they mean by naval needs when Great Britain, the United States, and Japan have greater naval forces than all the rest of the world put together. Naval needs are apparently measured by fears, suspicions, and national pride. Is there greater security for any of the five powers by increasing its navy when all the others make like increases? As a matter of fact the greatest security would be to reduce the navies to a point which would make aggression impossible. In closing, I wish to answer the question: What is the outlook for peace? In my judgment it is better than ever before in the history of the world. We are now passing through one of the few periods when all the world is at peace. We have seen the appalling effect of a World War. Since that time great strides have been made in the interests of peace. The conscience of the world has been stirred. Men and women no longer look upon war as a necessity in national life. The advocates of peace have every reason to be encouraged but should not relax their efforts.

As long as the people of the world continue to believe that war must be prevented and armaments reduced, conferences will continue to occur. The fact that the London Conference is a present-day event must not give it a disproportionate place in our imaginations. Previous conferences—Versailles, Washington, Geneva, and others—each of these marked advance in the general movement. They have encouraged the current of thought of which the logical outcome is the present state of international opinion. They have prepared the way for this and further conferences to extend the subject and ultimately to reach greater results.

We should not be discouraged if this conference does not accomplish everything which the advocates of disarmament wish. No evil which is as old as civilization itself can be eliminated in 1 year or 10 years. This conference will mark a measure of achievement and will point the way along the road to greater achievement which lies before us.

PROHIBITION ENFORCEMENT

Mr. BROOKHART. Mr. President, on yesterday I gave notice that I would to-day discuss the charts placed on the Senate walls by the Association Against Prohibition. The managers in charge of the Muscle Shoals resolution, however, have indicated that they prefer that we shall proceed with that measure until it is disposed of before we take up another subject, and therefore I give notice that I shall address the Senate to-morrow.

MUSCLE SHOALS

The Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (S. J. Res. 49) to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals, in the State of Alabama, and for other purposes.

Mr. HEFLIN. Mr. President, I am very anxious to dispose of this bill to-day if it is possible. I am sorry that all Senators were not here to hear the very able speech of the senior Senator from Nebraska [Mr. NORRIS] on yesterday and again on to-day.

The Senator from Nebraska has told the country truly that one of the great problems Congress now has before it is the conservation of the water power of the Nation, the circumvention of the Power Trust people in their efforts to gobble up all the powers sites in all the States of the Union.

A few years ago in my State a distinguished citizen saw the Tennessee River at its best. The flood was on, and he said, "There is a giant in that river. Some day he will be harnessed and put to work for the human family."

Mr. President, that prophecy has come true. This giant has been harnessed, in part, at Muscle Shoals, where the Government has spent many millions of dollars. The purpose of erecting this dam at Muscle Shoals was to make nitrate for the Government in time of war and fertilizer for the farmers in time of peace. I have sought for 10 years in the Senate to hold legislation true to that purpose. I have helped to pass two bills through the Senate for the operation of Muscle Shoals. I have seen one of them fail in the House, and the other one failed because of a pocket veto of the President.

After the Ford offer was withdrawn, I supported the Cyanamid bid, not in the form submitted, but I suggested that with certain amendments I would support it in preference to Government operation. I would do that to-day with any responsible concern in the country. I am opposed to Government operation in anything where private enterprise and industry can be found that will carry on the business.

Mr. President, in Alabama those of us close to this proposition have watched two great forces struggling seeking to prevent the disposition of Muscle Shoals. Those two forces are the Power Trust and the Fertilizer Trust. The Power Trust does not want Muscle Shoals operated by the Government or by any private enterprise which it can not control. It does not want the country to know how cheaply hydroelectric power can be produced. That is the main reason for its opposition.

The Fertilizer Trust does not want fertilizer made at Muscle Shoals; it does not want the farmer to know how cheaply fertilizer can be produced, and that accounts for its opposition.

These forces have secretly and otherwise manipulated this proposition in the Congress and elsewhere. They have carried on their propaganda through the newspapers and they have succeeded in preventing anything being done.

Mr. President, I have said before in the Senate that it is a reflection upon Congress that we can not dispose of Muscle Shoals, put it to work, and get some good out of it.

There are five units, I believe, in the big dam constructed at Muscle Shoals. Four of them are idle. Some sixty or seventy-five thousand horsepower is going to waste every day. Senators, it is a crying shame; I repeat, it is a reflection upon the Senate and the House, upon the whole Government, that we have not disposed of this power, that we are not utilizing this power.

Mr. President, whatever disposition is made of Muscle Shoals I want to see a provision incorporated in the measure that will require the use of all primary power at Muscle Shoals for the purpose of producing fixed nitrogen. The Ford proposal laid down the yardstick by which we have measured the matter. It required that 40,000 tons of fixed nitrogen should be manufactured annually. I want at least that much produced at Muscle Shoals. I have an amendment relating to that matter which I intend to offer to the joint resolution. I ask at this point that the amendment may be read at the desk.

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

The LEGISLATIVE CLERK. On page 12, line 16, strike out the period and insert in lieu thereof a colon and the following:

Provided, That for the period of 10 years after the enactment of this joint resolution the board is authorized to furnish, free of charge, to any corporation or individual designated by the Secretary of Agriculture and the Federal Farm Board, acting jointly, an amount of power sufficient to produce annually 40,000 tons of fixed nitrogen; and after the expiration of such 10-year period to furnish power to such corporation or individual upon the payment of such reasonable charges therefor as may be fixed by the Secretary of Agriculture and the Federal Farm Board: *Provided further,* That any fertilizer, either mixed or unmixed, produced with the use of such power, shall be sold by such corporation or individual at reasonable rates to be fixed by the Secretary of Agriculture.

Mr. HEFLIN. Mr. President, this amendment goes to the very meat of the issue presented by the enabling act of 1916. One of the main things in the proposal was to make cheap fertilizer for the farmer in time of peace and to make nitrates for the Government in time of war. If my amendment is adopted, it will be made certain that 40,000 tons of fixed nitrogen will be manufactured annually at Muscle Shoals. It will be observed that my amendment does not provide that the power for that purpose shall come alone from the surplus power. I would, if necessary, utilize all of the power at Muscle Shoals to make fertilizer for the farmer.

God knows the farmer needs relief along this line. He is now held firm and fast in the grip of the Fertilizer Trust of the country. Whenever the Fertilizer Trust desires to increase the price of fertilizer, all it has to do is to have a meeting of the bosses, as they did last year I believe about cotton-planting time, when they increased the price of fertilizer $5 a ton in a day. At that very time the price of cotton produced by the use of fertilizer was going down. Nobody helped the farmer to increase the price of his cotton, but all the trust had to do to increase the price of fertilizer was to will that the price should be increased and the price was increased. I hope the Senator from Nebraska will help us incorporate the amendment in his joint resolution. I am not seeking to dispose of the other power. My colleague has an amendment touching on that subject, and I believe the Senator from Nebraska himself has some provision relating to it.

Mr. President, I was glad to hear the Senator from Nebraska speak about the Cove Creek Dam. That dam must be built. It belongs in the project at Muscle Shoals. It is a wonderful power site. I do not know of any reservoir in the country like that which will be established when the Cove Creek Dam has been built.

I agree with a good deal that the Senator from Nebraska [Mr. NORRIS] said about the Power Trust and about its various operations in the various avenues of business and of life. We have a concrete case in Illinois where Insull, the great hydroelectric power king, after he had reached out into every nook and

corner of Illinois and established himself as a mighty power giant, he then reached out and got control of the public-utilities commission. The Senator from Nebraska will recall that Frank L. Smith was elected to the Senate of the United States by the power of the purse of Mr. Insull. I think Insull gave him to spend in his campaign $745,000, if I remember correctly. He bought himself a seat in this body; but, be it said to the credit of the Members of this body, we refused to let him occupy that seat. I take pride in the fact that I had a hand in it. I shall always point with pride to my service in that regard in putting him out of this Chamber and in refusing to allow him to occupy the seat here which he purchased like one would buy a seat on the stock exchange.

Insull made his millions out of the power monopoly and when he had made his millions he did not want to have any competition with anyone. He wanted to fix prices that suited his greed, so he had things so arranged that he might have the chairman of a public-utilities commission at his service. After Insull had contributed his hundreds of thousands of dollars to the campaign of Frank L. Smith, then Frank L. Smith, as chairman of the public-utilities commission, made a ruling which allowed Insull to increase the price of hydroelectric power and thus paid him back two or three million dollars. He not only got back the amount which he had given to Smith, but he got back three or four times that amount.

The Power Trust is seeking to tie up the power sites in every State in the Union. That is not all they are doing. They are buying newspapers to control public sentiment. They are reaching into every State in the Union. That is another new evil under the sun. They are dabbling in politics. If a man gets into a public position who stands for the right, who still believes that in this free Government a public servant should respond to the wishes and interests of the people, they serve notice on him that if he antagonizes their interests they will support somebody against him and help put him out of office. That is a great evil to-day, and if it continues it will some day be one of the giant evils of the United States of America.

We have a lot of things coming up in these days which are new under the sun. We have the chain newspaper evil, where one man owns half a dozen or a dozen newspapers which are speaking editorially on the same subject in the same language on the same day all over the United States. That is an evil which has to be reckoned with one of these days. Lord Beaverbrook, of England, was over here and made a speech to the American Bar Association. He said one of the greatest evils that England and the world have to-day is the newspaper chain, where one editor, or one management, is directing the material to be used on a certain subject in every nook and corner of the country on the same day.

Mr. President, it is a grave evil. We have it in various States. We have it in Alabama. It is an evil which must be curbed. If I had it in my power I would not permit any one man or concern to own more than one newspaper. That is enough. We need competition in the newspaper business just as we need it in the power business. Let us have independent power concerns. Of course the power interests have developed and grown until we have a power trust. The industry is young. I remember when we had no hydroelectric power in the United States. I remember when all the great rivers now being harnessed and utilized were singing the song of wasted strength as they wound their way to the sea; but now they are being utilized and are being put to work for the people. It is a great blessing, if properly handled; but, Mr. President, those who are handling these great gifts of nature ought not to be permitted to rob the people, to place great burdens upon those to whom as a whole nature has made these great gifts. The people must be protected in their right to have and use this hydroelectric power at a fair and reasonable price.

Mr. President, I had not intended to talk upon the subject at this time but was drawn into it by the development of the discussion. What I have to say concerning certain phases of the joint resolution other than those touched upon to-day I shall discuss at a later time.

Let me refer, however, for a moment to the Cove Creek Dam proposal, which is in the joint resolution of the Senator from Nebraska [Mr. NORRIS], and which is taken from the Cyanamid bid; that is, it was in that bid originally. The Cove Creek Dam provision was put in the Norris resolution in the House when we passed it before and when the measure was vetoed by President Coolidge. I am glad the Senator from Nebraska has the provision in his resolution. That is one of the things that will cause me to help pass his resolution if we fail to get a private bid.

Before I take my seat let me say that I now favor leasing Muscle Shoals to any responsible person who will take charge of it and operate it and bind himself to make 40,000 tons of fixed nitrogen every year as long as he operates it, and that otherwise he shall forfeit the lease. We must do that in order to have fertilizer made at Muscle Shoals. We have got to make it so that the person operating the plant there shall bind himself to produce fertilizer or give up his lease and turn the property back to the Government. I fear that if we fix it in any other way the Fertilizer Trust is going to make it so that it will be unprofitable to make fertilizer at Muscle Shoals, and the lessee would have some excuse for not making it and for not carrying out that provision.

Mr. President, there are some very good features in the joint resolution of the Senator from Nebraska. A good many things have developed in the lobby investigation about those who bid for Muscle Shoals. Of course, the people who want to get Muscle Shoals are not to be blamed for contributing something to help carry on a legitimate propaganda which would enable them in time to convince the Congress and others that they are the proper persons to have it. I am not criticizing them for that. However, there has been more skullduggery in connection with the Muscle Shoals project than any other matter about here recently. There have been more lobbyists in Washington who have lived on this project, who have fed and grown fat out of it, than nearly any other matter I ever heard of since I have been in Congress. There is no doubt that a lot of that kind of thing has been done.

I want to say a word for one man whom I have not seen in three years—and that is Mr. Bell. He was representing the Cyanamid people. I have not believed and I do not believe that Mr. Bell is a crook. I think Mr. Bell is a very high-class man. He impressed me as being that kind of a man. I begged Mr. Bell, when he was here representing the Cyanamid people two or three or four years ago, to name it in the bond and to bind his company in their bid to make 40,000 tons of fixed nitrogen per year; but he said he could not do it. That eliminated his company, so far as I was concerned. I do not propose to let any individual or company have all the power at Muscle Shoals to use for his or its own private gain. I want whoever gets Muscle Shoals—and I want it to be private enterprise, if possible—to use the power in the first place to make fertilizer, 40,000 tons of fixed nitrogen, and then to use the remaining power for the operation of industries. I should like to see a great industrial city developed there; I believe in time we shall see it. That region has as fine a climate as there is on earth; it is a beautiful, picturesque, and romantic region; it is fascinating to anybody of good taste and good judgment. I want to see a great city developed there; I repeat, I expect to see such a city developed there. I want to see private enterprise operate Muscle Shoals, if it is possible, but I, for one, am going to vote to dispose of Muscle Shoals. I do not intend that that property shall remain idle; I do not intend that it shall be a football, kicked around by the Fertilizer Trust and the Power Trust. I want to utilize the forces that are there, the forces that are to-day lying idle. I want to put that machinery to work; I want the power used to bless and benefit the people in that vicinity, and so far as it may reach.

I am glad, Mr. President, that we are approaching a time when we can dispose of Muscle Shoals.

The VICE PRESIDENT. The first reading of the joint resolution will be proceeded with.

Mr. NORRIS. Mr. President, I ask unanimous consent that the formal reading of the joint resolution may be dispensed with, and that it be read for amendment.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The joint resolution will now be read for amendment.

Mr. BLACK. Mr. President, I have an amendment which I desire to offer to the joint resolution, if no other Senator desires to speak on it.

The VICE PRESIDENT. The joint resolution is before the Senate, as in Committee of the Whole, and is open to amendment.

Mr. BLACK. I send my amendment to the desk.

The VICE PRESIDENT. The amendment proposed by the junior Senator from Alabama will be stated.

The CHIEF CLERK. The Senator from Alabama offers the following amendment: On page 13, line 12, before the word "years," to strike out the word "fifteen" and to insert the word "thirty," so as to read:

> For the sale of electricity for a term not exceeding 30 years.

Mr. BLACK. I will explain the amendment very briefly. On page 13 of the joint resolution it is provided that if any State, county, municipality, or other organization shall build its own transmission line the board may enter into a contract with such State, county, municipality, or other organization for the sale of electricity for a term not exceeding 15 years. It happens

that in the section in which I live such franchises are usually granted for a period of 30 years. So far as I know, there have been no contracts made with power companies for so short a term as 15 years. It may be possible that they have been, but the information which comes to me is that the ordinary contract is for a period of 30 years. It would be a great disadvantage to many municipalities to be limited to 15 years in the making of their contracts for power. For that reason I have offered this amendment. I doubt if there will be any opposition to it, but I will ask the Senator from Nebraska [Mr. NORRIS] as to that. As I just stated, I can not imagine there will be any serious opposition to the amendment.

Mr. NORRIS. Will the Senator from Alabama kindly state at what point in the joint resolution he desires to offer his amendment?

Mr. BLACK. It is to come in on page 13, line 12, before the word "years."

The amendment provides for an extension of the contract therein provided for from 15 years to 30 years, which is exceedingly important to the people of my State. For instance, last night I had placed in the RECORD a telegram which I received from the city of Sheffield. Their contract with the Alabama Power Co. is soon to expire. A meeting was held there two nights ago for the purpose of determining whether or not the citizens would recommend to the commission the execution of a new contract with the power company, and those citizens voted overwhelmingly against doing so. The president of the Sheffield-Muscle Shoals Chamber of Commerce is here, and he tells me it is exceedingly important for the city of Sheffield, if possible, to be enabled to make its contract for a period of 30 years instead of 15 years. A contract for a period of 30 years would be in accordance with the usual contract made in that vicinity. Am I to understand that the Senator from Nebraska will accept the amendment, or does he desire to make a statement about it?

Mr. NORRIS. I should like to say a few words about the amendment.

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Nebraska for that purpose?

Mr. BLACK. I yield the floor.

Mr. NORRIS. The amendment proposed by the Senator from Alabama comes in the following proviso of the joint resolution:

Provided, That if any State, county, municipality, or other public or cooperative organization of citizens or farmers, not organized or doing business for profit, but for the purpose of supplying electricity to its own citizens or members, or any two or more of such municipalities or organizations, shall construct or agree to construct a transmission line to Muscle Shoals, the board is hereby authorized and directed to contract, with such State, county, municipality, or other organization, or two or more of them, for the sale of electricity for a term not exceeding 15 years, and in any such case the board shall give to such State, county, municipality, or other organization ample time to fully comply with any local law now in existence or hereafter enacted providing for the necessary legal authority for such State, county, municipality, or other organization to contract with the board for such power.

Mr. President, that language is the same as I originally drew it. I wanted to give to a municipality or any other organization which would agree to build a transmission line to Muscle Shoals a longer contract for power and electric current than would be given to any other organization. I thought when I drew it, 15 years was not long enough. I have always felt that if a municipality or a farm organization or a county would go to the trouble of constructing a transmission line it ought to be given a longer term even than 15 years, but I drew the joint resolution at the time with the idea of meeting opposition that might arise on the ground that privileges were being extended to municipalities which were not extended to private corporations. I wanted to put nothing in it that would endanger the passage of the measure. Personally, I should be glad, if I had my way about it, to put a provision in this or any similar measure that municipalities or farm organizations should be supplied with electricity at as near cost as possible; but, in order to avoid controversy, I used the language which I have read in drafting it.

I can see, Mr. President, how a city or a combination of cities or municipalities or farm organizations might construct a transmission line perhaps 200 miles in length, or even longer, to supply themselves and various organizations. The expenditure of money for that kind of transmission line, if built according to modern standards, would be quite large, and if at the end of the time the right of the municipality to obtain electricity were cut off, it would have a dead property on its hands, whereas a private institution could go into the business if it wanted or could connect up with some other company and use its transmission line. So a municipality ought to have a contract running for a time, comparable, it seems to me, at least to the cost incurred in the construction and operation of its transmission line. Personally the only objection I have to the amendment is that I should like to have the joint resolution passed in as nearly the exact form in which it previously passed as is possible. I think, however, the amendment is fair.

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

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

Mr. NORRIS. I yield.

Mr. McKELLAR. I want to call the Senator's attention to the fact that under this language I am not absolutely sure but that a municipality could contract for a great deal more current than it actually needed for its own citizens. I do not care so much about the time; I do not think that it is very material as between 15 and 30 years; but I am wondering if there ought not to be some provision in this joint resolution other than the next proviso that would put some limitation upon the amount of current for which a city could apply. For instance—it was either suggested to me or I suggested to some one else; I do not remember which—suppose that three little towns right around Muscle Shoals should immediately apply for all the electricity which might be generated?

Mr. NORRIS. They would not get it, and they could not get it under the provisions of the joint resolution.

Mr. McKELLAR. I should like the Senator to point out the language by which they could not get it. I may have misconstrued it.

Mr. NORRIS. I quote from the joint resolution, as follows:

Provided, That if any State, county, municipality, or other public or cooperative organization of citizens or farmers, not organized or doing business for profit, but for the purpose of supplying electricity to its own citizens—

That would apply to a municipality—

or members, or any two or more of such municipalities—

And so forth.

In the first place, I think the board, if it were faced with such a contingency, if such a case possibly should arise, would not make such a contract.

Mr. McKELLAR. Naturally they would not do so if it were in their power to refuse to make such a contract, but the question is, would they have the power to do it, in view of the second proviso to which I call the Senator's attention on page 13?—

And provided further, That any surplus power not so sold as above provided to States, counties, municipalities, or other said organizations, before the board shall sell the same to any person or corporation engaged in the distribution and resale of electricity for profit, it shall require said person or corporation to agree that any resale of such electric power by said person or corporation shall be sold to the ultimate consumer—

Under terms that are fixed by the joint resolution.

I am wondering whether or not, for instance, a municipal corporation under the first proviso would have the right to buy more than it needs and sell the current to a private company?

Mr. NORRIS. I should not think so. Of course, they could sell it to their own citizens, but, to begin with, it would be very difficult if we should undertake to modify that language not to be treading on dangerous ground. I think by so doing we would handicap the board——

Mr. McKELLAR. I can understand that.

Mr. NORRIS. And perhaps deprive it of the right and the privilege that an ordinary concern would have, because if we ever tried to tie the board up it can readily be seen how difficult it might be made for them properly to function. The municipality is going to sell it again; that is true. The municipality may resell it to a broom factory or a machine shop or some industry of that kind, and we would not want in this measure to take that power away from them.

Mr. McKELLAR. No.

Mr. NORRIS. We might put in an amendment here that would handicap the municipality. If we could conceive of a municipality that wanted to be a hog, we will say, and do as the Senator suggests, apply for all the electricity generated, and then sell it out to big corporations for manufacturing purposes or resell and redistribute it for any other purpose—if we could assume that a municipality would do that, or even could do it under the constitution of the State in which it is located, and then conceive also that the board would be so foolish and so negligent and so unfair as to enter into that kind of a contract, then we might reach the conclusion that some provision such as the Senator suggests would be necessary, but I confess I would not know how to draft it and at the same time steer clear of dangerous ground.

Mr. McKELLAR. I think the Senator probably has already drafted it in section 10, which reads as follows:

It is hereby declared to be the policy of the Government to distribute the surplus power generated at Muscle Shoals equitably among the States within transmission distance of Muscle Shoals.

Of course, that ought to be a guaranty that the commission would distribute the power equitably as between municipalities as well as between States, towns, cities, and others using the electricity.

Mr. NORRIS. Yes; I think so.

Mr. McKELLAR. I recall that the Senator not long ago thought that the board having control of Boulder Dam probably had disregarded to some extent the law made in that case; and my purpose in calling the Senator's attention to this language is that we do not want to fall into the same trouble that we got into in the Boulder Dam matter.

Mr. NORRIS. No.

Mr. President, the Senator calls my attention to something which probably ought to be mentioned. In the Boulder Dam bill we thought we had fixed it so that municipalities would have preference; but the Senator will remember that the language we relied on to bring about that construction is not nearly as strong as the language that is put in this joint resolution. I can see how an executive official, disregarding his duty, disregarding common sense in the construction of language, might say, when Congress says "We appropriate money for building a road for automobiles to travel on," that we might have meant that we appropriated the money to build an airplane route from New York to Liverpool. That is an extreme case, of course; but we have to depend upon our executive officials construing the law. In the Boulder Dam case it seems to me the Secretary of the Interior has gone away beyond reason in his construction. Nevertheless, he would have to go much further, as I look at it, under this joint resolution, to perform such a feat, because of the stipulations that are included in several places in this joint resolution, which are of such a nature that a man would be blind and dumb and insane who could not see that he would have to give a preference to municipalities.

I want to say to the Senator from Tennessee, too, that in drafting this joint resolution I had in mind another thing which, to my mind, is extremely important. I presume perhaps in no State in the Union has there been a State law passed that would enable organizations outside of municipalities to avail themselves of this provision. I was anxious to make that possible, and I am yet, not only as an experiment but with a view of bringing the benefits of electricity ultimately into every farm home within transmission distance of the development of electricity anywhere. Therefore, I have provided here that a farm organization or other organizations of citizens outside of municipalities having nothing to do with the power, a State or a county or a municipality, could organize as a corporation and come to this board and ask for electricity, and the board would have authority to give them electricity; and the joint resolution provides that if such a body of men or women come to the board and say, "We want electricity, and we are going to organize, but there is not any law of the State under which we can so organize," they must give them a reasonable time even to get the legislature of the State to act, to pass a law that will enable them legally to contract for this power, for sale to their own members and not for profit.

I wanted to guard, if I could, for the protection of the farming communities within transmission distance of Muscle Shoals, a right that could not be taken away from them, because of the fact that the State of Alabama, the State of Tennessee, or the State of Mississippi had not yet passed laws that permitted this kind of an organization to exist even, because something of that kind is practically new, and it may be that it would require legislation by the States before this plan could be carried out. So I have specifically provided that the board must give them time to get that legislation before they take the electricity away from them and sell it to private individuals.

Mr. BARKLEY. Mr. President——

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

Mr. NORRIS. I do.

Mr. BARKLEY. I desire to ask the Senator about another phase of the measure when he has finished with that.

Mr. NORRIS. I was diverted from the real subject by the interruption of the Senator from Tennessee [Mr. McKELLAR]. I wanted to say something about the amendment of the Senator from Alabama. If the Senator will allow me to do that first, I shall be glad to answer any question I can that he may propound.

I have said that I wanted to be extremely conservative when I drew this measure. I have learned since from the Senator from Alabama that the common practice down there is to have 30-year contracts. Personally, I do not think 30 years is too long where as a condition of getting the contract we require the municipality or the organization to build a transmission line to Muscle Shoals. I am just as anxious to have this provision in here as the Senator from Alabama is. Because it is so apparent that it is a good amendment I feel disposed to say to the Senator from Alabama that as far as I can I will accept it, although I do not want anybody to use that as a precedent in the case of any other amendment.

The Senate must remember, and the Senator from Alabama—who has been a great student of this subject—certainly will not have to have anybody call it to his acute mind that we do not want to run any danger of overdoing this legislation. We do not want to take any chance of going too far in anything in order to give perhaps an unfriendly Executive, who would rather not have it than to have it, a peg upon which to hang a veto message. It seems to me that the work of the lobby committee has created an honest atmosphere in this country, so that certainly no man who might have been opposed to this legislation before, whether he be a President or a Senator or a Member of the House or a common citizen, could oppose it now.

So far as I am concerned, I am willing to accept the amendment.

Mr. GEORGE. Mr. President, I hope the Senator will not accept the amendment; and I desire to call his attention to what will be the result if he does.

Under the Senator's joint resolution, I believe, preference is to be given to municipalities, States, counties, political subdivisions, and so forth, in the distribution of surplus power. Under the Senator's joint resolution there is no limitation, as I read it—and if I am in error about it I wish the Senator to correct me—upon the prices at which municipalities, for instance, shall resell this power to citizens or residents of the municipalities.

Under the joint resolution the municipalities close by this site will put their transmission lines, they will get contracts for 30 years, and the exploitation by those municipalities of cheap power will be heralded far and wide. Not a farmer will get any benefit from this plan, so far as the power is concerned. The municipality will take it. It will use it to build up industry in that municipality. The joint resolution does not place any limitation upon the municipality in the distribution of power to its customers. The price will not be fixed by any regulatory body. It may give preference to industry; and I am going to say frankly to the Senator that municipalities close by this site will give preference to industry within their limits. They will have the power under a 30-year lease; and not a farmer will see the twinkle of an electric light by reason of any of the power generated at this plant unless he comes into the municipality to see it.

I think the Senator's original proposal was quite fair and quite liberal enough. Private concerns, private individuals, partnerships, or corporations were limited in their contracts to 10 years; but if a municipality or a political subdivision of the State or of the county constructed transmission lines, and availed itself of the opportunity to contract for any portion of this power, it was enabled to do so for a period of 15 years; and it seems to me that 15 years is enough.

The Senator will recall that if any private concern, whether individual, copartnership, or corporation, contracts for any of this power, it must do so under a provision in its contract that the price to be paid by the ultimate consumer is to be fixed by the Federal Power Commission or by some regulatory body; but if a municipality puts up its transmission line to the plant at Muscle Shoals under this amendment it may contract for 30 years, and no restriction whatever is placed upon its power in turn to contract with citizens residing within that municipality.

The Senator knows very well that a corporation is a person within the meaning of the law; and what is going to happen, I want to say to the Senator—he does not want to see it happen, of course—what is going to happen if we give these municipalities the power to make a contract with the Government over the long period of 30 years is that the municipality will run its line there, will make the contract, and it will have power which is not controlled by any regulatory body to offer to corporations, and it will offer it to corporations as low as it can in order to induce them to establish industry within its limits; and nobody will get any benefit from this power, in my judgment, except the near-by municipalities.

I know there is a provision in the measure for equitable distribution among the States. That is a general, broad public

policy, declared by the terms of the measure. Alabama cities are going to get the benefit of this power. Make no mistake about that. If they build their lines and contract for 30 years, they will in turn give every possible advantage to the great industries which will be anxious to come down and locate in the favored cities, because while the power people may have been interested in Muscle Shoals, and the Fertilizer Trust may have been interested in Muscle Shoals, anyone must be blind who does not know also that many real-estate promoters are anxious to build up municipalities and cities in close proximity to Muscle Shoals.

I hope the Senator will not accept an amendment giving these municipalities the power to tie up, under contract, the power from the plant for the period of 30 years, but will leave it at 15 years. There will not be the same inducement for these municipalities to undertake to devote this power to their own particular advantage by giving preference to special industries, as there will be under a long-term contract of 30 years.

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

Mr. GEORGE. I yield.

Mr. NORRIS. I am unable to see the point the Senator is stressing so strongly, that an extension of this time would bring about the evil consequences he has outlined. It seems to me it is apparent that a municipality will not build a transmission line unless it is in close proximity to Muscle Shoals, unless it has a longer period than 15 years in its contract. I see no reason why a municipality, or a group of municipalities, 150 miles away, over in Mississippi, over in Tennessee, or in any other direction, could not hook up together and build a transmission line a hundred miles long, let us say.

In fact the 30-year provision will induce the building of longer transmission lines than a 15-year provision, because the longer the line, the greater the investment in order to build it, and a municipality at a distance of 50 miles would hesitate much longer than a municipality 5 miles away. Therefore, it seems to me this provision is for the benefit more than the detriment of cities and municipalities at a distance, and the difference in cost of electricity in a city 10 miles away and one 50 miles away, leaving out the extra cost of building a transmission line, will be infinitesimal. So that it broadens the competition, it brings into the circle of possible use many cities which, if we left it at 15 years, would be out of it.

I hope the Senator is wrong in his reference to the farm organizations. I do not know how a provision could be any more liberal than this. I can not say that any farm organization would take any power, I can not say that any municipality would, but I wanted to leave the way open, to make it easy for them to do so. I wanted to provide that an organization of farmers could come to this board and say: "We want to organize to build a line out in the country, but we have not any State law under which we can organize. We want to speak for power, but we want to wait until after the next session of the legislature, to see if we can not get an act passed." I would feel discouraged indeed if we in any way, however honest might be our intention, fix the law so that it would be impossible for men and women living in the country to get the benefit of cheap electricity.

I believe that the Senator, for whose judgment I always have such great respect, is certainly wrong when he thinks the extension of the time will narrow the limit of the cities which will get the electricity. It would just be the opposite, it seems to me.

After all, 15 years is not a long time. We have to take into consideration the investment in the building of a transmission line, and the longer the transmission line, the greater will the people hesitate to come in, unless we give them enough so that they can afford to put their money in.

Mr. GEORGE. Mr. President, I want to make myself clear. I do not believe this power will be distributed over any very wide area. I believe it will be absorbed within the territory near Muscle Shoals. I am sure that if the municipalities are given power to contract over a period of 30 years, there will be less and less opportunity for one not in the near-by municipality to make any contract or to find any power available for contract purposes.

Of course I do not know what will result, but I think there will be a number of private corporate interests which will furnish the necessary money to a municipality to put up a transmission line a reasonable distance, if the municipality can contract for power for 30 years, and if the chief beneficiary is the corporation financing the municipality to build the transmission line to the plant. That is what I fear. I do not know how to guard against it, unless the contracts are limited to a reasonable time.

Mr. McKELLAR. Mr. President, if the Senator will yield, the same question the Senator is now discussing arose in my mind, and I called it to the attention of the Senator from Nebraska.

However, I can see that cities, for instance, like Atlanta, or Birmingham, or Memphis, or Jackson, Miss., would probably like to have a longer contract. But here is the trouble, as the Senator has pointed out, it seems to me very clear that these near-by towns which require no outlay of money for transmission lines would seek to get a larger proportion of the cheap power than they were justly entitled to.

The Senator will notice that the first proviso, on page 13, beginning in line 3, reads as follows:

Provided, That if any State, county, municipality, or other public or cooperative organization of citizens or farmers, not organized or doing business for profit, but for the purpose of supplying electricity to its own citizens or members.

That is in itself a restriction, perhaps; but if we add after the word "members" the words "or any reasonable increase of citizens or members," then such near-by towns could not, to use a very common expression "hog" all of the current.

Mr. BLACK. Mr. President——

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

Mr. GEORGE. I yield.

Mr. BLACK. Of course, it is unfortunate for the towns over in Georgia and down in Mississippi that they do not happen to be on Muscle Shoals. It is unfortunate for Birmingham that it does not happen to be up on the Tennessee River where Memphis is. It is unfortunate for some of the counties in my State that they do not happen to be down in south Georgia, where they have such wonderful peaches.

Mr. GEORGE. I agree with that.

Mr. BLACK. But I can not understand this undue apprehension that perhaps the towns closer to this plant will get 2 kilowatts more than some town in Tennessee or Georgia.

Mr. GEORGE. I am not criticizing the Senator from Alabama; and let me say to him just what I mean. I do not say that this is true, but the town of Sheffield—I believe there is such a town?

Mr. BLACK. Yes.

Mr. GEORGE. Sheffield might build its transmission line to this plant, and it might supply all the power the American Cyanamid Co. wished at the very lowest possible figure, and the American Cyanamid Co. would be certain to see to it that Sheffield could construct a transmission line.

Mr. BLACK. If the Senator objects to them supplying the American Cyanamid Co., if the American Cyanamid Co. wants to locate there, why not put it in the joint resolution that they can not sell to the American Cyanamid Co., and that they have to sell to power companies which go to Georgia and Mississippi?

Mr. GEORGE. I am not insisting on selling to the power companies.

Mr. BLACK. That is where it will have to be sold.

Mr. GEORGE. Oh, no; it will not.

Mr. BLACK. That is the objection I have to the provision for the equitable distribution of the power.

Mr. GEORGE. I understand.

Mr. BLACK. It is because from the beginning, in my judgment, it has been and is to-day simply a plan whereby some of it will go into the power companies' lines in nearby States. I have always opposed it on that ground, as the Senator knows.

Mr. GEORGE. I have always insisted on the equitable distribution of the surplus power, and now I feel much more like it, I will say to the Senator from Alabama, than I have at any other time, because this measure now undertakes to give to the State of Alabama 5 per cent of the gross income on this plant, built by money out of the pockets of the people of the United States.

Mr. BLACK and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and if so, to whom?

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

Mr. BLACK. Does the Senator object to that?

Mr. GEORGE. I think it is highly inequitable.

Mr. BLACK. Let us get to it when we reach that point. I will be glad to discuss that with the Senator.

Mr. GEORGE. Very well; I am trying to get through with one thing as I come to it.

The proposal is to pay to the State 5 per cent of the gross, even though the enterprise lost money to the Government of the United States.

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

Mr. GEORGE. I yield.

Mr. BARKLEY. It proposes to do more than that. It proposes to pay to Alabama 5 per cent of the gross proceeds from Dam No. 2 and to the State of Tennessee 5 per cent of the

gross proceeds of the Cove Creek Dam and in addition to that to each of the States 2½ per cent more of the gross proceeds of the surplus power of Dam No. 2. So that it may be a total of 15 per cent that goes to these two States, notwithstanding the fact that the water in the Tennessee River runs through Kentucky also and other States, which, of course, are making no claim to any part of the proceeds. But the mere fact that the river happens to run through those States, without any expenditure on their part toward that development, and in view of the fact that the Government will have spent $200,000,000 on it, it seems to me to take a considerable slice out of the gross proceeds of this enterprise.

Mr. GEORGE. I have not the slightest doubt that it will take a considerable slice. How much I do not know.

Mr. McKELLAR. Mr. President, if the Senator will yield, the Senator from Kentucky is incorrect about the 5 per cent additional to the State of Tennessee from surplus power at Muscle Shoals. It is 2½ per cent on the increased power at Muscle Shoals brought about by the building of the Cove Creek Dam in Tennessee.

Mr. BARKLEY. In other words Tennessee gets 5 per cent of the gross proceeds of the power at Cove Creek?

Mr. McKELLAR. Yes.

Mr. BARKLEY. And then she gets 2½ per cent of the power at Dam No. 2 created by the construction of the dam at Cove Creek.

Mr. McKELLAR. Yes.

Mr. BARKLEY. So that the effect is that she gets 7½ per cent on account of the Cove Creek Dam.

Mr. GEORGE. Mr. President, if the Senator from Nebraska will write into his measure a provision that this power, when sold by municipalities to ultimate consumers, shall be sold under the regulation of any regulatory body, whether a State body or the Federal Power Commission, then I will care very little whether the contract is for a period of 30 years or 15 years.

Mr. NORRIS. Mr. President, I would not have any objection to that language.

Mr. BLACK. I have.

Mr. NORRIS. I can see, no matter what happens, that somebody is going to be opposed to it. It only illustrates the danger I was afraid we would get into, and which I called to the attention of everybody who has spoken to me about amendments to the bill, some of which, like this one, I should like; that if we ever start in amending the measure, there is no telling what might happen, and that when we got through, we would not have the same bill, that we would not be able to say that we passed the same bill we passed before. If we amend the measure we will lose one of the greatest moral arguments that could be put forward, that we have the same legislation we had before.

All legislation is a matter of compromise. If I were drawing a bill to suit me exactly, there would be a great many changes in the measure now before us; but we fought it out for 10 years, and finally agreed upon a bill which passed both branches of Congress and was pocket vetoed by the President. Now to a great extent, both the House and the Senate are composed of the same members who were here when we passed the other bill. The danger I can see coming is on account of an amendment to which I think nobody should object. I can not see yet why anybody should object, although I do not for a moment question the sincerity of the Senators who object to it.

I did not think anyone would object to the 5 per cent arrangement or I would have left it out. It seems to me it is eminently fair. Perhaps I am entirely wrong about it, but it seems to me eminently fair that a 15-year contract for a municipality that agrees to build a transmission line to the place of the making of the electricity, is too short; that 30 years is not an unreasonable time. It seems clear to me if we make it 30 years instead of 15 years that we will bring into competition for that power, by the building of transmission lines, cities away beyond the geographical limits that would be included under the 15-year period, just the opposite of what the Senator from Georgia thinks would be true.

Mr. GEORGE. I can see the point of the Senator's argument.

Mr. NORRIS. Mr. President, will the Senator yield just a moment further?

Mr. GEORGE. Certainly.

Mr. NORRIS. Some of the amendments which have been suggested are of a nature to which no one could object, but it will be found, as we are finding now through the objection made by the Senator from Tennessee [Mr. McKELLAR], that whenever we commence to try to meet by legislation every possible contingency that may arise in the future, we are going to get into deep water away over our heads. What we have to do is to trust the board for some purposes at least. We must concede that they will try to carry out the purposes of the law. I do not think it is wise in legislating to try to hamper them on every possible thing that may come before them. We all know that thousands of things may arise which we do not contemplate or think of now. That necessarily follows.

Suppose we take as an example the town of Muscle Shoals, with just a few people in it. They say to the board, "We want all of the power that is developed here," and the board says, "All right; it is yours." It is said there is not a thing in the joint resolution which would prohibit that arrangement, and in so many words there is not. How are we going to provide for the distribution of power? Shall we say this town shall have so much and that town shall have so much; that Alabama shall have so much, Tennessee so much, Kentucky so much, and Mississippi so much? When we would get through and have it all divided up, we would find some of those places did not want anything at all, some would not want as much as we had given them, and some would be glad to take it all. We would not have reached a scientific solution of the problem.

We can only speak, so far as distribution is concerned, in the most general terms, as I see it. We have to depend on the board to do the honest thing. I do not anticipate, if Florence should say to the board, "We are going to take all of this electricity," that the board would think of such a thing as giving it to them. There might be a question arise as to how much they should have.

It seems to me the Senator's proposal would cover it, but immediately comes another Senator and says, "I will not stand for that; that would not be fair." I do not know why it would not be fair, but at the same time it only illustrates that when we try to meet every contingency in the distribution of electricity that may arise before the board which will have control of it we are getting into deep water and we will never make a success of legislation in that way.

I plead with the Senator not to attempt to incorporate such a provision in this measure. I would be glad if we could pass it in the exact form in which it passed before. For instance, the 5-cent proposal is one which I thought would never meet with any opposition. But let us have a vote on it. If a majority of the Senate determines that it ought not to be in the measure, it would suit me. It was not there when I supported the measure before. If I have any power as the introducer of the joint resolution, I do not for a moment want to have that influence or control any Senator's vote. When the Senator asked me to accept the amendment, I supposed it would be unanimously agreed to, but if there is any serious doubt about it I shall not accept it. I am willing the Senator should fight it out. I do not want any Senator to vote for or against it because I favor or oppose it.

Mr. GEORGE. Let me say to the Senator from Nebraska that I would be very glad to vote for the joint resolution exactly as it passed during a previous Congress. In fact, I prefer to vote for it just as we passed it before and sent it to the President. I voted for it then, and I would be very glad to vote for it in that form now.

I am not in the attitude of a dog in the manger. This improvement being within the State of Alabama, I realize that that State must necessarily get the chief benefit of the development. There is no question about that. But I am quite sure that the Senator recognizes the fact that between the municipalities within reach, let us say within economic transmission distance of the plant, there naturally will be rivalry. All Senators know that one of the chief inducements which a municipality can offer in order to bring enterprise to it is cheap power.

The Senator from Nebraska very well knows also that a small municipality may become the mere instrumentality of a corporate interest through which contracts over a long period of time may be made for the power, practically absorbing all of the surplus power that is offered for distribution. I know that the Senator is quite right in saying that the legislation ought to be couched in general terms. We can not provide explicitly in the resolution against every emergency or every possible contingency. The Senator is quite right about it. There is a broad general provision for the equitable distribution of the power. There is a provision that in the sale of surplus power preference shall be given to States, counties, and municipalities. That is right and proper and I strongly support it. Next come organizations of farmers and others who are organized not for profit but for service to their members. I approve of that heartily. Then there is a further provision, of course, that individuals, copartnerships or firms, or corporations may also contract for any portion of the surplus power not absorbed, after those who have been given preferential rights have been supplied. That is our plain intent and purpose, and we must presume, as the Senator from Nebraska said, that the board will carry out that purpose. I wish to presume it. I have no desire to presume the contrary.

But I called the Senator's attention and I again call his attention to the fact that if any of the surplus power passes into the hands of individuals or corporations, copartnerships or associations, they must pass it on to the general and ultimate consumer at a reasonable rate to be at least approved by the regulatory body named in the joint resolution, to wit, the Federal Power Commission. But when we come to the municipalities, the municipality, I say to the Senator, is going to get the power. I can not close my eyes to the fact and I have no objection to it getting the power. But when it comes to the municipality it is an easy matter for a large corporate enterprise to say to a little village—but let me put it the other way! It is such an easy matter for a large corporate enterprise to incorporate its little village or municipality, build a line over to the plant, and then get every kilowatt of the power that it can use.

I shall assume that the board will try to bring about an equitable distribution; but all around the plant, in striking distance, corporations will see to it that little municipalities are organized, if they do not exist, that transmission lines are built to the plant. They of course will want to do it if they can get a 30-year contract and if the little municipality, which may be simply the tool of the corporation, itself can in turn sell to the corporation in the municipality this power at any price, wholly unregulated of course except by whatever it has paid to the Government or to the Muscle Shoals corporation in the first instance for the power.

It is that against which I want to guard. I represent no power company. I represent no fertilizer company. I have never represented any of them in this body or elsewhere. But I want to protect all of the municipalities which are within, at least, reasonable distance of the plant. I know that not much of the power will ever come over the line into Georgia. My friend from Tennessee [Mr. McKELLAR] might disabuse his mind that any very great amount is going to come from the present plant into Tennessee—that is, any long distance. But Alabama is entitled to that advantage. The improvement is in the State of Alabama. The distance of town sites and existing municipalities in Alabama from the distributing plant at Muscle Shoals must be taken into consideration. It is right and equitable that they should be taken into consideration. But is it not fair and equitable, when we turn to Alabama and say, "Let your municipality, if it contract for power, distribute the power contracted under some equitable rule by which industries located in these near-by villages and towns can not take an advantage of industry located a few miles farther away in Alabama or over in Georgia or Tennessee or Mississippi or some other of the near-by States"?

There is not a single safeguard except the one safeguard of a contract limited to 15 years. I grant to the Senator from Nebraska that what he says is perfectly true, that if a municipality may contract for 30 years, then cities a longer distance away from the distributing plant may, therefore, feel warranted in making an outlay sufficient to build transmission lines a longer distance in order that they may participate. I grant that that is true. I grant that what he believes about it is true. But in the nature of things there will be enough municipalities relatively close to Muscle Shoals to absorb all of the surplus power and the corporations exist, and they can be speedily found, that will build a transmission line, if the municipality may sell to the favored corporate enterprises in that community its power without any restriction, without any supervisory power to see that the municipality is not given the power to discriminate against or take unfair advantage of other municipalities and other communities that may be within reasonable transmission distance of the plant.

I want to say that the limitation of the contract to 15 years is not very satisfactory, and I can see the objection which the Senator from Nebraska urges to it, to wit, that it would probably discourage other municipalities a longer distance from Muscle Shoals from making the outlay of money which would be necessary to build and equip a transmission line. That is true; but if what I believe will happen, and what I believe experience will demonstrate will happen, and municipalities now in existence, or which may be speedily brought into existence close by this plant, put up their lines, the limitation of 15 years upon the contracts will certainly afford some protection and safeguard.

Certainly there would be opportunity to bring some pressure upon the board not to permit renewals, and certainly there would be some discouragement to those who might seek to use the municipality—if I make myself plain—in order to acquire power, because they would have knowledge at least that the arrangement may not last longer than 15 years.

Fifteen years, the shorter term, certainly would work no injustice to the near-by municipality. I must confess that it would give such municipalities an advantage; it certainly would not prevent them from getting the power. The shorter the term of the contract the greater the probability that near-by municipalities will be the ones that will ask for it, so far as that goes; but 15 years is a reasonable length of time. Therefore, it seems to me that the Senator from Alabama ought not to insist on extending the time more than 15 years, because all the advantage will be with near-by cities in Alabama.

If there were any better way of doing it, Mr. President, I would suggest it; but I do not know of any better way than by a limited contract period, which, in itself, would tend to discourage what I fear; and I certainly have a right to entertain that fear, because I have the same interest in the matter as have the Senators from Alabama and from other States, as they will admit, though I cheerfully concede that the State of Alabama is bound to be and of right ought to be the chief beneficiary of the development of the property.

I have no objection on that general ground, and, though it is aside from the immediate point, I have no objection to a reasonable compensation to the State of Alabama or to the State of Tennessee.

I imagine, however, that any State would gladly welcome so large a governmental project within its borders, knowing that the benefit that it would derive through the taxation of business and of capital, which would be brought there solely because of the development made by the Government, would far offset any deprivation in the form of revenue that it would be called upon to forego. However, I do not think that 5 per cent of the gross income, or whatever the per cent may be, from the operation of the property should be turned over to any State. It is true that we do not see how the Government could lose any money by this project, but let us suppose that the Government should operate it at an actual loss, yet the State would have 5 per cent of the gross income. We know that the gross income in the future from this property, only one unit of which, I believe is in actual operation, must be large, because it is large now, although the power is being sold at a very low rate. It does not seem to me that Senators ought to insist upon taxing the property a percentage of the gross income regardless of the consequences to the Government.

Mr. McKELLAR. Mr. President——

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

Mr. GEORGE. I yield.

Mr. McKELLAR. Has the Senator from Georgia taken into consideration the fact that in the case of Tennessee there will be appropriated by the Federal Government for the great storage dam at Cove Creek an area equal in extent to one of our counties? The courthouse of the county seat will be put under water; it will destroy that county; and, as I am informed, it will take something like three-fourths of it. It will also take large slices off two other counties. Under those circumstances the Senator will easily see that that property is entirely taken away from Tennessee's power of taxation. Of course, Tennessee would be entitled to reasonable compensation.

The State authorities have made an estimate and have come to the conclusion that the percentage allowed on the gross returns from the Cove Creek Dam will not be commensurate with the extent of the loss which will accrue. As the Senator understands, a great reservoir, a great storage dam, is provided for, and the State authorities have estimated that 5 per cent will not pay for the actual loss in taxes which the State will suffer because of the taking of this property by the Federal Government. I hope the Senator from Georgia will take that into consideration.

Mr. GEORGE. That may be so; 5 per cent might be an inadequate tax; but I am calling the attention of the Senate to the fact that here is a tax fixed at a certain percentage of the gross income derived from this property. That certainly would not be a fair tax. It might be fair to the State of Tennessee, but it certainly would not be fair to the Government unless it were a profitable enterprise, to say the least of it.

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

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

Mr. GEORGE I yield.

Mr. BARKLEY. The same analogy might require the Federal Government to pay to the States along the Mississippi Valley an indefinite sum of money for an indefinite period in the future to compensate them for taxes that might be collected in the future on land which will have to be taken over by the Government in connection with flood control. There is no such provision in the flood control bill as that. It is proposed to pay private-property owners for their land, which, of course, is proper; but it seems in this case that 5 per cent plus two and a half per cent is to be paid to the State.

The State gets two whacks at Cove Creek Dam; it is entitled under this joint resolution to 5 per cent of the gross proceeds of the power generated at Cove Creek, and 2½ per cent of the increased power generated at Dam No. 2 because of the construction of Cove Creek Dam. So that they hit it going and coming. It is of course presumed that the storage of this water behind the Cove Creek Dam when it is turned into the Tennessee River below will create additional power at Dam No. 2, and 2½ per cent of the gross proceeds of that surplus power also go to the State of Tennessee. I should like to ask the Senator from Tennessee what is the tax rate in Tennessee on land for State purposes?

Mr. McKELLAR. I can not tell the Senator offhand, but it is not a very large tax.

Mr. BARKLEY. Does the State of Tennessee really levy a tax on real estate for State purposes?

Mr. McKELLAR. It does not at this time, but for county purposes such tax ordinarily amounts to about 2 per cent. This county, however, will be absolutely removed from taxation, and all enterprises in the county will be destroyed.

Mr. BARKLEY. It will also be removed from expenses, because, if the county is going to be abolished, it will have no county expenses. So that if the State of Tennessee levies no tax on land for State purposes it would lose no taxes if the whole county were covered with water forever; and as the county is to be abolished, it will have no expenses in the future, and, of course, it will not lose anything, because it will not have to raise any revenue. It looks to me, under those conditions, that this is a gift by the Federal Government to the State of Tennessee, because it so happens that this particular point in the Tennessee River was located in the State by nature.

Mr. McKELLAR. Mr. President, if the Senator from Georgia will permit me to answer the Senator from Kentucky, I will say to him that if that rule be followed out, the Government could just take over the whole State of Tennessee. The Senator's rule will not bear the test of reason.

Mr. BARKLEY. If the whole State of Tennessee were taken over, and no taxes were levied on the land, the State of Tennessee would not lose anything in taxes by covering the land with water.

Mr. McKELLAR. Yes; but we would lose our State.

Mr. BARKLEY. That, of course, would be a calamity; we all agree to that.

Mr. GEORGE. Mr. President, where property is taken over by the Government for purely public purposes, of course, no State ought to demand and the Government ought not to consider the payment to any State or municipality of any tax whatever, but to the extent that this property is to be devoted not to public purposes in the ordinary sense but is to be used in the carrying on of a certain business which it is believed at least will result in profit to the Government—in other words, the Government simply becomes the proprietary owner of property that will yield income—I concede, so far as I am concerned, that the State might justly expect some compensation for the property which if passed into private ownership would have yielded an income to the State.

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

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

Mr. GEORGE. I yield to the Senator.

Mr. BARKLEY. Assuming that the basis of this payment of 7½ per cent to Tennessee is the fact that it will lose some taxes by having three-fourths of one county and slices off two other counties taken by the Federal Government, what is the basis for allowing the State of Alabama to have 2½ per cent additional of the surplus power created by the Cove Creek Dam, for there will be no land in Alabama taken by the construction of the Cove Creek Dam? There may be some land taken by reason of Dam No. 2—I am not certain as to that—but certainly there will be no additional land taken in Alabama by water stored 300 miles above Dam No. 2 behind Cove Creek Dam. So upon what basis does 2½ per cent of the proceeds of the surplus power at Dam No. 2, because of the construction of Cove Creek Dam, go to the State of Alabama?

Mr. BLACK. Mr. President, will the Senator from Georgia yield?

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

Mr. GEORGE. I yield.

Mr. BLACK. I did not place that provision in the joint resolution. I would be delighted to give my ideas to the Senate about it now, if it is thought wise, but I would much prefer to do it when we reach that point.

Mr. BARKLEY. It is in the joint resolution, and I wanted to know the basis of it.

Mr. BLACK. I would prefer to discuss that when we get to it. I offered an amendment to this measure when it was previously here providing that the State of Alabama should be paid an amount in lieu of taxes, whatever those taxes would be, for power which went into commercial circulation. I did that on the basis that when the Government was in the power business the State was entitled to get that much in lieu of taxes. Whether the amount proposed by the pending measure is more or less, I do not know; I have not investigated that phase of it.

Mr. BARKLEY. I hope the Senator will not understand me as blaming the Senator from Alabama or the Senator from Tennessee, but we are legislating here for the whole country.

Mr. BLACK. Of course.

Mr. BARKLEY. Because of the mere fact that nature placed this navigable stream in those two States, it strikes me that it is a little bit inequitable, in view of the expenditure already made by the Government and the expenditure which must be made in the future—which will not be less than $200,000,000—without considering anything at all in return for the expenditure on the part of taxpayers of the whole country, to allow almost 15 per cent of the gross proceeds by reason of these two dams to these two States, regardless of the effect it may have on the national revenue and the national obligation. In other words, having taxed all the people of the United States to build this Muscle Shoals project and the Cove Creek project, it is now proposed to give 15 per cent of the proceeds—which is a pretty fair profit, I will say, on any investment—to the two States because the river happens to run through there.

Mr. BLACK. In the first place, I think the Senator is wrong about the 15 per cent; but let us concede that it is 40 per cent, or whatever it is. Personally I should much prefer, if it would suit the Senator just as well, to take up that matter when we reach it. I should be glad to do it now if the Senator would prefer it.

Mr. BARKLEY. I will not delay a vote on the measure now on that account, because I am not going to offer any amendment to strike it out; but it seems to me rather unusual to find it in the measure; and it seems to me it is giving an undue preference to Tennessee and Alabama in addition to the greater benefits they will enjoy by securing the use of this power for their people because of their proximity to it.

Mr. BLACK. Does the Senator know that he voted last year to pay some money in lieu of taxes to a number of Western States because they had public lands that did not pay taxes?

Mr. BARKLEY. Yes; I am aware of that.

Mr. BLACK. That measure passed this body.

Mr. BARKLEY. Yes.

Mr. BLACK. That is exactly the same theory. Of course, this is in the South, and that was in the West.

Mr. BARKLEY. I do not think it is exactly the same theory. Here is an enterprise upon which the Government proposes to spend $200,000,000. It has not expended upon any lands in Western States that it happens to own, and of which the State is deprived of the right of taxation, any such enormous sum as that. Besides, I think the benefits that will accrue to the people near Muscle Shoals and near Cove Creek will be sufficient to compensate the State of Tennessee and the State of Alabama for any loss in taxation that they may suffer on account of this public enterprise.

Mr. McKELLAR. Mr. President, will the Senator yield there?

Mr. GEORGE. I yield.

Mr. McKELLAR. Let me say to the Senator that a provision very similar to this is in the Boulder Dam act also, for which I believe most of us voted. That provides for compensation to the State of Nevada and to the State of Utah. The same provision was there; and let me call to the Senator's attention the fact that it is not 15 per cent on the current generated, but it is simply 7½ per cent—not more. Alabama gets 5 per cent on Muscle Shoals and Tennessee gets 5 per cent on Cove Creek, and then the increase at Muscle Shoals brought about by the building of the Cove Creek Dam, which is 2½ per cent to each State, so that it is only 7½ per cent.

Mr. BARKLEY. Of course, the same amount of water that goes through the Cove Creek Dam will go on down to Dam No. 2, and presumably it may create as much additional power there as it creates originally at Cove Creek. Therefore, 2½ per cent of that would be 2½ per cent of the same amount of power that is created at Cove Creek, so that it really is 7½ per cent to Tennessee and 7½ per cent to Alabama.

Mr. McKELLAR. Mr. President, will the Senator from Georgia yield to permit me to make a brief reply to the Senator from Kentucky?

Mr. GEORGE. I yield.

Mr. McKELLAR. The Senator, of course, is advised that if this Cove Creek Reservoir is created it will permit the building

of a dam in the Senator's own State on this very river below, or rather above, because the river swings all the way around and traverses the Senator's State, in western Kentucky. It will permit the building in the Senator's own State of a dam which is capable of generating, so I am reliably informed, something like 500,000 horsepower per year.

Mr. BARKLEY. Of course, the Senator has reference to the proposed dam at or near Aurora.

Mr. McKELLAR. Yes.

Mr. BARKLEY. It so happens that the location of that dam is below the line in Tennessee, not in Kentucky.

Mr. McKELLAR. It is right near the line; but it is near Kentucky, at any rate.

Mr. BARKLEY. It is near the line; but I suppose Tennessee will be asking for a percentage on that on the same basis that it asks for the percentage at Muscle Shoals and at Cove Creek.

Mr. McKELLAR. We will divide with you.

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

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

Mr. GEORGE. I do.

Mr. BLEASE. It seems to me that Senators may have created an impression that I think they do not intend to create—namely, that certain Southern Senators voted for the Boulder Dam bill, which they now seem to admit, to use a mild expression, was taking something away from the Government, in order that Muscle Shoals might come along and do the same thing.

I voted against the Boulder Dam bill, so I am not subject to that charge; but I do not like to hear Southern Senators intimate that they voted for Boulder Dam, knowing that it was a kind of a Sunday School taking away, in order that they might go into church a little later and take something out of the pockets of the Government to give to the South.

I think these Senators are rather intimating a little far along that line, possibly. So far as I am concerned, I do not think we ought to do it either for the West or for the South.

Mr. McKELLAR. Mr. President, if the Senator will permit me, I do not know to whom the Senator from South Carolina is referring; but, if he is referring to me, I will say to him that I voted for the Boulder Dam bill because I believed that Boulder Dam ought to be built in the manner and form in which it is being built.

Of course, no Senator here, I take it, voted for any other reason except his honest judgment about the matter. Of course, there was no trade upon the part of anybody, and there could not have been. If the Senator remembers the fight that there was about Boulder Dam, he will understand that there are other dams in the country that were not affected by the vote on that dam.

Mr. BLEASE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia further yield to the Senator from South Carolina?

Mr. GEORGE. I do.

Mr. BLEASE. Yes, Mr. President; but one Senator asked another Senator if he remembered that he voted for a certain proposition, rather intimating that this proposition certainly was no worse than that. I have a pretty good reason for remembering the Boulder Dam fight. I stood up here and talked about the bill for three or four nights and days.

Mr. GEORGE. Mr. President, I do not want to go into a discussion of this matter of taxation; but I am going to say to my friends from Tennessee and Alabama that if they leave in this bill the provision that 5 per cent of the gross income of this property to be built at the expense of the Government is to be paid to any State, the measure will, in my opinion, be vetoed beyond any question of doubt. The one certain way of killing this joint resolution, or at least of eliminating any provision for the improvement of Cove Creek, is to include a provision of that kind, in my judgment. Either the House will strike it out, or the President will veto the bill.

If we want these great public improvements to be made in the South by the Federal Government, we must recognize that taxes of this kind can not be imposed upon the property, because their imposition will result in condemning the whole enterprise.

That is all I have to say about taxes, except that I do not think the method of imposing the tax in this case can be defended.

Now, I will come back to the proposition which I was discussing.

I have suggested to the Senator from Nebraska what I think is likely to flow from the joint resolution if 30-year contracts are provided, with the preference, of course, to States, counties, or municipalities:

First, municipalities will be the parties to the contract. So far as I know, the States are not going to contract for any of this current, and so far as I know the counties are not; but municipalities can and will. Under a long-term, 30-year contract, with no provision whatever that the municipality shall not even discriminate between its own citizens or members in the distribution of such current as may be allotted to it under the contract, we shall have the exploitation of small villages in the community of this plant, either in the State of Tennessee or in Alabama or over in the State of Georgia, if Georgia is close enough to it, and the entire surplus power will be absorbed by little shells of municipalities, and these little shells will be nothing except the puppets, the creatures of the private corporate interests that will go in and create the municipality in order to make the contract, in order to sew up the surplus power for 30 years, in order that it may be the beneficiary of electric power at the lowest possible, cheapest rate at which it can be sold or delivered to the municipality.

Lest my friends from Alabama think I am referring to Alabama, I prefer to say that in the corner of Georgia nearest this plant these municipalities unquestionably will be created if they can make these long-term contracts. I have called attention to the fact that when a municipality gets possession of this power under a 30-year contract there is not the slightest limitation upon it, as to how it shall distribute the power, or what it shall charge to its ultimate consumer. It may charge its citizens for the current in their homes, the housewife for the current used in her kitchen, a reasonable rate, and give to some corporation that fathered it and brought it into existence all of the power that it may wish to use for purely private purposes.

I do not say that these municipalities will do that, but I do say that they will be subjected to a temptation and to an inducement to which little municipalities have generally yielded; and none of this power will go to farmers. None of it will be utilized by the farmer or the farmer's housewife; but it will be utilized by the municipalities, and the fortunately located municipalities will say, "We have power; we are under no restrictions; we may make discriminatory contracts with you." The real beneficiaries of surplus power under this provision will not be the common citizen of the municipality, but in many, many instances—I do not say in all—the real beneficiaries will be those private interests that can and will control the municipality.

Mr. BLACK. Mr. President, I intend to take but a very few minutes. I had really hoped that we could pass the joint resolution this afternoon. I did not anticipate that any small amendment would require so much time. But, of course, it is perfectly proper that it should be considered. I simply did no anticipate that it might be considered for such a length of time.

There is no earthly reason why a person who really favors the operation of the plant at Muscle Shoals for the benefit of the people should oppose this amendment, in my judgment. I recognize the fact that we see things differently, but every handicap thrown around a municipality, every handicap they have to overcome, every hurdle they have to jump, makes it that much more difficult for them to enter into any kind of competition with the power companies.

Just as certainly as that we live, whether we represent the power companies or ever have, they would be delighted to see this amendment defeated. They would be delighted to see even a shorter time than 15 years fixed. It is more difficult for the municipalities to buy power under a 15-year contract than it will be under a 30-year contract.

I stated that I was opposed to giving anyone the power to regulate the price at which municipalities should sell that power. That is for this reason, that I have no fear that the public will be injured by buying power too cheaply. No part of the United States has yet been injured by buying power too cheaply, and I do not anticipate that the State of Georgia or any other State of this Union will be injured by municipalities selling power at too low a price.

I do not want any safeguards thrown around in order to keep the public from buying power as cheaply as it can get it. The trouble in this country with reference to power now is not that it has been sold too cheaply but that it has been sold at a rate which absolutely has taken honest dollars out of the pockets of the people to unjustly enrich the power monopolies. That is why I oppose giving any body of any kind power to tell any municipality in Alabama or elsewhere how cheaply they can sell power. That is what this boils itself down to.

The protest is made that some municipality might sell power too cheaply. Is there any industry in this Nation which will suffer if power is sold cheaply? The trouble in this country has not been, as I have said, that power has been sold too cheaply; no, that is not it; it has been sold so high and at a price which has meant rank robbery of the people that men

have grown to be millionaires overnight and huge dividends have been paid which have disgraced this Nation.

Let me read just a paragraph from a brief filed before the Federal Power Commission:

An illustrative Electric Bond & Share Co. subsidiary is the American Gas & Electric Co., incorporated in 1906.

A purchaser of 100 shares of this American Gas & Electric Co.'s stock on January 2, 1912, would have paid $65 per share, or a total investment of $6,500.

Note that, in 1912, 100 shares would have cost $6,500.

Between the years 1912 and 1922, inclusive, this company paid 84 per cent in stock dividends and its shares rose to a price level of $143–$185. In February, 1923, the stock was changed from $50 to no par and five new shares were issued for each old share. From February, 1923, to September, 1929, inclusive, the company paid 168 per cent in stock dividends and the price of each fifth share rose to a range of $128–$224, or on the old stock price a range of $650–$1,120. In addition to stock dividends the holders got on all original stock and stock dividends from 1912 to 1922 an average of $5 cash per share, and after the 1923 split up $1 cash per share, or $5 per share on the original basis. On the price level of $212 per share of September 18, the original investment of 100 shares (bought January 2, 1912, for $6,500) was worth over $960,000, and this in addition to the high cash dividends paid on all shares held throughout the period of 17 years.

Nine hundred and sixty thousand dollars of value in stock in addition to the stock dividends, for which $6,500 had been paid in 1912! I think we need have no fear that any consumer in this Nation is going to buy power too cheaply. I do not think we need any regulatory body to tell the municipality how cheaply they must not sell power. That is the issue in this case.

The charge is made that if we give to the municipalities the right to make 30-year contracts, some corporation or some individual may buy power cheaply. Suppose it does. They have not been doing it. All over this country they have been paying exorbitant rates, and the result has been that stocks have gone up from $6,500 to $960,000.

This amendment proposes that instead of a municipality having a 15-year contract with the Government it shall have a 30-year contract. That is the customary time in the South for which municipalities give franchises. That is the practice under which they buy from the power companies to-day. Why should they not have that privilege in buying from the Government? If they go over to Georgia and buy from the Georgia Power Co., the probability is that it will be found it is customary there to make 30-year contracts. If they buy in Alabama, it will be found that it is customary to make 30-year contracts. So here is the issue, Shall we let them have a right to buy their power on the basis of a 30-year contract, when that is what is customary, when that is what will be for the benefit of the public, or shall we, for fear somebody may be getting power too cheaply, say that the contract must be for 15 years?

I do not desire to go into the discussion at this time of the money to be paid in lieu of taxes. I regret that this amendment has brought on so much debate, but it is of great importance to the people not only of Alabama but to the people of Georgia, to the people of Tennessee, and to the people of Mississippi, particularly those States which are closest by. I might say that right now the city of Rome, in Georgia, is attempting to go into the power business in order to cease having to pay exorbitant rates to the Georgia Power Co., and it will be to the benefit of the municipalities of Georgia to have the privilege of making a 30-year contract instead of a 15-year contract.

Let us concede, since the proposition has been raised, that Alabama municipalities might make most of the contracts. If that is true, why should they not have 30 years instead of 15? What argument can be advanced, except the one which the able Senator has just advanced, that they might sell the power too cheaply?

If there is anyone who thinks there is any danger in power being sold too cheaply in this country, let him vote against my amendment; but if, on the contrary, Senators believe that a reasonable time should be given, if they believe that municipalities should have the right to make contracts extending over the same period covered by contracts they make with the power companies, then let them vote for the amendment. That is the issue.

Mr. HEFLIN. Mr. President, it seems to me that my colleague is entirely reasonable in his position in asking for this 30-year period, and I hope the amendment will be agreed to.

Mr. GEORGE. Mr. President, before the vote is taken I am going to insist on saying that I am not objecting to how cheaply power is sold. I have never raised any such question as that suggested. But the Senator from Alabama will find that in his own State some of the cities and towns, if this bill shall become a law in the form in which he now suggests it, will say, "We have a right not to be discriminated against by municipalities around Muscle Shoals."

All that I have insisted upon is that something be put in the joint resolution which will prevent a small municipality, hardly large enough to house a corporation that wishes to exploit it, from being in position by virtue of a long-term contract, without any restraint or restriction, to discriminate against other municipalities and its own citizens that have or should have at least an equal opportunity to the use of the power.

I am going to suggest what I have in mind to offer in the form of an amendment. I express the hope that there will be no opposition to it. The Senator from Nebraska said that he had none to the broader suggestion I made that the municipalities in distributing the power to the ultimate consumer should do so under some regulation, not for the purpose of regulating the price but for the purpose of preventing discrimination against the citizens of the municipality itself and the citizens in other neighboring municipalities.

I am going to suggest that after the word "further," in line 19, on page 13, the following proviso be inserted:

Provided, That all contracts entered into by the corporation and any municipality or other political subdivision shall contain a provision that the contract shall be void if discriminatory rates, rebates, or other special concessions are made or given by the municipality to any citizen or resident of the municipality.

In other words, while the amendment is not in the form in which I wish it, yet the whole purpose is to provide against discriminatory contracts by the municipality among the citizens of the municipality. I think the Senator from Alabama would have no objection to the amendment.

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

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

Mr. GEORGE. I yield.

Mr. CARAWAY. I wonder if all that is not taken care of? I presume every State has a public-service commission of some kind which has power to prevent discrimination.

Mr. GEORGE. That is true, but I do not understand that the municipalities in Alabama come within the jurisdiction of the Alabama Public Service Commission. I think they do not. That is my information.

Mr. CARAWAY. The minute the municipality becomes the owner of the power, then would not the municipality be under the control of the local regulatory body? I would concede that the Alabama Public Service Corporation would not have the power to control the distribution of power by the company, but the minute the company distributed it to a municipality, and that municipality commenced to redistribute it to its citizens, the final users of it, would it not be under the control of the regulatory body of the State?

Mr. GEORGE. My understanding is that that is not true of Alabama. I made the suggestion that when the city becomes the distributor under a contract with the Government it should be subject to regulation, at least as far as discriminatory contracts are concerned between the users of the electricity.

Mr. CARAWAY. I do not know the law of Alabama. I would presume that their public-service corporation would have power to prevent discrimination. If it does not, then I know that the individuals of the city could go into court and enjoin the municipality from discriminating against one and in favor of another. I know that such a procedure would be in violation of law if the municipality undertook it.

Mr. HEFLIN. I think the law in Alabama covers the whole proposition very thoroughly and that our public utilities commission has the power now to prevent discrimination of any kind along this line.

Mr. GEORGE. I understood differently, but I am not advised.

Mr. BLACK. The municipality is not under the supervision of the board of public utilities. So far as I am concerned, I am opposed to placing the municipality under the board of public utilities to fix rates. If they did that, I might state to the Senator, we have every reason to believe the board of public utilities would continue to fix the rates the same as they have been, and we would get no benefit at all.

Mr. CARAWAY. But the amendment of the Senator from Georgia would not affect that. He only proposes to prevent the municipality from discriminating between two individuals, for instance, who seek to purchase power from the municipality.

Mr. GEORGE. Exactly.

Mr. CARAWAY. His amendment does not give the power to the Alabama Public Service Corporation, or whatever its name may be, to fix rates, but does give it the power to prevent a city from discriminating among its users of electricity. The city

can make the rate whatever it pleases, but when it makes the rate, then every user of power within a municipality must receive it at the same rate.

Mr. GEORGE. That is the whole purpose, that there shall be uniform rates to the same classes of users.

Mr. CARAWAY. It absolutely does not give the public-service corporation power to say, "You are selling the power too cheap," but it does give it the power to say, "If you sell it to one man at that price, you must sell it to all users in the same class at the same price."

Mr. GEORGE. Exactly.

Mr. CARAWAY. I do not see any objection to that.

Mr. BLACK. I shall be glad to state my objections.

Mr. CARAWAY. The Senator from Alabama does not believe that under the proposed amendment the power is granted to the Public Service Corporation of Alabama to say that the municipality is selling power too cheap?

Mr. BLACK. No. My argument is——

Mr. CARAWAY. I heard the Senator's argument.

Mr. BLACK. The Senator from Georgia stated they might get different industries——

Mr. CARAWAY. Yes; I know what the Senator said. As I understand it, the amendment of the Senator from Georgia would not prevent the municipality from selling the power to anybody as cheaply as it wanted. If it wanted to take a loss, it might do so; but it must sell it to all users at the same price.

Mr. GEORGE. That is all.

Mr. BLACK. That is not done anywhere in the world. There is no place in the world where they sell power to all customers at the same price.

Mr. CARAWAY. That does not mean that the man who takes power 24 hours in the day must pay as much as the man who only takes power for 3 hours at the peak of the load. It means that every 24-hour user of current must pay the same price that every other 24-hour user of current pays. It means that each class of people in the same municipality must pay the same price, not that the manufacturer must pay the same price that the man may pay who only uses power for an hour or two a day. The Senator's amendment does not go beyond that. It says that everybody in the same class must get the same service at the same cost.

Mr. BLACK. It says that it shall be determined by the Federal Power Commission.

Mr. GEORGE. Oh, no; but that the Muscle Shoals Corporation shall put that provision in its contract.

Mr. CARAWAY. It must be distributed equitably among users in the community.

Mr. GEORGE. Yes; and without discrimination as between persons falling in the same class.

Mr. CARAWAY. I can see no objection to it.

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

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

Mr. GEORGE. I yield.

Mr. NORRIS. It seems to me there is nothing in the suggestion made by the Senator from Alabama in regard to the amendment. The only possible objection I think anybody could have to it is the fact that it is an amendment at all. We are starting here to offer a lot of amendments, for which I am as much to blame, perhaps, as anybody, and when we get through we will not have the same measure that it was before, and we will lose a lot of the force that we would otherwise have if we did not change it at all. But the Senator's amendment states a proposition which is eminently fair, it seems to me. It would prevent discrimination. If a corporation in a city is getting 10 horsepower 1 hour out of every 24 hours and they select that hour during the peak load, it does not mean that that kind of a customer would be able to get its power as cheaply per horsepower as the man who took 10 horsepower 24 hours a day. They are in entirely different classes. They should not get it for the same price, and yet there would be no discrimination, as I understand it. I can not see any possible objection to the amendment.

Mr. BLACK. Mr. President, I am not going to say anything else about it except that I think it is far more harmless than the original suggestion which I understood the Senator from Georgia to make. However, I shall vote against the amendment because I do not think any municipality in Alabama ought to be supervised by a commission appointed by the President. It means that the commission could go in there and probe into the books of the municipality. A commission appointed by the President could do that in order to determine whether or not any municipality in Georgia or Alabama or Tennessee is discriminating as between two customers. If the commission happen to think they are not doing quite as the commission thinks they should, and if the commission happen to be under the wrong influence, like some we have had on the Federal Power Commission, they can use it as an excuse for canceling the contract.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Alabama [Mr. BLACK.]

The amendment was agreed to.

The VICE PRESIDENT. Does the Senator from Georgia desire to offer his amendment at this time?

Mr. GEORGE. I wish to offer an amendment. However, I have not the amendment exactly in the form in which I wish to offer it.

The VICE PRESIDENT. The senior Senator from Alabama [Mr. HEFLIN] has an amendment which he intended to offer. That might be considered while the Senator from Georgia is reframing his amendment.

Mr. BLACK. I have another amendment which I can offer.

Mr. NORRIS. We could take up the amendment of the senior Senator from Alabama now. I hope we will proceed with the amendments. If the Senator from Georgia wants a little more time in the preparation of his amendment, let us take up one of the other amendments.

Mr. BLACK. Mr. President, I offer the following amendment.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 15, after line 24, insert the following new section:

SEC. 14. The Secretary of War is hereby authorized and directed to complete the construction of Dam No. 3 in the Tennessee River, near Muscle Shoals, Ala., in accordance with the report, submitted in House Document No. 1262, Sixty-fourth Congress, first session; except that the Secretary of War may, in his discretion, make such modifications in the plans presented in such report as he may deem advisable in the interest of power or navigation. When said Dam No. 3 has been completed, the possession, use, and control thereof shall be intrusted to the corporation for use and operation in connection with the general Muscle Shoals project and for the promotion of flood control and navigation in the Tennessee River. In order to carry out the provisions of this section the Secretary of War shall have the same power and authority with respect to Dam No. 3 as are conferred upon him by section 16 with respect to Cove Creek Dam.

Mr. BLACK. Mr. President, I do not care to talk long on this or any other amendment, as I said. This is an amendment which would provide for the building of Dam No. 3. As I recall it, though I may be mistaken about it, when the Senator from Nebraska originally offered a bill on this subject several years ago, Dam No. 3 was included. Am I correct in that, may I ask the Senator from Nebraska?

Mr. NORRIS. Yes.

Mr. BLACK. Dam No. 3 was originally included in the Senator's bill several years ago. It was not included in the bill last year. It is my understanding that this was not on account of the fact that the Senator had reached the conclusion that it should not be built, but that rather it was probably a question of policy in connection with the bill.

We have a President who was elected on a platform containing a number of planks. If there was any one thing that the President stressed it was his devotion to the waterways system of the country. He advocated that before his election and he has indicated since his election that he was heartily in favor of improving the waterways as rapidly as possible. Therefore I can not assume that there is the slightest possibility that the building of a dam such as this, so much needed, would not meet with the approval of the administration. Of course, if it should be provided for by the Senate when the joint resolution goes to the other House, if, for any reason, the President should not be favorable to it, the probability is that the message would reach some Members of the House; but I will state very briefly the reason why this dam should be constructed.

Last week a report was made by the Chief of Engineers. The Chief of Engineers recommended that the Tennessee River be developed with a 9-foot channel all the way to Knoxville. That was in line with the recommendation made by the district engineer. The only board through which this recommendation passed which did not thoroughly approve of the idea of a 9-foot channel all the way to Knoxville as soon as possible was the Board of Engineers for Rivers and Harbors. They were of the opinion that the project should not be developed immediately any farther north or east than the city of Chattanooga. This dam is between Chattanooga and Florence. It is recommended and has been recommended for a number of years as a necessity for navigation of the stream. If Dam No. 3 and the dam at Guntersville should be built, it would make the river navigable all the way to the city of Chattanooga. That is very essential, if the stream is to be developed as a navigable waterway.

At present, according to the engineers' report, there is, in general, 6 feet of navigable water in the river. At very low stages, however, the water goes to as low as 1 to 1½ feet. The district engineer believes that with a 9-foot channel to Knoxville there would be an annual saving in transportation charges at present of $7,300,000. That is the report of the district engineer—that there would be an annual saving of $7,300,000. He estimates that by 1950 there would be an annual saving of $22,800,000. So we find in the report of the district engineer a direct statement that the making of the river navigable to Knoxville would effect an annual saving to the people of $7,300,000.

Going a little further, there seems to be a difference in the ideas of some as to just what should be done. Some of the engineers favor low-water dams, some of them favor high-water dams; all of them favor high-water dams if the power companies could be induced at once to build the dams. The Chief of Engineers, however, criticizes the Board of Engineers because the Board of Engineers suggest that the project be deferred until the private power companies develop these dams. The Chief of Engineers says that that would take too long; he does not believe in waiting that great length of time.

There is some controversy as to whether there should be about 32 low-water dams or 7 high-water dams, which would be capable of being used for power. I will read just what was said by the Chief of Engineers and the others. The quotations are taken from the engineers' report, which I have on my desk, and which is now being printed. I read from the proof sheets:

The district engineer finds that the construction of seven dams, including Dam No. 3 and the Guntersville Dam, would provide a 9-foot navigable stream to Knoxville. He finds that a substitution of low-water dams for high-water dams with the locks 110 feet wide and 600 feet long, which are the dimensions of those in use on the Ohio River, would cost about $75,000,000. The district engineer does not think that such a project should be built. He does consider that a series of low dams might be adopted as an alternative in any section of the river on which for some reason the construction of a high dam was found to be impracticable at the present time.

Note that statement. He believes only in the low-water dam where the construction of the high-water dam is found to be impracticable at the present time. That statement is taken from his report.

He recommends that the sites at Alora Landing, Pickwick Landing, Chickamauga, White Creek, and Colter Shoals could be constructed under plan A, which provides for construction of the dam by parties holding licenses from the Federal Power Commission. In one of his alternative suggestions he says that the sites just mentioned should be constructed by parties holding licenses, "while Dam No. 3 and Guntersville, which are left attractive as power propositions," should be constructed by the Federal Government, building the navigation facilities, the dam, reservoir, and power house, fore bay, and to receive from the licensees reimbursement for such part of the cost of these structures as is chargeable to power production.

Dam No. 3 is not inviting to any power company. They can not construct that dam and generate power cheaply enough to compete in the markets of the South. Therefore, it is not practicable to anticipate that any private power company will build Dam No. 3, but it is the key to opening up navigation between Florence, Ala., and Chattanooga, Tenn.

Mr. JONES and Mr. McKELLAR addressed the Chair.

The VICE PRESIDENT. Does the Senator from Alabama yield; and if so, to whom?

Mr. BLACK. I yield first to the Senator from Washington, because he was on his feet first.

Mr. JONES. As I understand, from the last statement the Senator made, the building of Dam No. 3 is primarily, if not entirely, in the interest of navigation?

Mr. BLACK. It is partially that, but not altogether. However, that is a most important service that it will accomplish, except in so far as it will aid flood control.

Mr. JONES. It seems to me that that is a proposition which should be taken care of, if taken care of at all, in the river and harbor bill, which deals with matters of that kind, and that it should be considered by the Commerce Committee, which has jurisdiction over legislation of that sort. As I understand, this is not an immediate necessity in connection with the Muscle Shoals development. I do not remember now how much it was estimated to cost, but I think it was some thirty or forty million dollars.

Mr. BLACK. I have the figures, which I will give in a few moments.

Mr. JONES. It seems to me that it is such a proposition as should be presented to the Commerce Committee to be considered in connection with the river and harbor bill. As I understand, that bill is likely to come over here within a couple of weeks, and this project can be considered in connection with it. I do not think the measure before the Senate should be complicated by it.

Mr. McKELLAR. Mr. President——

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

Mr. BLACK. I yield.

Mr. McKELLAR. In addition to its being a matter of navigation and flood control, is it not also true that this dam will greatly increase the power generated at Muscle Shoals? My understanding is that it will. I have not the figures before me, but if I remember the report of the Senator from Nebraska on a former bill, in which he furnished figures as to exactly what that increase would be, it would be quite large, and the dam would, of course, be a part of the entire system.

Mr. BLACK. I have here the figures as to the power that would be generated at Dam No. 2, which were given me this afternoon. For 97 per cent of the time it would be 88,500 horsepower. With the stream flow regulated from Cove Creek, 97 per cent of the time there would be 150,000 horsepower, according to the figures given me over the telephone. Those figures are for Dam No. 2.

As to Dam No. 3, for 97 per cent of the time it would be 47,000 horsepower, and with Cove Creek Dam constructed, and the increase which would result from it, for 97 per cent of the time there would be 80,500 horsepower. I do not have any figures to show the effect Dam No. 3 would have on Dam No. 2.

I realize there is a great deal of weight in what the Senator from Washington says about Dam No. 3. However, I call attention to the fact that it has always been considered as an integral part of the Muscle Shoals development. They have been taken up together in discussions by the engineers, and many of the bills have embraced all the dams, including Dam No. 3. It is necessary that Dam No. 3 should be constructed as an aid not only to navigation but to flood control and for the improvement of power. I call attention to the fact that the only important recommendations that I find made in the engineers' report are with reference to the dams between Muscle Shoals and Chattanooga. In that report in reference to this matter the district engineer said—and I call attention to the fact that the Chief of Engineers adopts his recommendations in the main—

To meet more the immediate needs of this region for improved navigation and increased power development, the district engineer recommends a more limited development, consisting only of the seven dams below Knoxville.

In other words, they all agree that work should begin as soon as possible on the dam projects between Chattanooga and Florence. They do not all agree that it should begin between Chattanooga and Knoxville immediately, although there is a uniform agreement that it is necessary to construct these dams in order for the Tennessee River to be developed as it should be. I call attention to the fact with reference to flood control that the engineer says that it will cost the city of Chattanooga $12,300,000 to build the proper levees to prevent damage to that city, and he says that Chattanooga is contemplating such works now in order to avoid the annual inrush of water. He also estimates that the annual charges on this investment would be $677,000.

I called attention a few moments ago to the saving that would result in transportation. This question with reference to Dam No. 3 simply gets down to this: It is recommended by all that it should be built. There is not a uniform agreement as to how it should be built. The Board of Engineers for Rivers and Harbors takes the position that the Government should not build any dam, but that they should wait for the power companies to develop the stream. That, in substance, is what they recommend. The Chief of Engineers very properly criticizes this statement. He says it would not be proper to wait for any such occasion. The Chief of Engineers believes that he should as rapidly as possible proceed to give to the people a 9-foot channel between Florence and Knoxville. It is necessary for flood control. It is necessary for navigation. It is exceedingly important that they construct these dams in order that they may be protected from the annual onrush of water.

I present this matter to the Senate. I call attention to the fact that it would require six years to build the dam. This would simply be an authorization; and it will be authorized, either in this measure or a little later. The history of Muscle Shoals legislation has been such that it seems to me this is the proper place in which it should be put.

Mr. HEFLIN. Mr. President, I just want to say that if this proposition of the Senator from Nebraska [Mr. NORRIS] is to be accepted as a substitute for or in lieu of some private bid, it ought to go as far as these other bids go.

The Cyanamid Co.'s bid, for instance, proposes:

The lessor, for the purposes of navigation, national defense, and to secure the maximum production of fertilizer at Muscle Shoals in time of peace, covenants and agrees to acquire and construct with reasonable promptness the dam generally known and designated as Dam No. 3.

The Senator from Nebraska provides for the construction of Cove Creek Dam. I submit that Dam No. 3 is a part of this great project. Whether or not we can construct them all at one and the same time, I do not know. I have no desire to load down this measure, because there are features in it that ought to be enacted; and if we can have fertilizer made there for the farmer we might follow the suggestion of the Senator from Washington [Mr. JONES], and take up this matter in a river and harbor bill; but this is a part of the power project.

I have been to the site of Dam No. 3. It will greatly increase the horsepower at Muscle Shoals. It will make the river navigable for many miles. If we could hook it into this measure now we would have both Dam No. 3 and Cove Creek Dam in the measure.

Mr. NORRIS. Mr. President, I am sorry that the Senator from Alabama [Mr. BLACK] has offered this amendment. Dam No. 3 has been under consideration ever since we commenced the investigation of Muscle Shoals. It was in the original proposition. It has been surveyed. Borings have been made across the river at this point, so that the Government is in full possession of sufficient facts to proceed to the building of the dam if it should be decided to do it. No money has been expended in the purchase of land that will be overflowed; but, Mr. President, it is almost entirely a navigation proposition. It is of no value whatever as a flood-control project, as some people think and as some claim, because while it would help a little on flood control if we used it as such, it would destroy its use for navigation and for power. It would dam up the river for about 60 or 65 miles. It would be a straight dam across the river at a place in the river which is rather wide. I do not remember now just how long it would be, but it would be longer than Dam No. 2 but not half so high. It would make the Tennessee River navigable for 65 miles where now there are several locks, small dams, purely for navigation purposes, and it is navigated now.

I think myself that eventually, some day, the Government will build this dam mainly as a navigation proposition, because it would make the Tennessee River navigable better than the low navigation dams that are there now. It is not inviting as a power proposition. Nobody with money to invest for the development of hydroelectric power would invest his money in building Dam No. 3 for the purpose of developing and distributing electric power.

As I said, if it were used for navigation purposes it would be necessary to keep that lake full all the time. Otherwise there could be no navigation above the dam, and when kept full it would absolutely destroy any possible benefit that the dam might have in regard to flood control. So let us eliminate that. The question of flood control is not involved at all. It would cost more money to build Dam No. 3 for the amount of power it would produce than any of these other dams that are mentioned, particularly Dam No. 2.

Mr. President, there is another reason why I do not think the Senator from Alabama ought to press this amendment at the present time. Personally, if I could have my way about it, if I could enact the law that I think would do the most good to the country and to navigation and to flood control, I would build Dam No. 3. I think the Government ought to build it at some time. It is not at all necessary that we hurry about it. The man who now has charge of Dam No. 2, Captain Riley, with whom I had a conference just the other day, told me that the navigation provided for by Dam No. 3 in his judgment would not justify them at the present time in expending Government money to bring it about. It would improve it over the present conditions where we have the navigation dams, as I have said; but its expense would be considerably more than would be necessary to continue to operate the other system. It would develop 40 per cent of the power that is developed at Dam No. 2. If you will always bear in mind the figure of 40 per cent, you can always estimate what the power will be.

The building of Cove Creek Dam would increase the power at Dam No. 3, if it should be constructed, at the same rate that it would increase the power at Dam No. 2. They would be only about 12 miles apart, and between the two there is no perceptible increase of inflow into the Tennessee River. So the streamflow at Dam No. 2 for practical purposes would be the same after the construction of Dam No. 3.

Mr. President, I think we all realize—and I desire to speak with perfect respect for the opinion of others and for the opinion of the President of the United States—that the President probably is not in sympathy with some of the things that we have put in this joint resolution. I do not want to give to the President any additional peg upon which he could hang a veto message; and I am fearful that by putting in Dam No. 3 we might do that.

I want to say again to the Senate that if I could have my own way about it, I would put it in. I believe it ought to be in; but there are two sides to this question, while as to the other things that we have in the joint resolution I think, as I look at it, there is only one side. This is a debatable proposition. No private party would ever build this dam as a power project. It would be extremely useful and permanent as a navigation project. It seems to me, however, for the reasons I have given—and I think they will appeal to Senators who are friendly to this legislation—that we ought not to put it in.

I know that the Senator from Alabama [Mr. BLACK] offers the amendment with the best of faith. I want to commend the Senator from Alabama for the interest he has taken in this legislation. He has been of almost invaluable assistance. I know that when the lobby committee commenced to investigate a request was made of me to meet with the committee and question witnesses, inasmuch as it was supposed that I had a considerable general knowledge on the subject. It was a physical impossibility for me to do that, on account of other work that I had. The Senator from Alabama [Mr. BLACK] was importuned to do it. I myself requested him to do it. He has been of great service to the lobby committee—almost invaluable service. I think they will all agree to that; and I know, as a student of this subject and of this particular investigation of this subject, that we can not praise the Senator from Alabama too highly.

However, while, as I have said, on the merits of the proposition I will agree to his amendment, for the reasons I have given I fear it is vital that it be omitted from this measure. If it should be determined later that President Hoover would like to have this amendment in the joint resolution, it would be very easy for the House to put it in; and they would put it in if he wanted them to, without any doubt, and I should be tickled to death to move to concur in an amendment of that kind. I wish we could have it put in; but I do not think it is wise to put it in now, for the reasons I have given and because there is no hurry. If we do not put it in now there will be ample time to put it in later by some special act. The dam can not be built anyway for a good many years. If we build Cove Creek Dam first it will be several years before they can even commence it. No survey is necessary. No borings are necessary. They have already been made, and there is a record of them in the War Department.

Therefore, it seems to me that we ought to vote down this amendment.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Alabama [Mr. BLACK].

The amendment was rejected.

Mr. HEFLIN. Mr. President, I have an amendment, which the clerk read awhile ago.

The VICE PRESIDENT. Let the amendment be again reported.

The CHIEF CLERK. On page 12, line 16, strike out the period and insert in lieu thereof a colon and the following:

Provided, That for the period of 10 years after the enactment of this joint resolution the board is authorized to furnish, free of charge, to any corporation or individual designated by the Secretary of Agriculture and the Federal Farm Board, acting jointly, an amount of power sufficient to produce annually 40,000 tons of fixed nitrogen; and after the expiration of such 10-year period to furnish power to such corporation or individual upon the payment of such reasonable charges therefor as may be fixed by the Secretary of Agriculture and the Federal Farm Board: *Provided further*, That any fertilizer, either mixed or unmixed, produced with the use of such power, shall be sold by such corporation or individual at reasonable rates to be fixed by the Secretary of Agriculture.

Mr. HEFLIN. Mr. President, I am going to detain the Senate but a moment. This is a very short and very clear proposition in the matter of making fertilizer at Muscle Shoals.

This amendment would empower the Secretary of Agriculture and the Farm Board to let so much of the power at Muscle Shoals as is necessary to make 40,000 tons of fixed nitrogen every year. The lessee would have the power for nothing for the first 10 years. This is part of the inducement to have fertilizer manufactured at Muscle Shoals. After that time the Secretary of Agriculture and the Farm Board might charge a nominal sum for the use of the power.

This amendment of mine provides that this power shall be taken not from surplus power but from primary power. If it takes all of it, very well; but it will not take all of it, it will take only a small amount of it.

Senators, here is an opportunity to make certain that we are going to keep faith with the farmers of the United States. The enabling act provides that this plant shall be used for the making of nitrate for the Government in time of war and fertilizer for the farmers in time of peace. I ask the Senator from Nebraska to accept the amendment.

Mr. NORRIS. Mr. President, I simply want to call attention to the fact that in my judgment if we adopt this amendment we will weight the joint resolution down so that we can not expect it to pass through the criticism at the White House.

This amendment provides that there shall be furnished for 10 years free of charge enough power to make 40,000 tons of nitrate a year. That will be between seventy and eighty thousand horsepower we will have to furnish free to some of these corporations all the time for 10 years. It seems to me a statement of it is sufficient.

Mr. HEFLIN. Mr. President, I want to say to the Senator that there is just that much horsepower going to waste now, and we might give it to the farmers.

Mr. NORRIS. Yes; but when we pass this joint resolution there will not be that much going to waste.

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

The amendment was rejected.

Mr. NORRIS. There is one more amendment to be offered, and then we will take a recess until to-morrow. Let us pass on the other amendment which the Senator from Alabama offered.

Mr. BLACK. I send the amendment to the desk.

The VICE PRESIDENT. The amendment will be reported.

The CHIEF CLERK. On page 10, after line 22, insert the following new section:

SEC. 7. (a) Notwithstanding the foregoing provisions of this joint resolution, the corporation shall not operate nitrate plant No. 2 at Muscle Shoals for the fixation of nitrogen or for the manufacture of fertilizer or its ingredients until an attempt has been made to lease such properties as hereinafter provided. Subject to the approval of the President, the board is authorized to lease, either separately or as a whole, nitrate plant No. 2 (including the Waco limestone quarry), together with all tools and machinery, equipment, accessories, and materials belonging thereto (except power plants) necessary for the fixation of nitrogen or the manufacture of fertilizer and its ingredients, at a rental of $1 per year for each such lease, and upon such terms and conditions as the board may prescribe. As soon as practicable after the first meeting of the board, the board shall proceed to give three months' notice, in the manner best calculated to inform the public, that it will receive offers to lease such properties in accordance with the provisions of this section. The board shall lease such properties to the person who, in its judgment, is best qualified to carry out the purposes of this joint resolution and to manufacture and sell at reasonable rates fertilizer and fertilizer ingredients. Any such lease shall provide that the lessee shall manufacture and sell commercial fertilizer at a price not in excess of 8 per cent above the cost of production, manufacture, and sale, and provide for prompt cancellation of the lease if the lessee or lessees fail or refuse to comply with the provisions of the lease requiring the manufacture and sale of fertilizer as above provided.

(b) Any such lease shall provide that the lessee may, without additional rental, have the use of such additional land at or near Muscle Shoals as may be necessary for the fixation of nitrogen or the manufacture of fertilizer and its ingredients. Subject to the approval of the President, the board is authorized, by separate instrument, to lease to any such original lessee any buildings or equipment, other than those included under subdivision (a), at such rental and upon such terms and conditions as the board deems advisable.

(c) Any lessee under this section may, with the approval of the board, make alterations, modifications, or improvements in existing plants and facilities, and construct and operate new plants and facilities, in order to properly carry out the purposes of this section.

(d) The board shall sell to the lessee or lessees such power as may be needed for the operation of plants Nos. 1 and 2 and such additional plants as may be constructed under the provisions of this section, for the fixation of nitrogen and the manufacture of fertilizer and fertilizer ingredients, at such rates as the Federal Power Commission fixes as reasonable, just, and fair.

(e) In any lease under this section proper provision shall be made for cancellation thereof and taking over by the United States of the property covered by the lease in case of war or national emergency declared by Congress, as provided in section 18, and subject to the limitations therein contained as to payment of damages.

(f) If, after three months' notice, as provided in subdivision (a), no offer suitable to the board has been received from a responsible applicant to lease such properties, the board shall proceed to operate the same in accordance with the provisions of this joint resolution, without regard to the provisions of this section.

Mr. BLACK. Mr. President, this amendment relates to nitrate plant No. 2. That is the plant which the Senator from Nebraska stated yesterday in his judgment was obsolete.

There is a great deal of controversy raging about the subject as to whether the cyanamide process is obsolete or not. My own judgment is that plant No. 2 could be used if the proper advantage should be taken of the by-products so as to benefit the farmers of the South.

This amendment provides that the commission, with the approval of the President, shall have the right to lease plant No. 2 for $1 per year, the power to be sold to the lessee at a cost which is fixed as just and reasonable by the Federal Power Commission for the operation of plant No. 2 for the manufacture of fertilizer and its ingredients.

It provides further that any lease agreed upon between the commission and the President and the private company should contain an agreement limiting the profits to 8 per cent. If no one appeared within the period of three months willing to accept this property and to lease plant No. 2, then it would have no effect whatever upon the measure, but it would be the same as though it had never been offered.

The amendment, in short, is this, a provision for a lease of plant No. 2, if a lessee can be found who will agree to manufacture fertilizer with a limitation upon the profit of 8 per cent, the lessee to obtain power at a low rate from the Government.

Personally I can see where no one would have any objection to this amendment. The Senator from Nebraska takes the position, and has consistently for a number of years taken the position, that plant No. 2 could not be used to advantage. This will afford a thorough test as to whether or not anyone is in earnest when he claims he wants to manufacture fertilizer with plant No. 2 at Muscle Shoals with a limitation of 8 per cent on the profit. If no one wants to do it, he would not have to lease it. At the same time, if it can be leased and operated with a limitation of profit of 8 per cent, the fertilizers being passed on to the farmers that cheaply, certainly no one could be injured.

My own judgment about the Cyanamid Co. bid was, as I expressed it, that it was not a bona fide bid because it did not guarantee the manufacture of fertilizer. Anyone getting this cyanamide plant under this amendment would be compelled to guarantee to manufacture fertilizer and sell it with a profit limited to 8 per cent.

Mr. NORRIS. Mr. President, I want to say just a word, because I would like to have a vote within the next three or four minutes on the amendment if possible.

I do not believe anybody now is giving serious consideration to the American Cyanamid Co. and their bid. They have been blown out of the water. I am not sure but what this would be a harmless amendment, because they could not take the plant and operate it and sell fertilizer at going prices in the market, competing with private concerns making fertilizer, and sell it at a profit of 8 per cent and pay anything on their stock.

Why make this offer to the Cyanamid Co. until they come forward with an offer? If somebody offers a cyanamide bid, this would be an excellent substitute to put in its place. But let us not put this on the joint resolution just as a sort of a bluff to the Cyanamid Co., not believing, ourselves, that they are going to accept it. They are out of the running at the present time anyway. They have been shown by the lobby committee, to a great extent by the able efforts of the Senator who has offered this amendment, to be completely out of this race, completely out of it. Let us leave them out until they come with a bid themselves, and get somebody to offer it; then it would be proper to offer this as a substitute. But at the present time they are out of it, and we should let them stay out of it.

Mr. BLACK. Mr. President, I just want to say this additional word, that this would not limit the bids of the American Cyanamid Co. It would be open to anyone who wanted to bid under the terms mentioned, subject to the approval of the commission and the President.

The VICE PRESIDENT. The question is on the amendment.

The amendment was rejected.

Mr. GEORGE. Mr. President, I now offer the amendment which I suggested when amendment of the Senator from Alabama making provision for 30-year contracts to municipalities was under consideration. The amendment is as follows: In line 18, page 13, after the word "power," to insert the following:

Provided further, That all contracts entered into between the corporation and any municipality or other political subdivision shall provide that the electric power shall be sold and distributed to the ultimate consumer without discrimination as between consumers of the same class, and such contract shall be void if a discriminatory rate, rebate, or other special concession is made or given to any consumer or user by the municipality or other political subdivision.

Mr. NORRIS. I have no objection to that amendment.

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

The amendment was agreed to.

Mr. NORRIS. Mr. President, I think that disposes of all the amendments.

Mr. BLACK. I have one other amendment.

Mr. NORRIS. I will say to the Senator that two or three Senators desire to speak on the joint resolution yet and they are not prepared to do so to-day. Since it is about time to take a recess, as far as I am concerned, I am willing now that we should do so, unless the amendment of the Senator will not take any time.

Mr. BLACK. Suppose I offer the amendment and let it be read?

Mr. NORRIS. Very well.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 12, at the end of line 16, after the word "customers," to strike out the period and insert a colon and the following:

Provided further, That all contracts made with private companies or individuals for the sale of power, which power is to be resold for a profit, shall contain a provision authorizing the board to cancel said contract upon two years' notice in writing, if the board needs said power to supply the demands of States, counties, or municipalities.

Mr. NORRIS. Mr. President, I have no objection to the amendment, as far as I am concerned.

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

The amendment was agreed to.

Mr. NORRIS. Now, Mr. President, that disposes of all the amendments.

Mr. McNARY. Mr. President, the Senator from South Dakota [Mr. NORBECK] desires to make a motion, after which we desire a short executive session.

Mr. NORRIS. I am not trying to cut off the Senator from South Dakota. I want to say that, as far as the joint resolution is concerned, we have gone as far as we can go. We are ready for a vote on the joint resolution as soon as some Senators who desire to speak have completed their remarks.

PENSIONS AND INCREASE OF PENSIONS

Mr. NORBECK. Mr. President, I desire to enter a motion to reconsider the vote by which Senate bill 477 passed the Senate on Tuesday, and also include in that motion a request for the return of the papers which have already been transmitted to the House. The bill gives general increases in pensions to veterans of the Civil War and their widows, but also applies to the War with Mexico and the War of 1812.

The Civil War widow has suffered more especially from unfair pension allowance than has the veteran. Many are past 70 years old and draw only $30 a month, which is a very small income at the present time. Ever since I came to Washington I have advocated increased pension rates and we have secured a better rate for the older widows, but only partial justice was done.

One difficulty has always been due to the fact that we have tried to accomplish too much at one time. Sometimes we have failed to carry both Houses. Other times the measures have been defeated by Executive vetoes. I suggest that now is the time to be sensible if we are truly the friends of the veteran and his widow.

The present bill has some provisions that I believe are indefensible, and had not come to the attention of the Senate. For instance, it proposes to extend the date of marriage to the veteran so that a woman who marries a veteran 55 years after the close of the war will not only get a pension but she will get a pension of $50 a month, and get it for life. This feature is sure to be objected to and will most likely defeat the whole bill. I want to rescue the bill. I want to get a pension increase for the veterans, and more especially for the widows, as already stated.

Experience has taught me that we should first find out what is possible, and then proceed accordingly. I think the sensible thing to do will be to so modify this bill as to come within the approval of the Budget and assure us that this legislation will not be defeated by presidential veto in the closing days of Congress when it is too late to take further action.

The VICE PRESIDENT. The question is on the motion to return the papers from the House of Representatives.

The motion was agreed to.

RELIEF OF FARMERS IN STORM-STRICKEN AREA

Mr. WHEELER. Mr. President, I ask unanimous consent that we proceed to the consideration of Senate Joint Resolution 152, to extend the provisions of the joint resolution for the relief of farmers in certain storm, flood, and/or drought-stricken areas, approved March 3, 1930.

This resolution is an amendment of the resolution approved March 3, 1930, to give the Secretary of Agriculture the right to extend loans to farmers for fuel. It was reported unanimously out of the Committee on Agriculture and Forestry. The reason why I am asking unanimous consent now is because of the fact that if it is going to be of any benefit at all it should be acted upon immediately.

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

There being no objection the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. Res. 152) to extend the provisions of the joint resolution for the relief of farmers in certain storm, flood, and/or drought-stricken areas, approved March 3, 1930, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 2, line 1, to strike out the word "gasoline" and insert the word "fuel," and in line 3, to strike out the word "gasoline" and insert the word "fuel," so as to make the joint resolution read:

Resolved, etc., That the authority conferred upon the Secretary of Agriculture by the provisions of the joint resolution entitled "Joint resolution for the relief of farmers in the storm, flood, and/or drought-stricken areas of Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia, Ohio, Oklahoma, Indiana, Illinois, Minnesota, North Dakota, Montana, New Mexico, and Missouri," approved March 3, 1930, is hereby extended to include the making of advances or loans to farmers for the purchase of fuel and oil for tractors for use in crop production, and, when necessary, to produce such fuel and oil and sell the same to such farmers.

Mr. MOSES. Mr. President, I have no objection to the amendments to the joint resolution except that I regret that I can not buy gasoline by borrowing money from the Government.

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

The amendments were agreed to.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

The joint resolution as amended was ordered to be engrossed for a third reading, read the third time, and passed.

"REVELATIONS OF A COTTON GROWER"

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Revelations of a Cotton Grower," by Mr. Pat Daniel, of Austin, Tex.

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

The article is as follows:

During the past 25 years growing cotton as a means of living has dwindled from the height of a lucrative and independent occupation to an existence filled with anxiety and despair. Those of us who passed through this ruinous period more than anyone else ought to know the causes leading up to such a condition, and through knowledge gained be in a position to offer suggestions that would assist in restoring our industry back to its original standard. To this end and purpose the following observations and suggestions of a farmer of the dirt variety are introduced.

A successful business is based on efficiency, experience, economy, and a thorough understanding of details relating to the respective line. Growing cotton as a business is no exception to this rule, yet not one principle mentioned is considered by the average grower. It is true he knows how to prepare his soil, cultivate his crop, and harvest it. The methods having been handed down for generations without much change for the better, but the time arrives when he must compete with the commercial world for a fair return for a year of toil, and this he is wholly unprepared to do, because he does not know what it has cost him to produce his cotton, and he does not know its market value according to grade and staple when he offers it for sale. Imagine a cotton spinner or a cotton buyer conducting his business in a like manner. How long would he remain in business?

Coupled with the above disastrous condition other gross errors follow in quick succession, any one of which would reduce the possibility of profit in growing cotton.

COUNTRY DAMAGE

It is beyond common sense understanding why a farmer will invariably shelter a bale of Johnson grass hay, worth perhaps 50 cents, and expose a bale of cotton worth $75, to the ravages of the weather. Such gross carelessness is unknowingly costing his industry millions of dollars annually.

TARE (BAGGING AND TIES)

The present arbitrary trade rule of deducting 5 and 6 per cent from the gross weight of cotton for bagging and ties is costing producers approximately $30,000,000 annually, a sum equal to the amount set aside by the Federal Farm Board to finance the entire cotton crop. When this rule was established many years ago, such penalties might not have been excessive, but to-day due to the advent of a much lighter pattern of bagging and the increasing use of sugar bags, a penalty of 3½ per cent would more than cover the weight of present

tare. The average producer is under the impression that he receives the same price for bagging and ties as he does for the lint when in fact he only receives pay for net weight. The tare having been deducted from the purchaser's price whether sold direct to the spinner or broker. In other words, if 6 per cent is deducted from a bale of cotton weighing 500 pounds gross, the producer receives pay for only 470 pounds.

A fixed standard of tare based on the present weight of bagging and ties should be agreed upon and the bagging should be made of cotton.

SAMPLING COTTON

The most useless and one of the most costly errors in the cotton industry is the present method of sampling cotton. It not only results in an average estimated loss of 10 pounds per bale but the practice of slashing a bale of cotton between each band makes it the most uninviting commercial package of its kind in the markets of the world. It further provides for what is known as the "city crop" which finds its way unnoticed into merchantable stock, thereby creating a duplication in statistics.

It has been suggested that a true and correct sample could be taken at the gin and made to serve as a guide in local markets. Such a scheme was attempted some time back, but due to the ginner's lack of knowledge in taking samples and the refusal on the part of buyers to accept them the plan was abandoned. However, a practical method of making one sample answer throughout the commercial course of a bale could be established through a bonded warehouse system, as will be noted under the subject of "Warehousing."

OPEN COTTON YARDS

The greatest economic crime that can be charged to the cotton industry is the existence of "open cotton yards." Such places invite theft, waste, fire, weather damage, and present an unsightly civic appearance in the towns and villages in which they are located. These places should be prohibited by legislation on the ground of being a public nuisance.

WEIGHTS

There are more discrepancies in weights of cotton than any other farm product. This is due to the many different places where cotton is weighed and the various types of weighers performing this service. In Texas, we have the private weigher, public weigher, compress weigher, gin weigher, warehouse weigher, cotton-yard weigher, and weighers appointed by the governor, and it is safe to say that no two of them will agree on the weight of a bale of cotton. Under such circumstances, discrepancies are bound to occur, and if the grower is not the loser, some one else is; but, as a rule, "Jones pays the freight."

SCALPERS

A scalper buyer in a local cotton market is just as useless to a farmer as root rot is to a stalk of cotton. This interloper's occupation and profit consists of knowing more about the market value of cotton than the average producer, and by possession of this knowledge he is able to make enough money during his active season of two or three months to provide himself with the comforts of life during his hibernating period, which is the balance of the year.

GRADE AND STAPLE

Growers have been advised to plant a grade of seed that would produce a better staple. The absence of a legal standard defining commercial differences in spinable value of staple cotton is perhaps the reason why growers do not at this time receive a premium for staple cotton and would be the reason why he would not be compensated for additional cost of staple seed and preparing his soil for cotton of this character.

For the protection of dealers in futures contracts both staple and grade of tenderable cotton has been defined by the United States cotton futures act. In view of this fact, it seems reasonable to expect the Government to enact a law defining differences in spinable value of both grade and staple for the protection of growers.

As the matter now stands, the price of cotton is based on the grade of middling, with no regard whatever for spinnable value. This self-constituted rule on the part of the trade makes it possible for the trade to fix unwarranted penalties on grades below middling, of excellent spinable value, and underestimate the value of grades above middling carrying excellent spinnable value.

CROP FINANCING

If the low price of cotton is due to excess acreage, this condition has been brought about largely by banks, merchants, and other advancing agencies who have heretofore demanded cotton as sole security for crop loans.

Years back when cotton was considered a sure crop, before the advent of boll weevil, root rot, impoverishment of soil, and when a dollar was worth 100 cents, loans were based on the number of acres planted to cotton. As the time passed, with the introduction of pests and the purchasing power of a dollar 40 per cent lower, the yield gradually decreased and naturally acreage increased to meet the demand for additional security. If any one thing has advanced the principle of cooperative marketing, it is the system of financing as outlined, and it is interesting to note that since Uncle Sam has set aside $30,000,000 to finance the crop on a decreased-acreage basis that the banks, especially, have reversed their position and are now advising farmers to reduce acreage.

COTTON GINS

Through cooperative effort ginners of Texas have improved the character of lint and the appearance of a bale of cotton wonderfully within the last few years, but there still remains room for more improvement which will assist the grower to obtain a better price and the ginner more pay for the additional service. Some ginners make a practice of not running out the "gin roll," even when various grades and staple are offered for ginning. This practice has introduced a bale of cotton having a different grade or staple on either side. Buyers being aware of this fact have established a custom of paying the grower according to the inferior side, notwithstanding the fact that the inferior side might contain the "gin roll," which will not average over 10 pounds. In instances where superior grades and staple follow inferior cotton the grower suffers an unjust heavy penalty by reason of this practice.

Refusal on the part of the ginner to gin wet or damp cotton and a careful adjustment of machinery so as to operate at the proper speed would mean a saving to both ginner and grower.

CROP REPORTS

The Ginners' Report, issued by the Department of Commerce, is a source of valuable and definite information, while the reports issued by the Department of Agriculture covering "estimated production" are a source of the biggest disturbing factor in the cotton market. It is impossible for any man, or set of men, for that matter, to foretell with any degree of accuracy how much a cotton crop will yield in advance of the many trying conditions the plant must encounter during its growing period. It is an old and true saying that "Cotton can promise more and do less and promise less and do more" than any other agricultural product.

It is possible, after making four periodical surveys of crop conditions, that a fair estimate of production can be made by averaging the four surveys, but what purpose has been accomplished except to display the skill of statisticians in a guessing contest and to provide a means whereby local bucket shops, alias cotton exchanges, can entertain speculators four separate days each season with a possibility of winning the limit of points in one day?

Viewing these reports from another angle, they are inconsistent and misleading for the reason that one estimate is based on net yield per acre, while the final estimate is based on bales of 500 pounds gross weight. If the reports could possibly be worth while the estimate in both cases should be based on net production as the tare on a 15,000,000-bale crop would amount to approximately 750,000 bales. In other words, the crop would be 14,250,000 bales net weight.

Cotton is bought and sold less tare, and you can't spin bagging and ties, so why add tare to estimates?

BOLL WEEVIL

We are told by experts that Mexico is the place of origin of the boll weevil, and their presence in this country occurred through their ability to fly across the Rio Grande. If we accept this theory, then we must concede that their presence in Egypt occurred in a like manner, notwithstanding the fact that such a feat is an impossibility.

With all due respect to science and its wonderful accomplishments, it is the opinion of an ordinary cotton grower who is well acquainted with the habits of the pest that the origin of the boll weevil in this country occurred when a carload of infested cottonseed was shipped from Mexico to a Texas cottonseed-oil mill, and the distribution throughout the Cotton Belt in this country occurred in a like manner. Now, if the theory of the cotton grower sounds reasonable, it is very evident that the cotton gin is the seat of distribution, and it is at this point we should direct our efforts toward extermination. Some process of fumigating the seed at the gin, either by wet or dry steam to a degree of heat that would not destroy germination of the seed, seems advisable. This process has been used in Egypt with satisfactory results. Of course, this process will not destroy all of the weevil, but it would at least prevent the farmer from carrying infested seed back to his farm from the gin, as is the case to-day, and thereby providing ideal hibernating quarters until he releases them in his field at planting time.

ACREAGE REDUCTION

In a hasty effort to relieve a distressing situation we are apt to resort to a measure that harbors more internal hazards than the distressing situation itself. It is quite possible that the effort to reduce cotton acreage as a means of increasing the price is a circumstance of this nature. At any rate, acreage reduction, is a very serious undertaking and one that requires the combined judgment of farseeing business men and well-informed farmers.

Viewing the matter from the standpoint of a tenant farmer, the undertaking if carried out might result in much harder times for him unless he is provided with means to make a feed crop, funds with which to buy stock to consume the feed, and a guarantee that the demand for stock will not be impaired by overproduction. We must not overlook

the fact that approximately 500,000 of the tenant class will be affected by a reduction of 6,000,000 acres.

It would also be advisable to consider the possibility of producing a greater crop of cotton this year on 40,000,000 acres than was produced last year on 46,000,000 acres. Regulating conditions affecting yield is beyond human control.

If the price of cotton was based on supply and demand, the tenant farmer provided for, and the yield regulated to a point of maximum production, acreage reduction would no doubt increase the price to some extent. But unfortunately the price of cotton is based on the trend of the futures market, and it is to this feature the attention of reductionists is directed.

FUTURES MARKET

In so far as the "spot dealer" is concerned, the futures market is a source of indispensable protection against losses on future deliveries. In so far as the producer is concerned, the futures market, from the standpoint of a speculative medium, is a source of unestimable damage. Notwithstanding the fact that a cottonseed is never planted, a futures crop often runs into hundreds of millions of bales and it is this invisible crop and not actual production that is playing havoc with the price of cotton. Right here, it seems, would be a splendid opportunity for advocates of decreased production to accomplish their purpose without disturbing the poverty-stricken tenant farmer and taking chances with nature producing a bumper crop on 40,000,000 acres.

INCREASED CONSUMPTION

It is claimed that if all bags and bagging now manufactured out of jute and hemp were made of cotton, it would increase consumption of cotton something like 1,500,000 bales annually. There are no available statistics to substantiate this claim, but primary mathematics will suffice to prove, that if 12 pounds of jute is used to cover a single bale of cotton, it would require 180,000,000 pounds to cover a 15,000,000-bale crop. Divide the total of pounds of jute by 500 pound bales of cotton and you have created a new demand for 360,000 bales of low-grade cotton. All of this being true, it seems like it would be a much less complicated task to increase consumption than it would be to decrease production and thereby eliminate chances on several million acres of cultivated land lying fallow.

COOPERATIVE MARKETING

The idea of organizing cotton growers into a cooperative marketing unit is not a new one. Two or three attempts were made several years ago and they were failures; due partly to insufficient capital and wholly on account of restricting the benefits to members only. The effort at this time, however, is backed by sufficient capital to carry out the plan, but the same old system regarding membership remains unchanged. Advocates of organization, then and now, seem to lose sight of the fact that growing cotton is conducted by two separate and distinct classes of people. Landlords and tenants. Landlords, by reason of their possession of real estate and other assets, can, if they so desire, avail themselves of the advantage of holding cotton collectively, for a better price, without impairing their credit. Tenant farmers, however, do not possess property of a character that would entitle them to a line of credit, except an interest in a cotton crop, and this they must pledge to some agency in return for provisions and other necessities needed during the cultivating and harvesting period of their crop. Under such circumstances it would not be possible for tenant farmers to become members of an organization that requires its members to pledge baled cotton in order to obtain benefits of collective holding.

There is another feature which might prevent a cooperative organization from being successful, and that is the difference in the quantity of cotton produced as between landlord and tenant. Conservatively estimated, tenant farmers produce three-fourths of the annual crop. If this is true, then the majority of stock or controlling interest is in the hands of tenants who by reason of pecuniary circumstances are unable to meet requirements of membership.

It is quite possible that the above conditions are largely responsible for the small percentage of growers now identified with present organizations and it is likely they will continue to act as a barrier until some means are provided whereby tenants and landlords will share equally in benefits of an organization designed to help the industry as a whole.

WAREHOUSING

The errors and abuses covered in this article constitute the major evils in growing and marketing cotton. Losses to producers due to their existence would probably reach the staggering sum of $175,000,000 annually. That they have been allowed to exist is a reflection on ordinary intelligence, and to allow them to continue would be to ignore an industry upon which every household in this country is more or less dependent.

Farmers, merchants, banks, and public officials can assist greatly in eliminating a majority of the evils mentioned through a cooperative bonded warehouse system, in connection with a cooperative marketing system. The foundation of both already being provided by the United States warehouse act and Federal Farm Relief Board.

The warehouse act, with a few amendments, would serve to correct costly errors in weights, grades, staple, and prevent waste attributable to sampling, city crop, country damage, and open cotton yards, and at the same time offer protection against fire and theft.

In order that growers might receive these benefits it will be necessary to locate warehouses at convenient points of delivery and a Federal law should be enacted requiring every bale of cotton produced to pass through a warehouse, as the first step in initial marketing. In this manner both landlord and tenant would receive the same protection and benefits derived through a correction of the evils, and it would not interfere with an individual who desires to further his interest by pledging his cotton to a holding organization.

Another valuable feature afforded by a Federal bonded warehouse is the receipt issued by it is a representation in fact of the true bale of cotton which would in time likely become a local tender in payment of various obligations. Should this happen there would be times when a million or so receipts would be in the hands of banks and merchants who owe it to the industry to become members of holding organizations and pledge the cotton represented by receipts.

Some of the conditions referred to above may be more or less exaggerated, but this does not lessen the fact that the conditions exist and should be corrected.

RESULTS OF PROHIBITION

Mr. JONES. Mr. President, I hold in my hand a clear, concise, comprehensive, and temperate article on the workings and results of prohibition in the United States. This is by Ernest H. Cherrington, general secretary of the World League Against Alcoholism. Mr. Cherrington is a patriotic, able American citizen. I ask that his article be printed in the Appendix of the RECORD.

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

WORKING AND RESULTS OF PROHIBITION IN THE UNITED STATES

(Ernest H. Cherrington, general secretary World League Against Alcoholism)

IS PROHIBITION A SUCCESS OR A FAILURE?

Conservatively estimated, four-fifths of the population of the United States under 20 years of age never saw a saloon. Young people of to-day hear much of the present distressing conditions having to do with the beverage-alcohol problem and the enforcement of prohibition. They know comparatively little of the conditions which prevailed under the beverage-alcohol traffic of yesterday.

The picture of to-day

The picture of prohibition at its worst is not a pleasant picture. We read, see, and hear much to-day regarding the bootlegger, the rum-runner, hip-pocket flasks, drinking by girls and young women, the part which beverage alcohol plays at public dances and in automobile parties, corruption in Government enforcement circles, poison liquor, feuds among bootleg kings, the flagrant violation of the law by the liquor interests in cities, and the serious disregard of law by the people. Surely to-day's picture is dark enough. Surely the beverage-alcohol problem in America is far from solution. Surely the road to complete victory is yet a long, long trail.

The picture of yesterday

But let us look at another picture. While considering the ugly features of the picture of to-day, we should also keep in mind the picture of yesterday. There were in operation in the old days more than 200,000 saloons and probably half as many additional speak-easies and blind tigers, together with a remarkable number of dispensaries under misleading names. The annual consumption of intoxicating liquors in the United States had reached more than 60,000,000 gallons of wine 160,000,000 gallons of whisky, and almost 2,000,000,000 gallons of beer.

Approximately four-fifths of these liquors were consumed in large cities, where the average annual per capita consumption of beer alone was 2½ barrels (70 gallons). Taking the accepted estimate of 20,000,000 drinkers, the average per capita consumption of these drinkers annually was over a hundred gallons.

The annual average drink bill was probably over $3,000,000,000. Great beer trains of refrigerator cars pulled into large cities of the United States every night, carrying nothing but beer, the supply necessary for 24 hours.

Drinking among young women and girls had become alarming 20 years ago. A survey in 1914 of three streets in Chicago's loop district, including 445 saloons, showed an average every night of more than 14,000 girls and young women drinking in the back rooms of those saloons. The hip flask is not a new invention. In the old days it was a rare saloon that did not have on hand always a quantity of glass hip flasks as a necessary stock in trade.

Drunks on the streets and in public places were so common that there was no thought of arresting such persons unless they actually disturbed the peace. The old-time liquor traffic not only evaded and even flouted

the law, but it was the foundation upon which were built the most corrupt political machines in the history of this Nation. These machines depended for their very life upon the saloon and the liquor system. The brewing interests made themselves a political force in every city and community where the saloon existed. Commercialized vice was associated with and controlled by the saloons and the liquor system.

Memory and observation tell story

In determining the question as to the success or failure of prohibition, some factors of common knowledge must be taken into account. The average observing individual 35 years of age can easily answer for himself the question as to whether there is now greater or less evidence of the beverage liquor traffic and its evils on the streets of any city, on railroad trains, in interurban and street cars, in hotels, restaurants, manufacturing plants, business houses, in local, State, and Federal buildings, city council chambers, State legislative halls, and congressional lobbies. The average casual observer who remembers conditions under the old system can answer for himself the question as to whether there is more or less evidence of drinking and drunkenness since prohibition was adopted.

Is it reasonable to believe?

Is it reasonable to believe that a commodity such as beverage alcohol, which before national prohibition was advertised more widely than any other commodity in the newspapers and magazines, on the billboards, and electric signs; a commodity sold openly in hundreds of thousands of retail establishments on the principal street corners of the cities and towns—is it reasonable to suppose that such a commodity would have a larger sale and consumption now that its advertisements have been prohibited, that the entire trade has been outlawed, and that when one desires to sell or purchase a drink he must resort to some secret place or clandestine method, and even then not be absolutely sure whether he will get a drink or be poisoned?

What evidence of large consumption?

There are no accurate statistics on the production, importation, or consumption of illicit beverages in this country. It is difficult to obtain anything like reliable data upon which to base any estimate on these phases of liquor lawlessness. Attempted estimates based upon the number of stills seized or the number of bootleggers and moonshiners arrested are valueless so far as conveying to the public any adequate picture of drinking conditions to-day, since these stills vary in capacity from a few gallons to large quantities and their productive period is incalculable, varying from a day to weeks or months. While the stocks in hand of the peddlers of illicit liquor or the speak-easies from which they sell it are usually so limited that they may be transported by the classic method which gave the bootlegger his name in the days when the wide boots offered concealment for a few bottles of illicit liquor, and while other manufacturers from agricultural products may be estimated by the Department of Agriculture from the quantities of grains consumed, it is noteworthy that the highly advertised production of illicit whisky does not seem to have made any marks upon the grain market. Either our national check of the uses of various grains is so faulty that great quantities may be diverted to illicit beverages without leaving a trace, or else, as seems much more probable, no very large quantities of grain are thus used, in spite of the insistent and incessant propaganda to the contrary.

Preprohibition consumption

Those who maintain that this Nation is drinking any important fraction of the quantity consumed before the adoption of national prohibition will find difficulty in producing any evidence to substantiate that statement. Before prohibition the national drink consumption was mounting yearly. In 1917, the last year of comparatively unrestricted sale under license, according to the United States Statistical Abstract, 1922, page 697, we consumed, according to the United States internal revenue reports, 42,723,376 gallons of wine, 1,885,071,304 gallons of malt liquors, and 167,740,325 gallons of distilled spirits. These wines contained over 6,500,000 gallons of pure alcohol (the dry wines ranging from 12 to 14 per cent and the port and sherry from 18 to 24 per cent alcohol). The distilled spirits contained 83,870,000 gallons of pure alcohol. The malt liquors contained 75,402,852 gallons of pure alcohol. This makes a total beverage consumption of pure alcohol in 1917 of 165,772,000 gallons. That represents only the liquors accounted for by the Federal Internal Revenue Department. It does not include the illicit intoxicants of that period.

Charles D. Howard, chemist of the New Hampshire State Board of Health, has declared that "probably as much as 90 per cent if not more of the whisky and gin as sold by the glass over the common saloon in preprohibition days was 'synthetic' either wholly or mostly." No one knows how much intoxicating liquor was consumed by the people of the United States before national prohibition. The amount of moonshine, smuggled liquors, and various other classes of liquors which evaded the Government tax, before national prohibition, would be just as difficult to estimate as the amount of such intoxicants manufactured, sold, and used to-day.

If this Nation to-day were consuming as much as even the amount of legal liquors consumed before national prohibition, and that were to be transported by automobiles, each automobile in the Nation would need to transport more than 100 gallons. Those who maintain that the Nation is drinking as much as ever must show where such a quantity of alcohol is obtainable, illicitly, to-day. Probably the highest estimate of diverted alcohol claimed that 90,000,000 gallons of hard liquor, or 58,000,000 gallons of pure alcohol, was entering bootleg channels, and this estimate was based on a misconstruction of alcohol withdrawals.

The per capita consumption of liquors of all kinds before prohibition was estimated (by the United States Statistical Abstract) at 20.2 gallons per year. It has been frequently claimed that there were 20,000,000 adult drinkers before prohibition. On that basis, the consumption of legal liquors was 108.7 gallons per drinker per year.

If the 20,000,000 former drinkers were all living and were still unreformed, the 15,000,000 gallons of possible liquor made from diverted alcohol, plus an unverified 10,000,000 gallons from smuggled supplies or moonshine sources, plus even such an unlikely estimate as 250,000,000 gallons of home brew, would give each of the old-time drinkers less than 13 per cent of the former 108.7 gallons.

Violations of the law

Propagandists against prohibition understand the psychological effect of the use of large figures. They understand that the average reader does not stop to consider the significance of such figures in comparison with the total number of individuals involved in any such report or survey. Much has been said about the number of arrests by officers in the Federal Prohibition Unit. The report for 1928 shows that the total number of persons arrested by all Federal officers in that year was 75,307. As a matter of fact, that means 1 person arrested by the Federal authorities out of each 1,600 of the population.

The enemies of prohibition attempted to establish the popular impression that liquor-law violations are so general and so widespread that they "make a farce of prohibition enforcement." In order to give "an air of verisimilitude to a bald and unconvincing narrative" the propagandists for the brewers, distillers, and vintners quote the arrests for violations of the prohibition laws and even cite the seizure of distilling apparatus as though this were evidence of the failure of the law. Rather are these facts evidence of the increasing enforcement of the law. Reports of arrests, seizures, etc., by Federal prohibition officers alone, since the effective data of the national prohibition act, do not suggest any abatement of their efforts. The following are the official figures compiled under the direction of the Commissioner of Prohibition for this period.

	Period from Jan. 17 to June 30, 1920	Fiscal year ended June 30—							
		1921	1922	1923	1924	1925	1926	1927	1928
Illicit distilleries seized	4,645	9,746	8,313	12,219	10,392	12,023	12,227	14,512	16,220
Illicit stills seized	4,888	10,991	10,994	14,000	15,853	17,854	12,248	11,881	18,980
Illicit still worms seized	2,218	5,182	10,203	7,512	8,211	7,850	6,974	8,024	9,133
Illicit fermenters seized	21,111	70,014	81,640	124,401	124,720	134,810	130,530	173,656	217,278
Gallons of distilled spirits seized	137,772.38	413,987.32	382,390.44	457,365.25	1,672,743.81	1,102,787.65	1,247,520.08	1,462,532.76	1,048,636.84
Gallons of malt liquor seized	1,637,483.00	4,966,005.27	4,187,625.67	4,803,872.92	5,379,528.03	7,040,537.30	14,220,551.93	5,971,903.35	4,254,029.58
Gallons of wine, cider, mash, and pomace seized	95,672.90	428,303.88	4,052,213.88	9,085,411.34	8,774,916.80	10,572,933.50	13,273,738.10	21,736,395.24	27,171,567.06
Number of automobiles seized	209	706	1,886	3,977	5,214	6,089	5,935	7,137	6,934
Number of boats and launches seized	3	23	74	134	236	182	187	353	81
Total appraised value of property seized	$1,262,196.67	$8,181,866.70	$5,872,092.09	$11,478,277.53	$10,843,881.83	$11,199,664.46	$13,835,524.85	$24,540,338.03	$23,204,345.20
Number of agents injured	0	13	28	45	28	39	50	59	89
Number of agents killed	0	14	9	11	2	7	6	6	10
Number of persons arrested	10,548	34,175	42,223	66,936	68,161	62,747	58,391	64,986	75,307

Behind these figures there lie many interesting facts not always realized by the mass of people. The illicit distilleries may be anything from a little hovel or a shack in the woods to a large barn or other building converted into a factory for the production of illicit liquor. Many of them have very limited capacity. None of them, of course, were comparable to any distillery in the preprohibition days. In fact, it would take hundreds of these so-called distilleries to equal one of the distilleries which operated legally before the adoption of national prohibition.

So, with the illicit stills, worms, and fermenters, which have been seized. Some of these stills had a capacity of only a few gallons. Others had a large capacity. The larger the still, however, the greater the chance of its being detected and wrecked by officials before it had gotten fairly into operation. The distinctive odor of the mash can not be concealed. The problem of disposal of the mash after distilling introduces another element which increases the chances of detection. Many of these stills never produced a gallon of spirits to enter the market. The fermenters cited in the report may be anything from a pan to a vat. A score or more may belong to a single still. The fact that these were seized and wrecked and that the liquor produced was confiscated and destroyed indicates some degree of efficiency on the part of Federal prohibition officers.

If other evidence were required in regard to the enforcement of prohibition the price of bootleg liquor, which is frequently quoted in the press, should be persuasive.

That there are weaknesses in enforcement no person will deny. It is inevitable that there will be such weaknesses. It is possibly equally undeniable that the quality of enforcement is continuously improving. When one considers the limited number of agents actually at work on the enforcement of this law, one may be surprised at their achievements. Especially is this true when we remember that some States like New York and Maryland give no aid in the enforcement of the eighteenth amendment, although the legislatures of those States ratified it, and when we remember that in several other States the assistance given by State officials and enforcement officers is of the half-hearted variety. It is conservative to estimate that there are more violations of the traffic laws in the United States in a week than there are violations of the prohibition laws in a year.

Poison liquor

Dr. Thomas A. Gonzales, assistant medical examiner in charge of the morgue for New York City, gave out a report after the 1926–27 holiday season that effectually squelched the furore begun in wet newspapers about the alleged deaths from denatured alcohol. He showed that there was one such death only where the papers had said 700 had been reported. The other alcoholic deaths at the time were the same kind of cases that were common in the days of the legal saloon.

Dr. George M. Bigelow, commissioner of public health in Massachusetts, says: "What is killing people now who die of alcoholism is what killed them back in the days of the high alcoholic death rates of 1916 and 1917 and before, namely, ethyl alcohol, 'grain' alcohol, or 'good, pure' alcohol."

The committee on industrial alcohol of the American Chemical Society, Richmond, Va., on April 11, 1927, said: "The Government denatures alcohol, not to poison it but to render it unmistakably nonpotable—that is, undrinkable. If criminals improve the taste and odor so that it appears potable without removing any possible poisonous characters, the guilt is theirs."

The Journal of the American Medical Association on May 12, 1928, published a paper by Dr. Reid Hunt, of the Harvard Medical School, strongly supporting the theory that the most poisonous substance in the various alcoholic-liquor concoctions of the present day is nothing more nor less than ethyl alcohol.

Alcohol denatured with wood alcohol is used as a beverage in England and Wales, as shown by official statistics.

Drunkenness in England and Wales (due to drinking alcohol denatured with wood alcohol)

Year	Convictions		Total
	Male	Female	
1920	81	196	277
1921	117	214	331
1922	250	266	516
1923	334	349	683
1924	346	347	693
1925	241	203	444
1926	218	171	389

(From Current History, April, 1928, Europe's Drink Evil an Object Lesson to America.)

Drunkenness arrests

The Government-control system in Canada has not reduced drunkenness arrests in Montreal and Toronto, as compared with New York, according to the record.

Drunkenness in Toronto, Montreal, and New York

Year	Toronto		Montreal		Arrests New York City per 10,000 population
	Arrests	Per 10,000 population	Arrests	Per 10,000 population	
1910	11,650	220	2,254	36	47.21
1911	11,717	225	3,339	54	45.32
1912	13,665	262	6,842	110	41.80
1913	15,116	290	9,295	151	43.25
1914	14,247	273	8,323	136	39.67
1915	11,232	216	5,478	88	38.88
1916	9,639	185	4,409	71	32.39
1917	4,554	87	5,353	86	25.80
1918	3,433	66	4,498	72	13.01
1919	3,925	74	6,693	108	10.04
1920	6,130	118	7,618	121	10.56
1921	4,727	91	6,363	102	10.93
1922	4,059	78	3,227	52	14.81
1923	4,701	90	3,760	60	18.11
1924	4,579	88	3,922	63	18.34
1925	5,546	106	3,165	51	14.83
1926	5,062	97			
Average	7,880	150	5,347	85	26.56

(From Current History, April, 1928, Europe's Drink Evil an Object Lesson to America.)

The above table must be read with care. It should be noted that it does not make a comparison of drunkenness in Toronto under the present Ontario control act with New York under national prohibition, for the control act did not become operative until June 1, 1927.

Moreover, it should be noted that the government-control system of the Province of Quebec did not become operative in the Province until May 1, 1921; hence the comparisons of Montreal within the Province of Quebec with New York under prohibition begins with May 1, 1921.

Drunkenness in the United States, even in New York City, according to official figures for arrests per unit of population, is less than in London, Paris, or other European cities.

Drunkenness in New York and Paris

Year	Arrests in Paris	Paris [1]	New York [1]
1911	23,058	76.8	45.32
1912	27,137	90.4	41.80
1913	20,256	67.5	43.25
1914	18,175	60.5	39.67
1915	12,281	40.9	38.88
1916	11,380	37.9	32.39
1917	10,915	36.3	25.80
1918	8,399	27.9	13.01
1919	8,059	26.8	10.04
1920	11,633	38.7	10.56
1921	12,790	42.6	10.93
1922	15,031	50.1	14.81
1923	16,208	54.0	18.11
1924	14,157	47.1	18.34
Average	15,059	50.5	25.88

[1] Arrests per 10,000 population.

(From Current History, April, 1928, Europe's Drink Evil an Object Lesson to America.)

Drunkenness in New York and London [1]

Year	Population	Arrests for intoxication in New York City		Convictions for drunkenness in Greater London	
		Arrests for intoxication	Per 10,000 population	Convictions	Per 10,000 population
1911	4,852,200	21,994	45.32	55,898	93
1912	4,937,517	20,640	41.80	59,920	99
1913	5,022,834	21,727	43.25	65,488	109
1914	5,108,151	20,269	39.67	67,654	112
1915	5,193,468	20,194	38.88	51,836	86
1916	5,278,785	17,099	32.39	29,394	48
1917	5,364,102	13,844	25.80	16,833	28
1918	5,449,419	7,090	13.01	10,139	17
1919	5,534,736	5,562	10.04	21,053	35
1920	5,620,048	5,936	10.56	30,399	50
1921	5,705,365	6,237	10.93	27,788	46
1922	5,790,682	8,578	14.81	31,333	51

[1] In point of population, London and New York are cities of similar size.

Drunkenness in New York and London—Continued

Year	Population	Arrests for intoxication in New York City		Convictions for drunkenness in Greater London	
		Arrests for intoxication	Per 10,000 population	Convictions	Per 10,000 population
1923	5,875,999	10,643	18.11	30,490	50
1924	5,961,316	10,934	18.34	30,437	50
1925	6,046,633	8,971	14.83	29,975	49
1926	6,131,950	8,747	14.26	29,174	48
Average		13,029	24.50	34,919	60

(From Current History, April, 1928, Europe's Drink Evil an Object Lesson to America.)

Drunkenness in Stockholm, Oslo, and New York

Year	Stockholm		Oslo		New York City—arrests per 10,000 population
	Arrests	Per 10,000 population	Convictions	Per 10,000 population	
1912	16,799	373			41.80
1913	17,696	391	20,293	780	43.25
1914	11,878	264	19,071	733	39.67
1915	11,323	251	20,684	795	38.88
1916	9,877	219	24,818	954	32.39
1917	3,749	83	13,672	525	25.80
1918	6,341	141	12,217	469	13.01
1919	11,282	251	16,938	651	10.04
1920	10,207	228	13,624	524	10.56
1921	6,950	154	13,750	529	10.93
1922	7,488	166	18,195	699	14.81
1923	8,069	181	22,504	865	18.11
1924	8,181	182	18,704	719	18.34
1925	7,275	162	16,518	635	14.83
1926	6,689	148			14.26
Average	9,587	213	19,845	682	25.88

(From Current History, April, 1928, Europe's Drink Evil an Object Lesson to America.)

Lack of any fixed standard makes comparison of drunkenness arrests, even in the same city, for the same number of years, utterly unreliable. The following is from Police Statistics, by Bennet Mead, United States Bureau of the Census: Use for Measuring Incidence of Minor Offenses, from The Police and the Crime Problem (from the Annals of the American Academy of Political and Social Science for November, 1929):

"Statistics of persons charged are of little use for measuring the prevalence and the trend of the major offenses, such as homicide, robbery, burglary, and larceny. As a rule, the number of arrests is far smaller than the number of major offenses committed. In addition, experience demonstrates that the ratio of arrests to offenses may fluctuate considerably from year to year. In any case, as indicated in a previous section, the number of offenses known to the police, if correctly compiled, forms an accurate index of the occurrence of the principal major offenses.

"The situation is different, however, with certain minor or petty offenses, of which cases coming to the notice of the police are most likely to result in the arrest or the notification of the offender. Thus the number of persons charged not only constitutes the only available means of measuring the prevalence, and the trend of these offenses, but may form a fairly accurate index. For example, the number of arrests for drunkenness may, where police policy tends to be drastic, represent practically all cases of intoxication in public places. In any case, the figures represent the cases in which official notice is taken of public drunkenness.

"It is apparent, however, that under other conditions, the number of persons charged may be much smaller than the number of times a given kind of offense has come to official notice.

"In order that statistics of persons charged may form even an approximate index of the prevalence of offenses, it is essential that uniform policies and practices in making arrests or bringing charges be followed in various localities, and in a given locality for various years. For example, if it is the practice in city A to bring charges against all intoxicated persons found on the streets, while in city B charges are made in only 50 per cent of the cases and the rest are released when sober, it is evident that comparison of the numbers of persons charged would lead to quite erroneous conclusions as to the prevalence of drunkenness in the two cities.

"Great care is necessary, therefore, in the interpretation of all existing statistics of persons charged, and especially of 'arrest' statistics. There is little uniformity in the practice of different police departments in making arrests and bringing charges. Furthermore, there are frequently drastic changes in the policy of a given police department which may cause spectacular increases or decreases in the number of arrests for a given offense, with no equivalent change in the prevalence of the offense.

"A striking case in point is the current bitter controversy between the advocates and the opponents of prohibition concerning the significance of the marked increases in arrests for drunkenness which have occurred in many localities during recent years. Numbers of the 'dry' faction insist that this increase does not represent a corresponding increase in the amount of drunkenness, but reflects the adoption of more drastic policies in dealing with offenders, with the result that many of them are arrested who formerly would have been handled without arrest. The 'wets' on the contrary, declare that there has been little change in police policies, and that the arrest statistics reflect an actual increase in the occurrence of drunkenness.

"The great influence of police policy in such matters may be indicated by citing certain statistics from the 1928 report of the Detroit police department. From 1914 to 1918, this department usually held drunken persons until sober, then released them without trial. In 1918, 11,518 persons were released, as against 1,933 who were held for trial. In 1919 this practice was abandoned and the number of drunken persons held for trial increased to 6,249, more than three times the number held for trial in 1918, but only about one-half of the total number arrested for drunkenness in 1918. Late in 1926 the former policy of release without trial was resumed, with the result that the number of drunken persons held for trial dropped from 14,624 in 1926 to 4,313 in 1927, while the number arrested but released without trial was 710 in 1926 (between December 14 and 31), and rose to 17,721 in 1927.

"In this instance, the changes in police policy are clearly stated in the report, hence the effects of such changes on the statistics can be estimated. But in the reports of many other police departments, inspection of the figures may point to probable changes in arrest policy, though no definite conclusions can be reached as to just what these changes have been or how great have been their effects. Consequently many, perhaps most, of the statistics of persons charged, or of arrests, which are now available in police reports, can not be safely used to measure the prevalence or the trend even of minor offenses."

Observance and enforcement of prohibition

The suggestion put out as propaganda to the effect that intoxicating liquors are being manufactured, smuggled, sold, and used in larger quantities than before prohibition was adopted on its face is an absurdity.

Under popular government observance and enforcement of law go hand in hand. The degree of observance by the people largely indicated the degree of enforcement. Public opinion in any community, city, or State has its effect not only upon the making of laws but upon the administration of those laws.

Prohibition is neither perfectly enforced nor is it universally observed by the American people. Of course, no law is perfectly enforced or unanimously obeyed. The violations of the prohibition law, however, while more numerous than we might wish, are not sufficiently so as to seriously affect any of the gains made possible by this national policy. These violations are exceptions to the rule. They are committed by a small minority of the American people. Their effect is imperceptible so far as any of the business indicators of the Nation are concerned.

Codification of liquor laws

The enforcement of prohibition might also be improved if there might be some codification of the liquor laws. If one judges from public utterance of men holding responsible positions as judges or prosecutors, one is almost compelled to believe that even those who should be fully informed upon the Federal statutes as they affect liquor-law violations are deplorably lacking in such detail knowledge. This is noteworthy especially in connection with discussions concerning so-called Jones "5-and-10" law and the proposed legislation penalizing the purchaser of illicit liquor. In spite of the fact that Congress attached a clause to the Jones act making clear its intent, ill-founded statements assailing both the legislation itself and the principle underlying it have been published by those who should realize that this heavy artillery was not intended to be brought to bear upon the minor or casual offender. The fact that there are provisions of the present laws whereby the purchaser of intoxicating beverages may be arrested has been ignored or denied by many who do not seem to be fully conversant with those portions of our law which attach upon the buyer as well as the seller.

Possibly a codification of the laws or the enforcement of the eighteenth amendment, or the passage of a new omnibus measure which would include the various acts passed at different times, would make it a simpler task for those charged with the administration of justice to easily and accurately determine just what might be the law in a case before them.

It is well known that in many courts prosecutors depend to-day upon old internal revenue laws as being more stringent and more useful than either the national prohibition act or other legislation passed by Con-

gress since the ratification of the eighteenth amendment. If these laws are to continue in effect, their value might be materially increased if they with the other statutes more definitely related to the eighteenth amendment were portions of a code. Then, too, future amendments might take their proper place under their correct subject heads in a code, while under our present system they merely become part of the legislative grist of a given session of a Congress. As a layman one might be unwilling to offer counsel in this matter to those who have made this their especial field. However, since codification of the law has been frequently discussed by outstanding leaders of the American bar it might not be amiss if some degree of codification or some variation of it could be achieved in so far as the laws affecting intoxicating beverages are concerned.

UNIFORMITY OF STATE CODES ESSENTIAL

Whether uniform prohibition legislation in the separate States is possible under the autonomy of which each sovereign State is jealous might be a disputed question. The value of such uniformity, however, seems unquestionable. Great variations between sentences imposed in communities not many miles distant and divided only by imaginary lines which constitute a State boundary are not quite in harmony with the American idea of exact justice. Naturally no Federal authority could compel the standardization of State laws on this or any other subject. It is possible, however, that the quality of prohibition enforcement in the various States might be markedly improved if some degree of harmony might be obtained in State prohibition legislation. Whether a national conference of governors or attorneys general or other groups in the various States might be effective in approaching such a goal is possibly worth consideration.

Whether State liquor laws may be standardized or not, the wide range to be noted in the attitude of Federal judges handling similar offenses seems curious to those who feel that the intent of justice is "to make the punishment fit the crime." It is difficult to realize just why a bootlegger should receive a year's sentence in one jurisdiction, while in another, not far distant, he receives either a small fine or 30 days' imprisonment for practically the same offense.

The prohibition laws are enforceable

There are seen to be many causes for the failures to fully and properly apply the statutes. That these failures are not necessary appears to be the common opinion of careful students of criminal questions. Possibly the most significant study of any criminological subject is "the Illinois crime survey," a very compendious as well as exact study of a city whose lawlessness has been made notorious by the press. Among the findings of the Illinois Association for Criminal Justice, which cooperated with the Chicago Crime Commission in issuing this survey, are these: Laws can be enforced; crime is not uncontrollable; public opinion determines the amount of respect for law prevalent in any community; organized crime and corruption are not new; prohibition is not the father of our current crime. Mr. Arthur V. Lashley, director of the survey, in his introduction to this very significant work, emphatically declares: "There seems to be no doubt, after making allowance for the maximum of inexperience and incompetence which will always be more or less in evidence in public office, and after allowing for every failure of justice due to weakness and loopholes in the antiquated laws of criminal procedure, that no serious problem of crime exists in any community of this State, urban or rural, where the police and sheriffs, the prosecutors, and the courts are all doing their duty honestly and to the best of their respective abilities."

August Vellner, one of the experts contributing to this survey, and author of the chapter entitled "The Police in Chicago," comes to this conclusion concerning the enforcement of law: "A comparatively few men, with sufficient undercover allowance, directed by a forceful and incorruptible leader, can overwhelm the allied army of the gamblers, bootleggers, prostitutes, drug fiends, and their leaders and supporters, provided, of course, that they have the moral support and backing of the community and administration leaders."

Mr. Andrew A. Bruce, another writer in the same study, reminds us that our criminal machinery was not devised for urban exigencies.

One might cite other criminal authorities upon the enforceability of the laws against lawless groups, but the multiplication of such situations is hardly necessary. The fact that the prohibition laws have not been enforced as effectively as they might have been suggests remediable weaknesses in the system or the personnel.

That the detecting agencies are not wholly to blame for weaknesses in enforcement might be inferred from the fact that the small group of Federal agents upon whom falls the duty to detect and arrest violators of the national prohibitory laws have, to use merely one year as an illustration, during the fiscal year ended June 30, 1929, arrested 66,878 persons, aided State officers in the arrest of 11,156 persons, and furnished to State officers information on which 2,413 other persons were arrested. The record of prosecutions under the national prohibition act in Federal courts for the same fiscal year, as compiled from the reports of the United States attorneys and listed in the annual report of the Commissioner of Prohibition, shows during that fiscal year 8,606 cases dismissed, 7,480 cases nolle prossed, and 2,666 acquittals. Pleas of guilty were accepted in 51,651 cases, and pleas of nolo contendere numbered 273. A study of the sentences imposed upon the violators of the law, including the suspended sentences, paroles, and the probation sentences, suggests that the "bargain-counter" policy, whereby in return for the assurance of a light sentence the offender does not contest the case, prevails in too many jurisdictions.

The leniency with which many offenders have escaped from the hands of justice to return to their lawbreaking can hardly be considered as conducive to any great respect for the administration of the law. There is probably some significance in the fact that out of the total number of 75,298 cases terminated in the last fiscal year, only 4,622 were trial cases in which verdicts of guilty were obtained. When one measures this number of 4,622 against the 2,666 acquittals, one can not avoid desiring fuller information in regard to the situation suggested by such statistics.

The number of cases upon the dockets of the courts to-day, so numerous that many courts are clogged by these cases, with delays in trial frequently amounting to 12 months in duration or longer, with the disappearance of essential witnesses, the opportunities to dispose of evidence, and the natural disposition of prosecuting officers to terminate these cases in the easiest way, in order to make some clearing of the dockets, does not indicate a very wholesome situation for the effective enforcement of this or any other law.

Prohibition, while suffering from this congestion of the courts, is only one of the factors creating that congestion. Machinery which was more nearly perfectly adapted to lesser burdens in an earlier stage of our national life, is now under a heavy strain because of the great volume of cases resulting from new Federal legislation in the past decade. Possibly one of the most important moves that could be made for the improvement of prohibition enforcement might be in devising some method whereby swift and sure justice might be obtained, court procedure made more speedy, and the acquittal of the innocent and the conviction of the guilty made to follow more closely upon the heels of the offense. Whether such improvement might thus be obtained by increasing the number of judges, or by some other method such as the empowering of Federal commissioners or minor judges to handle cases dealing with offenses against the prohibition act, are questions which should not be determined by laymen or by private citizens or by organizations concerned with only one question of national policy, but by qualified experts, and by the proper representatives of the people.

One method worthy of consideration

As a result of the efforts of Federal Prohibition Director Wynne, of the Philadelphia district, an agreement was reached with nine railroads operating through the Philadelphia territory by which the railroads pledged themselves to use every means on the part of the railroad officials to prevent the use of their cars in illegal liquor shipments in return for the promise on the part of the prohibition director to stop confiscating these cars. This announcement was made on June 27, 1927.

Wynne hailed this as a great step toward prohibition enforcement. He said the plan had so impressed James M. Doran, Prohibition Commissioner, that Doran sent copies of his agreement to other dry administrators throughout the country, with the suggestion that they attempt to reach a similar understanding with railroads in their territory. The Pennsylvania, Baltimore & Ohio, Reading, Lehigh Valley, Central of New Jersey, Delaware, Lackawanna & Western, Lehigh & New England, Delaware & Hudson, and New York Central Railroads are involved in the agreement.

BENEFITS OF PROHIBITION

Possibly the best evidence on the benefits of prohibition as a Government policy may be found not in any estimate made by the friends or the foes of this policy but in other data from what might be termed more nearly disinterested sources. Especially noteworthy in this respect are the economic statistics gathered by the great trade organizations and also by the Department of Commerce.

Herbert Hoover's statement

After the analysis of economic statistics Herbert Hoover, while Secretary of Commerce, asserted: "Our country is in the midst of an astonishing increase in wealth and of its wide diffusion among the whole people. The application of the many discoveries in the physical sciences, the increase in the efficiency both in worker and in executives, the elimination of industrial waste, and the advent of prohibition have raised our standards of living and material comfort to a height unparalleled in our history and therefore of the history of the world. One of its by-products is a decrease of working hours and increase in leisure"; to which he added, on another occasion: "There can be no doubt of the economic benefits of prohibition. Viewing the temperance question only from this angle prohibition has proved its case. I think increased temperance over the land is responsible for a good share of the enormously increased efficiency in production, which statistics gathered by the Department of Commerce show to have followed the passage of the prohibition law.

"Exhaustive study from many angles of production over average periods, 10 years apart, before and since the war, would indicate that, while our productivity should have increased about 15 per cent, due to the increase in population, yet the actual increase has been from 25 to

30 per cent, indicating an increase of efficiency of somewhere from 1 to 15 per cent.

"There is no question, in my opinion, that prohibition is making America more productive. There can be no doubt that prohibition is putting money in the American family pocketbook. The dry law has proved its worth in dollars and cents."

Unimpeachable testimony

Rather than to present to you my own estimate of the evidence concerning the benefits of prohibition, I would like to quote the very careful utterances of those who are commonly recognized as the outstanding experts in this highly specialized field of business statistics.

Roger W. Babson, of the Publishers' Financial Bureau, of Babson Park, Mass., is generally recognized throughout the Nation as an authority on the trend of business. As are most other business men of the country, he is a friend of the prohibition law. In a remarkable statement issued some time ago, Mr. Babson says: "Both friends and enemies of prohibition must agree that the increased purchasing power of the masses, which has been so general since the war, is largely due to prohibition. Increased wages are not responsible for this increased purchasing power, because higher wages mean higher prices and do not materially affect the volume of goods purchased. When, however, a man takes money formerly thrown away on harmful drink and uses it for buying a home, an automobile, or any other merchandise, he is greatly aiding all legitimate industry. This means that a great sum formerly spent in saloons each year, and from which only the brewers benefited, has gone into new buildings, automobiles, and the hundreds of other lines which have expanded so readily since prohibition went into effect."

Henry Ford has emphasized this relation between our present prosperity and prohibition. In a recent article he asserts: "Without prohibition industry would of necessity decline to the position it occupied at the beginning of the century. Without prohibition a short working week and day would be no longer possible. Without prohibition accurate workmanship would be impossible. The reason why America is so far ahead of other countries industrially to-day, the reason America is so rich to-day, is prohibition. Foreign countries want America for their market because America, under prohibition, has the money. Their own countries, where liquor still runs free, are too impoverished to be profitable. That is the doom of the drink business—it ruins its own customers."

In his article Machinery, the New Messiah, Mr. Ford says: "The coming of prohibition has put more of the workman's money into savings banks and into his wife's pocketbook. He has more leisure to spend with his family. The family life is healthier. Workmen go out of doors, go on picnics, have time to see their children and play with them. They have time to see more, do more—and, incidentally, they buy more. This stimulates business and increases prosperity, and in the general economic circle the money passes through industry again and back into the workman's pocket. It is a truism that what benefits one is bound to benefit all, and labor is coming to see the truth of this more every day."

Elbert H. Gary, late president of the United States Steel Corporation, said, "I am at the head of the United States Steel Corporation, an organization employing more than 300,000 people. In the last two or three years the improved conditions among these people is one of the most remarkable chapters ever written in the history of civilization, and it is attributable to prohibition."

Dr. Thomas N. Carver, professor of economics in Harvard University, makes the following significant statement: "So long as all the rival nations are wasting resources and man power in drink there may be no differential advantage in favor of anyone or against any of the others; but when one nation such as the United States makes a definite advance in this form of economy, unless it indulges in folly that will neutralize the advantage thus gained, there is no reason to doubt it will gain on all others, year by year, decade by decade, and century by century, and eventually dominate the civilization of the world. They who refuse to take this great step forward in the economy of human resources, whether they understand it or not, are definitely choosing to occupy a secondary position in the civilized world."

One might easily present volumes of such testimony as to the economic benefits of prohibition from authorities in practically every branch of our economic life.

Thomas A. Edison says: "It should not be difficult to raise the enforcement to 80 per cent. In that case we should have a sober Nation. We have a fairly sober Nation to-day—so much so that European nations which are not sober are beginning to get very much worried. They already find that they can not compete with us and are taking steps to regulate the sale and consumption of liquor. It is a serious problem in Great Britain.

"If we get an 80 per cent enforcement, no country anywhere can compete with us in anything. Seeing what a sober nation can do is indeed a noble experiment and one that has never yet been tried. For there never has been a sober nation. In these days there are so many things to do that it is not necessary for an idle man to turn to drink. We are steadily developing to a point where drinking will not fit into any of our programs, in or out of the shops."

James R. Angell, president of Yale University, says: "On the prohibition issue I speak as no fanatic, but I do speak as one who remembers vividly the beastliness and moral filth of the old saloon and the festering sore which it represented at the heart of our political, social, and economic life. These conditions we owed to the utterly callous and socially perverted conduct of the liquor interests, to whose vicious practices we are indebted for the eighteenth amendment and the Volstead Act far more than to any fanatical desire to invade personal liberty and the enjoyment of decent pleasures. Public patience finally became exhausted and wisely or unwisely decided to wipe out the whole miserable business."

Evangeline Booth, commander of the Salvation Army in the United States, says: "Everywhere the workers of the Salvation Army have found a marked increase in thrift and prosperity and a decrease in drunkenness."

David Lloyd George, of Great Britain, says: "I saw a little of prohibition. I went to America with the usual European prejudice against it, hearing that it was demoralizing America and that there was more liquor there than ever.

"That is not true—not in the least. There are some men who get it but it is mostly bad liquor. Some have already been poisoned and others are getting frightened for fear that their turn will be next. That generation will disappear. The vast majority are not drinking."

The National Education Association, at its annual meeting at Seattle, 1927, adopted the following resolution: "We recommend that the program of physical and health education already provided in many centers be extended to all of the schools of the Nation. In the development of this program we urge that reemphasis be given to the teaching of the evil effects of narcotic drugs and of alcoholic beverages."

Calvin Coolidge (when President of the United States) said: "A government which does not enforce its laws is unworthy of the name of a government, and can not expect to hold either the support of its own citizens, or the respect of the informed opinion of the world.

"No provision of the eighteenth amendment, or the national prohibition act, contemplates any surrender of State responsibility. Under them prohibition becomes obligatory in all States, for the constitution and the laws made in pursuance thereof are specifically declared by the Federal Constitution to be the supreme law of the land. They are binding upon every inhabitant. But there still remains to the States the power, specifically reserved in the eighteenth amendment, to pass enforcing acts, and there is still on them a joint responsibility to enact and execute enforcement laws which may not always be exercised but which can never be avoided."

Arthur Brisbane, famous American editor, says: "Americans are saving money as never before, and prohibitionists will find comfort and ammunition in that.

"Savings bank deposits increased last year $1,140,000,000—a good deal of money, and that is only a small part of it.

"Other hundreds of millions were invested in real estate, stocks, bonds, etc. In the world's history there is nothing like the way in which the American people both spend money and save money.

"Savings average $30,000,000 a day—about 30 cents a day for every man, woman, and child—not bad."

The secretary of the board of trade of Louisville, Ky., says: "The distilling of liquors was for many years prior to the enactment of the prohibition law the leading industry of Louisville, with some 35 plants in the city and its environs.

"Aside from the distillery plants themselves there were a number of other industries that largely depended upon whisky manufacturing for their business. Chief among these were plants producing barrels, boxes, machinery, equipment, and supplies. Much of the business done by the grain trade was with the distilleries in supplying corn, rye, and barley. There were the printers who furnished labels and advertising matter. When national prohibition came it shut down an industry and made it possible for more vigorous industries to rise in its place. A peculiar thing about the distillery industry was the large amount of capital required due to the process of aging whisky for four to eight years. Warehouse receipts were held in high regard by the banks. Prohibition released this capital for use in industries now employing many more people. A large distillery could be operated with only 35 to 50 men. * * *

"You will no doubt be interested in what has been done with the plants formerly occupied by the distillery interests. Practically all of the machinery and equipment has been junked. Many of the warehouses were wrecked and the brick and other material were used in the erection of houses and factories between 1920 and 1925, when materials rose greatly in price. A number of the distillery buildings have been put to other uses. One was converted into a broom factory, ice cream is being manufactured in another, fertilizer is made in still another, a fourth is used as a place of storage for automobiles, and a fifth is now occupied as a pipe-organ factory. Quite unique is the case of a brewery where mushrooms are raised in large quantities.

"The belief of our citizens in the advantage of Louisville was evidenced in 1927 with the raising of a fund of $300,000 with which to

carry on a campaign for national advertising to acquaint the country with the desirability of the city as an industrial location."

These are the results: The population as of July 1, 1928, was 329,400. The population in 1910 was 223,928, in 1920 it was 234,891. In 1914 the city had 778 manufacturing establishments employing 25,930 men and their product amounted to $105,000,000. In 1927 the city had 653 manufacturing establishments employing 34,330 men, and their product amounted to $242,000,000. That is what getting out of whisky did for Louisville.

L. C. Walker, president of the Shaw-Walker Co., says: "There is no doubt in our minds that production has been greatly improved by prohibition. A man can't produce good goods with his skin full of liquor, because any man who has used liquor much knows that its attraction comes from the delightfully carefree condition it produces. Production of good goods is a painstaking process and calls for skill in manual operation and great attention to details. The production methods used to-day are an incentive for a man to get out of himself all his energy will permit, and if this energy is used by alcohol, it can't go into production. * * * There is no question but what this company can produce goods cheaper with the turnover of 40 per cent a year in labor as against a turnover of 200 per cent."

Kimer A. Sperry, president of the American Society of Mechanical Engineers, says: "The trouble with Europe to-day is that it has no prohibition. If intoxicating liquors were prohibited in the principal European countries, their incentive to do great things, their ambition, would immediately arise. Their financial problems would be cured. In those industries in America to-day where the heads do not observe prohibition themselves, and who, by their public utterances, seek to tear down the law, there has been no progress. In those industries whose leaders have become public and private prohibitionists and whose public utterance and work are toward greater support for the liquor laws, there has been magnificent progress—in the product and efficiency of the industry, and among the workmen themselves."

Alfred P. Sloan, jr., the president of General Motors, says: "Having been intimately connected with industrial problems for many years, I am thoroughly convinced that prohibition has increased our national efficiency, has added to the purchasing power of the people, and given us an advantage in our competition for foreign trade."

Henry Dennison says: "It has seemed to me that we could grant every claim that prohibition was having very ill effects on the children of the rich and upon the typical city dwellers, like the salesman and merchant group in the larger centers, and yet find the balance very strongly in its favor, if, as I believe, its effects upon certainly 80 per cent of the worker population have been notably good. In this country, at any rate, it is out of that worker population that we are continually recruiting the folk who actually run the country.

"The argument that prohibition has led to a disrespect of law has never had any weight in my mind. The people who have used it most are those whom I used to meet on the steamers planning to smuggle in all the stuff they could against a traffic law which favored them more than anybody else, and taking a good deal of keen pleasure in telling that they were going to break it and just how."

Julius Rosenwald, president of Sears, Roebuck & Co., says: "Prohibition has undoubtedly added greatly to the measure of comfort in the country. It isn't enforced properly. I am not absolutely certain that it ever can be enforced to 100 per cent of the opportunities afforded. But even insufficiently enforced, it has resulted in diverting from the saloon into the pathways of economic trade and commerce vast floods of money. Our people are living more comfortably than they ever did; are earning more than ever.

"The Russian people have not had the opportunities that have come to the American people, and while unquestionably they have committed more political and economic errors, they are deserving of sympathy because of the opportunity which has ever been denied them."

Theodore A. Lothrop, general secretary of the Massachusetts Society for Prevention of Cruelty to Children, in his annual report, shows that of the 5,000 cases handled by the society, intemperance entered into 20.3 per cent as against 47.4 per cent in 1916; 16.8 per cent in 1921; 22.2 per cent in 1926; 22.1 per cent in 1927; 20.8 per cent in 1928; and 20.3 per cent in 1929.

SAVINGS IN THE UNITED STATES OF AMERICA

While these discuss the effect of prohibition on our industrial life, largely from the standpoint of production, other data showing the increased purchasing power of the people and the increased savings throughout the country are rather strong prima facie evidence that most of our former drink bill of approximately $3,000,000,000 per year is now either being expended constructively or being put aside in savings. Probably there is no better index to the effect of prohibition upon the prosperity of the Nation than savings accounts. Between the years 1918 and 1928 the savings accounts in the United States increased over 200 per cent.

In 1916, according to the figures in the report of the Comptroller of the Currency, the amounts of these savings were: Private bank savings, $23,439,823; postal savings banks, $148,471,499; loan and trust companies, $1,286,650,360; State banks savings, $1,071,036,806; mutual savings banks, $4,442,096,393; stock savings banks, $1,001,873,414; national banks savings departments, $1,398,358,000; total, $9,372,248,304.

The fiscal year 1928 registered a record gain in savings-bank deposits, although the various years since the adoption of the eighteenth amendment had marked the addition of large sums to this stored-up capital of the people of the country. In an analysis of the report of the United States comptroller of the Currency, W. Espy Albig, deputy manager of the American Banker's Association, Savings Bank Division, says:

"The year ended June 30, 1928, registered over the previous year the largest gain in savings deposits in banks and trust companies of continental United States ever recorded in the history of this country. On June 30, 1928, the volume of savings stood at $28,412,961,000—a gain of $2,327,059,000 over the previous year * * *. Since 1912, when adequate records first became available, the gain per inhabitant is 169.3 per cent. * * * The number of depositors, which for 1917 was reported at 48,354,784, reaches a high mark this year with 53,188,348."

The American banker recognizes the part played by the eighteenth amendment in developing our gains in savings deposits and finds that although it would be impossible to determine exactly "the influence of prohibition in building the savings totals of the country, that it has had some bearing will be admitted even by those who do not particularly favor the prohibition amendment."

Life insurance gains

Since the adoption of the eighteenth amendment, our annual purchase of new life insurance has been multiplied three and one-half times. Over 65,000,000 people now carry life insurance amounting to $100,000,000,000. It was recently stated by the Association of Life Insurance Presidents that we had attained during the first half of 1929, the $100,000,000,000 goal. It took 80 years, from 1843 to 1922, to accumulate the first $50,000,000,000 of life insurance in force, while the second fifty billions was attained in less than seven years.

The importance of prohibition as a factor in this increase in life insurance may be appreciated when one realizes that the increase in the total life insurance in force in the first decade of national prohibition amounted to over $70,000,000,000. In other words, 70 per cent of the $100,000,000,000 worth of life insurance now in force has been added during the "dry" period.

In the last "wet" year, 1918, the total amount of life insurance now in force amounted to only $29,870,000,000, of which $5,703,000,000 was industrial insurance, then a very minor factor, although to-day it is one of the most important features in our life insurance. The various restrictions imposed upon the beverage liquor traffic and war-time prohibition made possible larger savings through insurance, so that the total amount of insurance in the next year amounted to $35,880,000,000, while in 1920 it had reached nearly $43,000,000,000.

The life-insurance companies of America are the wealthiest institutions in the world to-day. They return in benefits to their policyholders enormous sums annually. The service these companies render in financing the various enterprises of the country is incalculable, since with the savings banks of the Nation they form a tremendous reservoir of liquid capital.

Mr. George T. Wight, manager of the Association of Life Insurance Presidents, points out: "The economic and social ramifications of this $100,000,000,000 of life insurance in force are of great importance in the daily lives of our citizens. Guaranteeing economic independence to millions of individuals and temporary financial relief to many more millions, contracts binding the aggregate payment of this amount are now in the hands of more than 65,000,000 policyholders, who are representative of every walk of life."

The Insurance Field in September, 1929, commented at great length upon the economic gains from prohibition. In the course of its article it said: "What we particularly want to see discussed fairly is the relation of prohibition to the economic system of insurance as importantly incidental to and with the general welfare. How much of the evident savings from the annual alcoholic drink bill has gone into life insurance, building and loan associations, savings banks, and many comforts of living? * * *

"How is the life-insurance aspect affected by the diversions of the drink bill? Industrial issues have more than doubled since 1920. More of the industrial classes have stepped up to the higher figures of ordinary. Those jumped from $35,000,000,000 in 1920 to more than $100,000,000,000 this year. Where did it all come from? Say the agency force did it by hard work. Very well; but where did the money come from to pay for it? That is the economic vein that can be opened by every company and by all experienced agencies for their own guidance. Has prohibition advanced the general welfare, or has it merely dried out cocktail glasses? It is a business and not a moral, personal liberty matter with insurance."

There is a twofold significance in these figures. Not alone do they demonstrate the economic value of prohibition, despite whatever weaknesses may exist in its enforcement; but, likewise, they are persuasive evidence of the very widespread and general observance of this law by the mass of the people. We could not have added to our national wel-

fare the sums recorded in the savings banks and life insurance figures of the country if the American people were consuming any very considerable fraction of the amounts of intoxicating beverages they did consume before national prohibition arrived.

Home building

During the years between 1918 and 1928 the number of building and loan associations in the United States increased from 7,484 to 12,666. The number of members in those associations during the same period increased from 4,011,401 to 11,995,905. The total assets of those associations during the same period increased from $1,898,344,346 to $8,016,034,327.

Prohibition gave a new emphasis to the home-building impulse. Many who during the saloon epoch were forced to live in slums or in unspeakable tenements because the major portion of their income went across the bar are to-day knowing a new comfort and a new ambition. The best authorities in realty and building circles recognize the part played by prohibition in developing the new market for homes. The Bureau of Labor Statistics in its recent review of building operations in the first half of 1929 calls attention to the fact that in 85 cities in the United States having a population of 100,000 or over building permits issued in the first half of 1929 call for an expenditure of $1,425,106,688, of which 64.1 per cent was for residential building.

There is a double significance in this stimulation of home building. Not only does it register the improvement in home conditions and the higher standards of living which have developed since prohibition but this increased volume of construction means labor and employment for a host of men engaged in the building trade.

The following comparative figures on building and loan associations, taken from the annual reports of the Comptroller of the Treasury, show the remarkable development of the home-building impulse under prohibition.

Year	Number of building and loan associations	Members	Assets
1914	6,616	3,103,935	$1,357,707,900
1915	6,806	3,334,899	1,484,205,875
1916	7,072	3,586,432	1,598,528,136
1917	7,269	3,838,612	1,769,142,175
1918	7,484	4,011,401	1,898,344,346
1919	7,788	4,289,326	2,126,620,390
1920	8,633	4,962,919	2,519,914,971
1921	9,255	5,809,888	2,890,764,621
1922	10,009	6,864,144	3,342,530,953
1923	10,744	7,202,880	3,942,939,880
1924	11,844	8,554,352	4,765,937,197
1925	12,403	9,886,997	5,509,176,154
1926	12,626	10,665,705	6,334,103,807
1927	12,804	11,336,261	7,178,562,451
1928	12,666	11,995,905	8,016,034,327

Of course, many reasons can be advanced for the increase in savings, the remarkable rise in life insurance, and the significant figures of building and loan associations; but the outstanding facts in the case are that in proportion to national wealth and national income, never before in the history of this or any other country has there ever been such remarkable growth in these several lines as there has been in the United States since the adoption of national prohibition; and that while many other countries during the last 10 years have made great progress along these lines, none have compared even proportionally with these staggering figures which tell the story of economic prosperity in the United States of America since the adoption by this country of a national prohibition policy.

THE AUTOMOBILE INDUSTRY AND PROHIBITION

Even before Henry Ford made his famous statement, "If booze ever comes back to the United States, I am through with manufacturing," and "Gasoline and booze don't mix, that's all," thinking people realized that intoxicating beverages could not be safely permitted if we were to continue to use high-speed automobiles on our public highways. The auto death list is already too high. If the saloon should return, or if under any system drink should be legalized once more, few of us would care to run the risks incident to traveling on a road infested with drinking drivers.

Aside from all other consideration, anything which might seriously affect the automobile industry in America would be a calamity. We now lead the world in the production of automobiles, nine out of every ten machines being made in this country, according to the Department of Commerce survey.

Since, according to the Bureau of Labor statistics in its August, 1929, study of trend of employment and labor turnover, the number on the August pay roll in 217 establishments producing automobiles was 437,202, while the amount of the weekly pay roll was $15,098,523, one is forced to realize that any national policy which threatens an industry of this caliber would be a positive disaster to the business structure of the country. If we add, however, to these figures the 58,240 engaged in production of automobile tires, with the weekly pay roll of $1,685,032, and then add to these those employed in filling stations, garages, accessory manufactures, and retailers, it is quite evident that anything which seriously disturbs the automobile industry would at the same time shake the very foundation of our industrial life. If prohibition had done nothing more than make possible the amazing development of the automobile trade in the past 10 years, it would have made an incalculable contribution to the economic life of the Nation.

Dr. Thomas Nixon Carver, professor of economics in Harvard University, in an article entitled "Some Economic Aspects of Prohibition," published in October of last year, incisively portrays phases of prohibition on which the ethical is involved with the economic. He writes:

"The good which President Lowell and other observers agree that prohibition has done is economic as well as moral. It has been of special advantage to the wageworkers and their families. Not having to run the gauntlet of a row of saloons on the way home from work, not being subject to the treating habit which the liquor interests assiduously cultivated, they have been able to take more of their wages home to their families. The families are, therefore, better fed, housed, clothed, and they have more opportunities for amusement as well as for self-development.

"The industries which provide necessaries, amusements, and means of cultivation are now getting the most of the money that was formerly spent on drink. Automobile manufacturers, the manufacturers of radio sets, the whole moving-picture industry, would, therefore, better think several times before they lend any influence in favor of the repeal or nullification of the prohibitory law. If the subversive movements ever succeed, much of the money now spent for these things will again be turned over to the liquor interests in the purchase of drink."

PROHIBITION AND PUBLIC HEALTH

The effect of prohibition upon the public health has been as marked as its effect upon the economic life of the country. This can likewise be measured by statistics whose authenticity is beyond question. While there had been a slight yearly decrease in the national death rate in the preprohibition years, that decrease was so small that it was barely perceptible upon the ordinary chart. With the coming of prohibition, however, the death rate for the country dropped abruptly. It has not even remotely approached the ratio for the license period. According to the figures issued by the Department of Vital Statistics in the United States Census Bureau, this decrease in the death rate has been equivalent to the saving of 100,000 to 200,000 lives per year. In other words, nearly 200,000 persons would have died annually during the past 10 years had the conditions prevailing during the license period been continued.

When we closed the doors of 177,000 licensed saloons and uncounted numbers of speak-easies, which had been operating practically unchecked for decades, we also closed centers of infection and contagion. Of course, those hundreds of thousands whose lives were saved by prohibition would not all have died drunkards' deaths, even if prohibition had not been introduced, but they would have died just the same. They would have died of other diseases than alcoholism. Their power of resistance would have been weakened, the possibility of contagion would have been multiplied. Lower standards of living, less nourishment, and greater exposure would have all contributed, through indulgence in alcoholic beverages, to hasten their end.

Dr. Haven Emerson, professor of public health at Columbia University, New York, some time ago summed up the relation of national prohibition to the public health in words which are worth repeating. He said:

"While it is not possible to prove that all the reductions of sickness and death rates, and all the benefits to the home and the family which have been widely observed throughout the United States in recent years have resulted from the outlawing of the commercial traffic in alcoholic beverages, it is both evident and wholly reasonable to believe that the greatest single influence not previously brought to bear upon the conditions of life in our country, which has caused, in whole or in part, the improved security of life, the greater material wealth, and better standards of the family and the home, especially among the mass of wage earners and particularly as affecting women and young people, has been the reduction in the use of alcohol for beverage purposes."

Doctor Emerson also lists as the more important items offered as evidence of benefits due chiefly, if not wholly, to the direct and indirect results of prohibition:

"The death rate from alcoholism fell to 19 per cent of the preprohibition rate, and in spite of subsequent rises the rate is now less than 75 per cent of the preprohibition rate. Only in the States of New York, New Jersey, Pennsylvania, and Maryland, where the violations of the law have been most flagrant and public opinion strongly alcoholic, has the death rate from alcoholism in any single year since preprohibition equaled the average rate of the last seven preprohibition years.

"The death rate from cirrhosis of the liver fell from 54.3 per cent of the preprohibition rate and has never been nearer than 57.4 per cent to the preprohibition rate.

"The general death rate (all ages, all causes) has for the entire post-prohibition period been at a lower level than in any single year before prohibition.

"Admissions to mental-disease hospitals for alcoholic psychosis have been at a lower rate in proportion to all admissions since prohibition than for any previous similar period of time.

"There has been apparently a reduction in the incidence of cases of drug addiction coming under hospital care at the same time that there has been a reduction in hospital admissions for acute alcoholism.

"This corroborates what Dr. Eugene L. Fiske, of the Life Extension Institute, once said when discussing the abnormally high death rate of employees in breweries:

"'The general trend of this mortality is the same in all companies and shows that "Old Mortality" and "John Barleycorn" are exceedingly good cronies. Wherever you find alcohol you find the following formula at work: "More alcohol—higher death rate."'"

More recently still, Louis I. Dublin, Ph. D., statistician of the Metropolitan Life Insurance Co., in his book Health and Wealth, relates the improvement in public health to the improvement in economic conditions in the great mass of American homes since prohibition, affirming this with an earnestness which is more significant because of his characteristic restraint.

Arthur Dean Bevans, M. D., in the Journal of the American Medical Association, February 26, 1927, asserts: "Another problem which must be solved by sound medical ethics has been left on the doorstep of the profession by prohibition. From the standpoint of personal hygiene and public health legislation has never been passed that has such possibilities for good as has the prohibition amendment. If it were in the power of the Nation to legislate out of existence tuberculosis or cancer, such legislation would be passed overnight and be strictly enforced. Drink did more injury to the people of this country under the old order of things than either of these plagues. Prohibition has accomplished an enormous amount of good, and, with better enforcement, can accomplish much more for the health and welfare of our people. The medical profession, as a whole, recognizes this fact and supports the Constitution and its amendments. On the other hand, a noisy, active minority of the medical profession is taking advantage of certain provisions of the amendment and selling its soul for a mess of pottage."

Alcoholic mental diseases

Horatio M. Pollock, of the New York State Department of Mental Hygiene, and Frederick W. Brown, of the national committee for mental hygiene, have in the past few weeks published some unusual statistics on recent alcoholic mental diseases. The following quotations from their survey are so significant that it is hardly necessary for one to point the moral which they contain:

"The nine States that were 'wet' before prohibition contributed more than 90 per cent of all cases of alcoholic insanity in 1922, 1925, and 1926. The percentage of alcoholic cases among all new admissions to these hospitals for the years 1922, 1925, and 1926 shows a steady increase. The percentage of alcoholic cases among all new admissions and readmissions to these hospitals in 1926 was less than one-half of that of 1910, but slightly greater than that of 1922 or of 1925.

The alcoholism death rate

Miss Cora Frances Stoddard, of the Scientific Temperance Federation, has carefully analyzed the alcoholism-mortality statistics of the various States as furnished by the United States Census Bureau. She finds:

"From 1901 to 1917 the alcoholism death rate averaged 56 per million population, or about the rate of 1916 (58 per million). Under national prohibition the highest rate in any year (1926) has been 39 per million. The smaller proportion of people of the United States who now die of alcoholism are no 'deader' than those who succumbed between 1901 and 1917, so that honest consideration of this health aspect of the alcohol problem by health officials anxious to prevent loss of life is to be welcomed as an evidence of keener appreciation of the importance of this loss of life than they formerly showed."

As background facts to any consideration of the alcohol death rate, Miss Stoddard sets forth the following:

"There were about 16,000 fewer alcoholism deaths in the first seven prohibition years than there would have been had there prevailed the average pre-prohibition rate of the years 1912–1917. In 1926, the latest year for which United States statistics are available, there were fewer actual deaths from alcoholism in a registration area of 105,000,000 people than there were in 1916 from 71,000,000 people.

"Where is alcoholism worst? If there is to be a campaign for reducing alcoholism, it is important to know the strategic points where it is most menacing and increasing fastest. What, to use a familiar phrase, are the serious 'centers of infection'? They are the former wet States and the great cities. Certain facts indicate this:

"The joint alcoholism death rate in 1926 of 15 former nonprohibition States was 4.8; in 27 former prohibition States it was 2.5 per 100,000 population. These former nonprohibition States contained nearly 54 of each 100 people of the registration area; they furnished 67 of each 100 alcoholic deaths. There were 23 States in 1926 which had less than 50 alcoholic deaths each. Their total population was about two and one-half times that of New York State, but they furnished the total of only 545 deaths to New York's 788. Twenty of these States had adopted State prohibition before the eighteenth amendment came into effect.

"Fourteen of the 23 States had fewer than 25 alcoholic deaths each. Their combined population was about equal to that of New York. They reported 233 deaths; New York, 788. All of the 14 were prohibition States except two (Vermont and Delaware, together furnished only 25 alcoholic deaths).

"New York and Maryland. These two States contain about 12 per cent of the population of the registration area, but furnished 22 per cent of the alcoholic dead in 1926. New York is especially responsible; containing 10 per cent of the registration area population, it contributed over 19 per cent of the alcoholic dead. New York City, with about 5 per cent of the aforesaid population, contributed over 18 per cent of the alcoholism deaths in the United States in 1926. Wyoming and Rhode Island also have an excessive disproportion between population and alcoholism, but furnished only 70 actual deaths in 1926. It is no wonder that Doctor Nicoll found New York State 'wet' politicians chary about taking up the question of checking alcoholism mortality for fear it would increase the demand for a State prohibition enforcement law.

"Here were 14 States in 1926 whose alcoholism death rate was above the national average. Ten of them are former nonprohibition States. There were 28 States at or below the average rate, 23 of them former prohibition States. There were 27 former prohibition States in the registration area in 1926; 11 of them had less than half the national alcoholism death rate. Of the 4 prohibition States exceeding the average rate, 3 (Washington, Michigan, and Florida) are at points especially accessible to smuggling liquor, while the first 2 contain 2 of the 20 largest cities in the United States (Seattle and Detroit).

"It is evident that in general the alcoholism mortality problem is most serious in the former wet States; is below the average in the former prohibition States.

"The great cities. In 1928, 20 of the largest cities in the registration area contained about 20 of each 100 people in the United States. But they furnished about 45 of each 100 alcoholism deaths. It is evident that the largest part of the alcoholism problem centers in the former wet States and in the large cities, some of which are in former dry States. Michigan and Washington, for instance, mentioned above among the States having an alcoholic death rate, are undoubtedly affected by their large cities, Detroit and Seattle, to both of which Canadian liquor is easy of access."

The following table gives the actual number of deaths and death rates in the United States registration area from 1914 to 1919, inclusive:

Year	Actual deaths	Rates per 100,000 population
1914	3,257	4.9
1915	2,945	4.4
1916	4,161	5.8
1917	3,907	5.2
1918	2,193	2.7
1919	1,367	1.6

The following table of the death rate from alcoholism as it is and as it might have been in the United States registration area is highly suggestive:

Year	Actual deaths	What there would have been at the average preprohibition rate, 1912–1917
1920	900	4,562
1921	1,611	4,624
1922	2,467	4,862
1923	3,148	5,057
1924	3,155	5,149
1925	3,694	5,361
1926	4,109	5,465
Total	19,084	35,080
		19,084
Gain		15,996

PREPROHIBITION DEATHS FROM ALCOHOLISM

The CONGRESSIONAL RECORD of February 2, 1911, contains a statement by Congressman Richmond Pearson Hobson, from which we quote the following:

"Edward Bunnell Phelps, an actuary of note, from the statistics gathered in 1909, estimated that 66,000 deaths in the United States that

year were caused directly or indirectly by alcoholic liquor. His data was quite incomplete. Statistics then available were limited and inadequate for showing the entire loss of life where alcohol was a contributory cause. At the eighth annual convention of the Association of Life Insurance Presidents, held in New York December 10, 1914, Mr. Arthur Hunt, actuary, presented figures showing the result of the mortality inquiry made by 43 leading life insurance policyholders for a period of 25 years. The extra mortality due to alcohol, Mr. Hunt declared, was over 50 per cent. The British Government, assisted by English life insurance companies, have made much more thorough and comprehensive investigation of the subject, covering many millions of lives and for a much longer period of time. They show the death rate of the population at large to be 1,000 per year out of every 61,215 of population, and that 440 deaths out of every 1,000 deaths are due to alcohol. Experiece covering nearly a hundred years has demonstrated that life-insurance statistics, when applied to a large number of policyholders for a long period of time, are well-nigh infallible. These figures are, therefore, accepted as substantially correct and are just as applicable to the United States as they are to England. They show that alcohol causes 680,000 deaths in the United States every year, 1,865 deaths every day in the year."

Poisoned beverages

The statistical bulletin of the Metropolitan Life Insurance Co. for January, 1930, says:

"Thirty deaths were charged to acute poisoning by wood or denatured alcohol in 1929, as compared with 35 in 1928 and 29 in both 1927 and 1926. The maximum mortality from this cause of death occurred in the first year of national prohibition (1920). With the exception of that year and of 1921 deaths from acute alcoholic poisoning have been unimportant numerically among these policyholders."

Athletics

Maj. John L. Griffith, commissioner of athletics of the Big Ten Intercollegiate Conference, says:

"Something like half a million boys are playing football in the schools and colleges this fall (1928) and perhaps 3,000,000 more will play basketball this winter. I do not know of a single coach or trainer in an educational institution who believes that alcohol is beneficial to an athlete. In fact, it is safe to say that all our school and college coaches insist that the boys or young men shall abstain entirely from the use of alcohol in any form."

EDUCATION

Our great problem in connection with the prohibition and beverage alcohol questions in the public schools and with the people at large is not with the teaching of boys and girls or men and women what to think, but in teaching them how to think.

The overwhelming majority of educators who have to do with the training of youth are set against beverage alcohol and are for prohibition of that which from their every point of view is injurious and antisocial.

Mr. J. W. Crabtree, secretary of the National Education Association, speaking on the conditions of 1920 and the conditions of 1930. He declares that the conditions in the high schools of the country are much better to-day than they were 10 years ago with respect both to drinking and to general behavior. He declares that high-school enrollment has grown since 1920 from 2,000,000 to more than 5,000,000 students, and he insists that many of the 3,000,000 additional students have come from the poorer homes where formerly those from such homes were not able to attend high school because of the drink problem. Mr. Crabtree says "unquestionably the eighteenth amendment has benefited the schools beyond measure."

CRIME AND PROHIBITION

Prohibition has played an important part in reducing the criminality in the United States. Long before the adoption of this national policy, bar associations and other organizations concerned about the future of our Nation pointed with dismay to the rising tide of crime and warned us that it threatened to engulf our civilization. Crime commissions and vice commissions were formed in various parts of the country to study the question and suggest remedies. Prisoners' aid societies, probation and parole systems, prison reforms, and other panaceas failed to check the mounting list of crimes perpetrated all over the Nation. Those interested in the abolition of the licensed liquor traffic urged that the closing of the saloons and the prohibition of beverage intoxicants would probably reduce the amount of crime. Their views were scouted as the pleas of too-enthusiastic partisans.

National prohibition did come, however, and the crime wave which had been mounting so steadily for decades was checked and began to decrease. This is the verdict not only of ardent prohibitionists but of the best-informed experts in this highly specialized field of sociology. Dr. George W. Kirchway, formerly dean of Columbia Law School, ex-warden of Sing Sing prison, and one of the leading anticrities on criminology in the United States, denying that crime is increasing in this country, declares that:

"As between 1910 and 1923, the latter date being the high-water mark of reaction against national prohibition, there was a decrease of 37.7 per cent in general criminality in the United States in proportion to population. The chief reductions were in public intoxication, 56.3 per cent; disorderly conduct, 51.5 per cent; vagrancy, 52.8 per cent; fornication and prostitution, 28.8 per cent; malicious mischief, etc., 68 per cent; larceny, 42.3 per cent; assault, 53.1 per cent; and burglary, 11.4 per cent.

Judge Herbert G. Cochran, of Norfolk, Va., acting president of the National Probation Association, addressing that organization at its convention in San Francisco last June, pointed out that "Despite the increase in population in the Nation, actual commitment dropped one-third from 1913 to 1923, and the ratio has not increased materially since."

To this he added: "A lot of new crimes have been created by new laws, and there has been an increase in some types of crime and a decrease in others. Burglary has decreased and hold-ups and other bold youthful crimes have increased."

It is highly difficult to obtain exact data concerning the amount of crime in the United States. When the National Crime Commission was formed the Hon. Charles E. Hughes, one of its members, decided that the first question to be answered in surveying the situation was: Is there a crime wave? The Association for Municipal Research, when asked by the commission to furnish some figures on crime, found there were no statistics available, and estimated that the cost of a survey in all the United States would be about $1,000,000 and would require six months. This, however, would only cover the statistics of the previous year. This suggests the difficulties in the way of securing any adequate information on the crime situation throughout the country.

Possibly the best data we have is that contained in the census of prisoners taken by the Census Bureau and comparing the years 1923 and 1910. This census shows a decrease of 1.8 per cent in the prison population of the latter year compared with the former. It also shows a decrease of 37.7 per cent in the total number of commitments during the year. Some of the decreases are extremely interesting. Among them we note the following: Drunkenness commitments, 55.3 per cent; disorderly-conduct commitments, 51.5 per cent; vagrancy, 52.8 per cent; larceny, 52.3 per cent; assault, 53.1 per cent; prostitution, 28.8 per cent.

These figures, of course, do not give the exact situation. Before prohibition persons convicted of drinking and related offenses were usually punished by a fine. In many communities the courts have been more severe since the adoption of national prohibition, thus increasing the percentage of prisoners arraigned. Had it not been for this increased severity the decrease in such commitments would have been even greater than it is. It is especially noteworthy that commitments of prisoners under 18 years of age showed a decrease of 43 per cent for 1923 as compared to 1910. Of course, the establishment of new juvenile institutions and reformatories took care of many youthful lawbreakers in this period. The increase, however, reported by juvenile reformatories in this period is estimated by the Census Bureau at about 5,085. These would in former years have been sent to jail or some other penal institution.

The Federal Children's Bureau, in its study of juvenile deliquency, finds that in 1880 offenders between the ages of 18 to 20 furnished 11.8 per cent of all commitments; in 1890, 12.1 per cent; in 1923, 9.4 per cent. Prof. Irving Fisher, of Yale, in his recent book Prohibition Still at Its Worst, analyzes the crime figures for New York and finds:

"In the alcoholic record of New York City there is nothing to warrant the widely heralded belief that prohibition has debauched American youth. On the contrary, first convictions for drunkenness in that city, in which youth have a principal share, have diminished more rapidly, even, than the total yearly convictions for drunkenness."

If we try to find just who is committing the crime which to-day disturbs the Nation and which has caused appointment of the special commission of law enforcement, one might note the following from the census of prisoners:

"The ratio of commitments per 100,000 population during the year 1923 was highest for negroes, 797.1 per 100,000. The Indian, Chinese, Japanese, and other colored races ranked next, with a combined ratio of 666.9 per 100,000. The ratio for foreign-born whites was 488.5 per 100,000. The native whites had the lowest ratio, 239.4 per 100,000. Thus the foreign-born whites had a ratio more than twice as large as the ratio for the native whites. This difference is due in large part to the fact that the foreign-born population includes a much higher proportion of adult males than the native white population. If the comparison is restricted to adult males 15 years and over, the ratio is 878 per 100,000 for the foreign born as compared with 703.2 per 100,000 for the native."

Long ago Theodore Roosevelt said: "The liquor traffic tends to produce criminality in the population at large and lawbreaking among the saloon keepers themselves."

Possibly no other single public policy ever played so large a part in striking at the causes of crime as did the adoption of national prohibition. It made intoxicating beverages difficult to obtain instead of easily accessible; it made them costly instead of cheap; it eliminated the saloons and their back rooms, which were the rendezvous for criminals and the schools of crime. Its effects may be measured not by the too fervid utterances of its friends or its foes, but by the criminal data

of almost any town or city in the country. Lawlessness is, of course, far too prevalent. Judge Marcus Kavanaugh, of Chicago, in his recent book, The Criminal and His Allies, clearly presents the issue which confronts the Nation when he says:

"The next five years will decide whether the American people in this regard are capable of self-government."

Judge Kavanaugh does not find that prohibition is responsible for the creation of crime, but rather, discussing the altering conception of crime and of personal liberty, he reminds us:

"It is true that certain ages and certain climates have regarded crimes such as adultery, polygamy, and drunkenness as bad in themselves, while in other times or in different climates they were considered not even malum prohibition, or bad only because the law forbade. In these latter countries and times such acts were not considered atrocious and interferences with the just rights of others, while in other countries such conduct was esteemed an atrocious offense against decency and public morals. It is the just right of every citizen that the surroundings of the community in which he and his family must live, which he helps to support and must defend with his life when called upon, shall be what his country and his age deem sober, decent, and moral. Whoever infringes upon the concept in a way forbidden by law commits a crime."

George Kirchway, Department of Social Criminology, New York School of Social Work, former warden of Sing Sing prison, and former dean, Columbia Law School, says: "Crime is decreasing. This is the only conclusion that can be drawn from the sole body of trustworthy statistics that we have, the report of commitments to prisons made by the Cenusus Bureau. Summarizing these conclusions we find that general criminality serious enough to be punished by imprisonment has fallen off 37.3 per cent."

Mr. Sanford Bates, superintendent of Federal prisons, while commissioner of correction of Massachusetts, in his report to the judiciary committee of the State legislature February 9, 1928, showed that crimes of a serious character are diminishing in number in Massachusetts, but there have been increases in the number of certain trivial offenses. The following statements will bear most careful analysis:

"Offenses against the person declined from 11,394 in 1910 to 7,962 in 1927.

"Offenses against property declined from 12,179 in 1910 to 12,160 in 1927.

"However, the rate of offenses against the person during this period declined from 337.42 per hundred thousand to 187.69 per hundred thousand, while the offenses against property declined from 360.66 to 286.66 per hundred thousand population."

Mr. Bates remarks that there has been an increase in the number of offenses against public order, to wit, from 128,755 to 184,765, or 43 per cent, but notes that the increase in population being considered, the increase in rate per hundred thousand is from 3,512.88 to 4,355.61. Moreover, all of this increase is accounted for by Mr. Bates under the head "other offenses," which he describes as "trivial."

Mr. Bates shows that under prohibition the number of offenses against the person per hundred thousand has declined more than 40 per cent; offenses against property about 30 per cent; drunkenness 40 per cent; while neglect of children had declined more than 50 per cent. It is interesting to note that violation of the narcotic drug law is very much less now than it was under the wet period, and has steadily declined under prohibition.

That crime has decreased since prohibition is shown by the fact that every age group has fewer commitments in proportion to population in 1923 than in 1910. Rate of decrease from all commitments for all crimes is 37.7 per cent.

In wet 1910 the prison commitments were 521.7 per 100,000 as compared with 325.1 per 100,000 in dry 1923. The prison population in wet 1910 was 121.2 per 100,000, compared with 99.7 per 100,000 general population in dry 1923.

We hear a good deal from the wet sources about the children all going to the dogs because of prohibition, but the Children's Bureau of the Department of Labor reports that juvenile delinquency is decreasing. In wet 1910 there were 172 admission for juvenile delinqency for each 100,000 of population, while in dry 1923 the number was 161 for each 100,000 of population. This includes ages from 10 to 17 years.

STRICTER ENFORCEMENT WOULD PRODUCE BETTER RESULTS

If the crminial problems of the country are to be solved, one step in that direction, apparently, would consist in eliminating the liquor traffic, which whether under the old-time license system or under the present prohibition system has notoriously been one of the greatest causes of crime in our history. The intimate connection between liquor and crime has been the cause of repeated comments by the courts for many decades. Any system of enforcement which permits the development of liquor gangs such as exist in many of our important cities can hardly be called effective. While these gangs are not new and while they existed and plied their murderous activities long before the adoption of the eighteenth amendment, they have commercialized violations of the prohibition law to a degree which is not pleasant to contemplate. It seems hardly possible, however, that any careful student of our criminological data will assume that prohibition is in any degree responsible for these gangsters or for their modern development. Under the laxity of law administration which seems to be a common characteristic of many of our greater cities and the alliance between the criminal underworld and certain phases of our political life, the traffic in beverage alcohol seems to be only one of the fields in which these criminals operate. It must be confessed that it is possibly the major field, but that there are other fields in which they seek their plunder is well known. "Racketeering" is not confined to bootlegger kings. It is found in some scores of phases of our city life, with its accompaniments of bribery, robbery, and murder. Under an effective program of law enforcement, holding strictly to their obligations and responsibilties those public officers who are charged with the administration of the law, it is affirmed by those who have specialized in studies of our criminal problems that these can be disposed of permanently.

WEAKENING PROHIBITION WILL INCREASE CRIME

The close relation between liquor—and whether that liquor is legalized or illicit does not enter into this question—and crime has frequently been analyzed, but possibly never in a more detailed way than in the Twenty-sixth Annual Report of the Bureau of Statistics of Labor for the State of Massachusetts, in 1895, when, by direction of the State legislature, that bureau made most exhaustive studies concerning the relation of the liquor traffic to pauperism, crime, and insanity. In order to emphasize the value of effective enforcement of national prohibition of beverage intoxicants as one step in the direction of the suppression of crime in general, one might quote from the conclusions which the Massachusetts Bureau of Labor Statistics reached:

"Out of 26,672 convictions for various offenses during 12 consecutive months, 17,575, or about 66 in every 100 (65.89 per cent), were convictions for drunkenness; and 657, or about two in every 100 (2.45 per cent), for drunkenness in combination with other offenses. Hence 18,232 convictions, or about 68 in every 100 (68.36 per cent), included drunkenness either wholly or in part.

"In 21,863 cases, about 82 in every 100 (81.97 per cent), the offender was in liquor at the time the offense was committed.

"In 8,440 cases, in which drunkenness did not form part of the offense, that is, in which the offender was convicted of the crime other than drunkenness, 3,640, or about 43 in every 100 (43.13 per cent), were cases in which the offender was in liquor at the time the offense was committed. Of these 8,440 cases, 4,852, or about 57 in every 100 (57.49 per cent), were cases in which the offender was in liquor at the time the intent was formed to commit the offense.

"Out of the whole number of cases, namely, 26,672, there were 22,514 in which the intemperate habits of the offender led to a condition which induced the crime. These constitute about 84 in every 100, or 84.41 per cent, of the whole number of cases. Disregarding convictions connected with drunkenness there remain 4,294 convictions for other crimes committed under conditions created by the intemperate habits of the criminal. These constitute 50.88 per cent, or nearly 51 in every 100, of the total number of convictions for crimes other than drunkenness.

"In 16,115 cases 60.41 per cent of the whole number, or about 60 in every 100, the intemperate habits of persons other than the offender were said to have been influential in the commitment of the offense, and 3,611, or 42.78 per cent, about 43 in every 100, of the total convictions for crimes other than drunkenness were of this class.

"Of the whole number of convictions, namely, 26,672, the number of offenders addicted to the use of liquor (no discrimination being made as to sex) was 26,137, or about 94 in every 100 (94.24 per cent). The excessive drinkers numbered 1,535, about 6 in every 100 (5.76 per cent).

"Of the total abstainers, however, 632 were minors. There were also 680 minors addicted to the use of liquor. Excluding all the minors, whether total abstainers or not, we have 25,860 offenders of adult years of whom 24,457, or about 96 of every 100 (96.44 per cent), were addicted to the use of liquor, including 4,482 excessive drinkers and 19,975 drinkers not classed as excessive.

"Of the whole number of offenders, 57.89 per cent, or nearly 58 in every 100, had fathers who were addicted to the use of liquor, while 20.49 per cent, or about 20 in every 100, had mothers addicted to the use of liquor.

In any suggested policy for dealing with beverage alcohol or in any plans for the enforcement of prohibitory, regulatory, or licensing systems there must be recognition of the menace involved in the relation between intoxicating liquor and crime. Any laxity enforcement of the prohibitory law will be matched by a resurgence of criminality. References to the criminal situation in some of our larger cities should be sufficient evidence of this.

NO NEW PLAN SUGGESTED

Increasingly apparent does it become that the opponents of prohibition have no new plan to suggest. They are against prohibition and when pressed for a constructive suggestion in the form of a substitute they invariably name some one of the plans which have already been thoroughly tried in the United States. The fact that a new name is suggested for some plan does not change the plan. So-called Government control belongs to the same family as the old dispensary system tried out years ago in the Southern States. It is not and never was

as much of a control system from the standpoint of the Government as was the old license system or the prohibition system. The name "Government control" is misleading. The system, in fact, is nothing more nor less than Government sanction, Government sale, Government promotion, and Government ownership of the beverage alcohol traffic.

The two most modern Government sale or ownership systems to which the opponents of prohibition in the United States repeatedly point with pride are the so-called Canadian system and the so-called Swedish or Bratt system, both of which are worthy of careful study by some of those prominent in American business life who are to-day advocating these systems in the interest of "law and order" and "personal liberty" and "a solution" of the problems caused by the evils of the beverage liquor traffic.

THE CANADIAN SYSTEM

There is, in fact, no Canadian system applying to the Dominion of Canada. There are practically as many systems as there are Provinces. What is perhaps more frequently referred to as the Canadian system, however, is the so-called Quebec liquor sales system. The annual report of the Quebec liquor system for the year ended April 30, 1928, gives an indication as to what is meant by the word "successful" when applied to this system. This report shows that while the system operated in 234 municipalities in Quebec in the year 1923, it had extended its operations to 295 municipalities in 1928, and that the number of selling places has increased in those years from 1,661 to 3,136. During the same six years the annual sales of wines, beer, and spirits in these places rose from $49,602,779 to $69,230,567. Between the years 1925 and 1928 the number of gallons of wine sold increased 100 per cent, while the number of gallons of spirits increased 27 per cent. The sales of beer and wine between 1922 and 1928 increased from $32,604,516 to $40,699,308.

Under this so-called Government-control system bootlegging has rapidly developed, the number of complaints with regard to violation of the law received each year rising from 2,929 in 1922 to 9,089 in 1928. This system has encouraged the use of liquors of every kind, has made it easy for everyone to obtain intoxicants of all descriptions, and has fostered what was inevitable, the pushing of the trade and the general promotion of the manufacture, traffic, and sale of intoxicating beverages. Its promoters and those who have charge of the system under the Government point to the increased sale and consumption as an evidence of the success of the system.

THE SWEDISH (BRATT) SYSTEM

There seems a certain humor in the proposal by "wet" individualists that this Government should adopt the most paternalistic method of dealing with the liquor problem which has ever been given trial. Such a method is the so-called Bratt system of Sweden. One remarkable phase of this system is that it is based upon this curious governmental theory, that those who do not need or greatly desire alcoholic beverages shall be permitted by the state to purchase them, while those who believe they need them, or at least greatly desire them, shall be denied that privilege. Any careful study of the Swedish method of issuing the "mot-bok" will demonstrate the accuracy of this description.

The Bratt system was established in 1913. It was first attempted in Stockholm. It was adopted by Parliament in 1917, and became effective in 1919.

Between the years 1922 and 1927, under the Bratt system, the consumption of brandy increased from 27,745,200 liters to 30,497,272 liters, while wine increased during the same period from 2,368,877 liters to 5,087,708. The consumption of beer for the same period increased from 182,412,600 liters to more than 254,000,000 liters.

The Bratt system, in general principle, is similar to the system operated in Quebec, with certain additions, the most important of which is the so-called "mot-bok," the pass book which was adopted in order that only those who could be trusted with alcohol should have the right to buy it. This "mot-bok" therefore became the proof that any person was trustworthy, consequently more and more citizens acquired and displayed "mot-boks" in order to prove that they were of good character. The number of "mot-bok" holders gradually increased until in 1928 there were 1,126,151, of which 107,230 were women. In other words, more than a million men in Sweden carry "mot-boks" to-day. The total population of Sweden is approximately 6,000,000, which would probably mean 1,500,000 men over 21 years of age. In other words, the "mot-bok" habit has grown in Sweden under the Bratt system until now two-thirds of the men in the entire nation carry "mot-boks." Those who advocate the system in the interest of larger individual liberty should make a careful inquiry into all the implications of the "mot-bok" system, for it is safe to say that in the efforts of the Swedish Government to keep track of every purchase by every drinker the Bratt system has already established a degree of paternalism in government which has never been known and has never been even dreamed of under the American form of government.

One of the worst social effects of this system is that the "mot-bok" practically becomes a certificate of character. Those not possessing the "mot-bok" are assumed to be unable to obtain one, and since these are granted every applicant whose character is not notoriously bad, it seems to be assumed that there must be some flaw in the reputation of those persons who have not availed themselves of this privilege. This seems to be the only instance known where any governmental authorities have given such prestige to any document associated with indulgence in an antisocial habit. It places a premium upon vice; practically requires even the abstainer and the virtuous to list themselves as the users of alcoholic beverages, and places a handicap upon those who, through conscience or through a sense of social responsibility do not desire to register for a "mot-bok." Possibly the best analogy one might suggest to this would be to imagine employers in this country requiring applicants for positions to show that they were regular customers of a saloon. This utter reversal of all normal expectations is a marked characteristic of the Swedish system. It is possibly a natural consequence of the encouragement given to the drinking habit by the governmental sanction granted to this traffic in Sweden.

The Swedish Government, realizing the terrific inroads made by the drink habit upon the health, industrial efficiency, and economic welfare of the people under the Bratt system, is planning to revise that system, if not to discard it entirely. A royal commission is now studying the whole problem. The system which has failed so egregiously as has the Bratt system in Sweden can hardly be recommended for trial by the American people, nor can it be considered as a substitute for prohibition, which has brought prosperity, where the Bratt system brought poverty and which has branded the liquor traffic with outlawry instead of labeling it with a mark of respectability as is done in Sweden.

THE SOUTH CAROLINA DISPENSARY SYSTEM

Whatever may be said for any government sale system under any other form of government in the world, the best evidence on such a system under the American form of government is to be found in the record of the State dispensary system of South Carolina. That record shows that beverage alcohol sold at a dispensary is just as bad as beverage alcohol sold over the bar of a saloon. It has just the same effect on men and promotes about the same social evils in the same general way. The record of South Carolina shows that the amount of liquors consumed under the dispensary system was greater than the amount under the license saloon system; that the dispensary was in constant competition with speak-easies and that finally the dispensaries became the supply houses for blind tigers, liquors being purchased from the dispensary, cut three or four times, and sold at a low price in competition with the dispensary.

During the first nine months of the State dispensary, from July 1, 1893, to April 1, 1894, the sales of the dispensary amounted to $573,539.91. By the year 1901 the sales under the dispensary system had grown to $4,376,430.05, on which a profit of $1,000,000 was realized by the State.

In February, 1902, the books of the United States collector of internal revenue showed 444 retail liquor dealers who paid the Federal tax in South Carolina, while the State of South Carolina records showed only 104 dispensaries, and it was estimated that in the city of Charleston alone there were over 500 blind tigers operating while the State dispensary was in flower.

Graft in the State liquor purchasing department and corruption throughout the whole realm of politics having to do with the system became rampant. A low type of professional politician saw the opportunity and grasped it, gaining control of the system and of many parts of the government. "Fires" and "robberies," with increasing frequency were found entered as items on the books that reported shortages which were charged by the State to profit and loss. The State was defrauded of large sums of money; commissions and rebates were included in prices paid by the State to those who furnished the liquor supply. Success in handling the dispensary depended upon the showing of sales and profits. So great was the situation it got out of the hands of the police authorities. The militia had to be called out in order to maintain the system known as the State dispensary, in operation in South Carolina for 14 years.

The experience in South Carolina was such that while other States in the South had during long periods of years tried out the dispensary in municipalities and counties, none ever attempted the State dispensary system after the horrible experience and tragic ending of the South Carolina plan.

EXECUTIVE SESSION

Mr. BORAH. Mr. President, I move that the Senate proceed to the consideration of executive business in open executive session.

The motion was agreed to; and the Senate proceeded to the consideration of executive business in open session.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States making sundry nominations, which were referred to the appropriate committees.

REPORTS OF A COMMITTEE

The VICE PRESIDENT. Reports of committees are in order.

Mr. JOHNSON. From the Committee on Commerce, I submit reports of certain nominations for the Executive Calendar.

The VICE PRESIDENT. The nominations will be placed on the Executive Calendar. If there are no further reports of committees, the calendar is in order. The clerk will announce the first business on the calendar.

TREATY REVISING GENERAL ACT OF BERLIN AND GENERAL ACT AND DECLARATION OF BRUSSELS

The Chief Clerk announced the first order of business on the Executive Calendar to be Executive N (70th Cong., 1st sess.), convention revising general act of Berlin of February 26, 1885, and general act and declaration of Brussels of July 2, 1890.

The treaty was considered as in Committee of the Whole and was read, as follows:

The United States of America, Belgium, the British Empire, France, Italy, Japan and Portugal;

Whereas the General Act of the African Conference, signed at Berlin on February 26, 1885, was primarily intended to demonstrate the agreement of the Powers with regard to the general principles which should guide their commercial and civilizing action in the little known or inadequately organized regions of a continent where slavery and the slave trade still flourished; and

Whereas by the Brussels Declaration of July 2, 1890, it was found necessary to modify for a provisional period of fifteen years the system of free imports established for twenty years by Article 4 of the said Act, and since that date no agreement has been entered into, notwithstanding the provisions of the said Act and Declaration; and

Whereas the territories in question are now under the control of recognized authorities, are provided with administrative institutions suitable to the local conditions, and the evolution of the native populations continues to make progress;

Wishing to ensure by arrangements suitable to modern requirements the application of the general principles of civilization established by the Acts of Berlin and Brussels,

Have appointed as their Plenipotentiaries:

THE PRESIDENT OF THE UNITED STATES OF AMERICA:
The Honorable Frank Lyon Polk, Under-Secretary of State;
The Honorable Henry White, formerly Ambassador Extraordinary and Plenipotentiary of the United States at Rome and Paris;
General Tasker H. Bliss, Military Representative of the United States on the Supreme War Council;

HIS MAJESTY THE KING OF THE BELGIANS:
Mr. Paul Hymans, Minister for Foreign Affairs, Minister of State;
Mr. Jules van den Heuvel, Envoy Extraordinary and Minister Plenipotentiary of His Majesty the King of the Belgians, Minister of State;
Mr. Émile Vandervelde, Minister of Justice, Minister of State;

HIS MAJESTY THE KING OF GREAT BRITAIN AND IRELAND AND OF THE BRITISH DOMINIONS BEYOND THE SEAS, EMPEROR OF INDIA:
The Right Honorable Arthur James Balfour, O. M., M. P., His Secretary of State for Foreign Affairs;
The Right Honorable Andrew Bonar Law, M. P., His Lord Privy Seal;
The Right Honorable Viscount Milner, G. C. B., G. C. M. G., His Secretary of State for the Colonies;
The Right Honorable George Nicoll Barnes, M. P., Minister without Portfolio;
And:
for the Dominion of Canada:
The Honorable Sir Albert Edward Kemp, K. C. M. G., Minister of the Overseas Forces;
for the Commonwealth of Australia:
The Honorable George Foster Pearce, Minister of Defence;
for the Union of South Africa:
The Right Honorable Viscount Milner, G. C. B., G. C. M. G.;
for the Dominion of New Zealand:
The Honorable Sir Thomas Mackenzie, K. C. M. G., High Commissioner for New Zealand in the United Kingdom;
for India:
The Right Honorable Baron Sinha, K. C., Under-Secretary of State for India;

THE PRESIDENT OF THE FRENCH REPUBLIC:
Mr. Georges Clemenceau, President of the Council, Minister of War;
Mr. Stephen Pichon, Minister for Foreign Affairs;
Mr. Louis-Lucien Klotz, Minister of Finance;
Mr. André Tardieu, Commissary-General for Franco-American Military Affairs;
Mr. Jules Cambon, Ambassador of France;

HIS MAJESTY THE KING OF ITALY:
The Honorable Tommaso Tittoni, Senator of the Kingdom, Minister for Foreign Affairs.
The Honorable Vittorio Scialoja, Senator of the Kingdom;
The Honorable Maggiorino Ferrairis, Senator of the Kingdom;
The Honorable Guglielmo Marconi, Senator of the Kingdom;
The Honorable Silvio Crespi, Deputy;

HIS MAJESTY THE EMPEROR OF JAPAN:
Viscount Chinda, Ambassador Extraordinary and Plenipotentiary of H. M. the Emperor of Japan at London;
M. K. Matsui, Ambassador Extraordinary and Plenipotentiary of H. M. the Emperor of Japan at Paris;
H. M. Ijun, Ambassador Extraordinary and Plenipotentiary of H. M. the Emperor of Japan at Rome;

THE PRESIDENT OF THE PORTUGUESE REPUBLIC:
Dr. Affonso da Costa, formerly President of the Council of Ministers;
Dr. Augusto Luiz Vieira Soares, formerly Minister for Foreign Affairs;

Who, after having communicated their full powers recognized in good and due form,

Have agreed as follows:

ARTICLE 1

The Signatory Powers undertake to maintain between their respective nationals and those of States, Members of the League of Nations, which may adhere to the present Convention a complete commercial equality in the territories under their authority within the area defined by Article 1 of the General Act of Berlin of February 26, 1885, set out in the Annex hereto, but subject to the reservation specified in the final paragraph of that article.

Annex

Article 1 of the General Act of Berlin of February 26, 1885.

The trade of all nations shall enjoy complete freedom:

1. In all the regions forming the basin of the Congo and its affluents. This basin is bounded by the watersheds (or mountain ridges) of the adjacent basins, namely, in particular, those of the Niari, the Ogowé, the Shari, and the Nile, on the north; by the eastern watershed line of the affluents of Lake Tanganyika on the east; and by the watersheds of the basins of the Zambesi and the Logé on the south. It therefore comprises all the regions watered by the Congo and its affluents, including Lake Tanganyika, with its eastern tributaries.

2. In the maritime zone extending along the Atlantic Ocean from the parallel situated in 2° 30′ of south latitude to the mouth of the Logé.

The northern boundary will follow the parallel situated in 2° 30′ from the coast to the point where it meets the geographical basin of the Congo, avoiding the basin of the Ogowé, to which the provisions of the present Act do not apply.

The southern boundary will follow the course of the Logé to its source, and thence pass eastward till it joins the geographical basin of the Congo.

3. In the zone stretching eastward from the Congo Basin as above defined, to the Indian Ocean from 5° of north latitude to the mouth of the Zambesi in the south, from which point the line of demarcation will ascend the Zambesi to 5 miles above its confluence with the Shiré, and then follow the watershed between the affluents of Lake Nyassa and those of the Zambesi, till at last it reaches the watershed between the waters of the Zambesi and the Congo.

It is expressly recognized that in extending the principle of free trade to this eastern zone, the Conference Powers only undertake engagements for themselves, and that in the territories belonging to an independent Sovereign State this principle shall only be applicable in so far as it is approved by such State. But the Powers agree to use their good offices with the Governments established on the African shore of the Indian Ocean for the purpose of obtaining such approval, and in any case of securing the most favorable conditions to the transit of all nations.

ARTICLE 2

Merchandise belonging to the nationals of the Signatory Powers, and to those of States, Members of the League of Nations, which may adhere to the present Convention, shall have free access to the interior of the regions specified in Article 1. No differential treatment shall be imposed upon the said merchandise on importation or exportation, the transit remaining free from all duties, taxes or dues, other than those collected for services rendered.

Vessels flying the flag of any of the said Powers shall also have access to all the coast and to all maritime ports in the territories specified in Article 1; they shall be subject to no differential treatment.

Subject to these provisions, the States concerned reserve to themselves complete liberty of action as to the customs and navigation regulations and tariffs to be applied in their territories.

ARTICLE 3

In the territories specified in Article 1 and placed under the authority of one of the Signatory Powers, the nationals of those Powers, or of States, Members of the League of Nations, which may adhere to the present Convention shall, subject only to the limitations necessary for the maintenance of public security and order, enjoy without distinction the same treatment and the same rights as the nationals of the Power exercising authority in the territory, with regard to the protection of their persons and effects, with regard to the acquisition and transmission of their movable and real property, and with regard to the exercise of their occupations.

ARTICLE 4

Each State reserves the right to dispose freely of its property and to grant concessions for the development of the natural resources of the territory, but no regulations on these matters shall admit of any differential treatment between the nationals of the Signatory Powers and of States, Members of the League of Nations, which may adhere to the present Convention.

ARTICLE 5

Subject to the provisions of the present chapter, the navigation of the Niger, of its branches and outlets, and of all the rivers, and of their branches and outlets, within the territories specified in Article 1, as well as of the lakes situated within those territories, shall be entirely free for merchant vessels and for the transport of goods and passengers.

Craft of every kind belonging to the nationals of the Signatory Powers and of States, Members of the League of Nations, which may adhere to the present Convention shall be treated in all respects on a footing of perfect equality.

ARTICLE 6

The navigation shall not be subject to any restriction or dues based on the mere fact of navigation.

It shall not be held to any obligation in regard to landing, stopping, warehousing, bulk breaking or enforced lay over.

No maritime or river toll, based on the mere fact of navigation, shall be levied on vessels, nor shall any transit duty be levied on goods on board. Only such taxes or duties shall be collected as may be in compensation for services rendered to navigation itself. The tariff of these taxes or duties shall not admit of any differential treatment.

ARTICLE 7

The affluents of the rivers and lakes specified in Article 5 shall in all respects be subject to the same rules as the rivers or lakes of which they are tributaries.

The road, railways or lateral canals which may be constructed with the special object of obviating the unnavigability or correcting the imperfections of the water route on certain sections of the rivers and lakes specified in Article 5, their affluents, branches and outlets, shall be considered, in their quality of means of communication, as dependencies of these rivers and lakes, and shall be equally open to the traffic of the nationals of the Signatory Powers and of the States, Members of the League of Nations, which may adhere to the present Convention.

On these roads, railways and canals only such tolls shall be collected as are calculated on the cost of construction, maintenance and management, and on the profits reasonably accruing to the undertaking. As regards the tariff of these tolls, the nationals of the Signatory Powers and of States, Members of the League of Nations, which may adhere to the present Convention, shall be treated on a footing of perfect equality.

ARTICLE 8

Each of the Signatory Powers shall remain free to establish the rules which it may consider expedient for the purpose of ensuring the safety and supervision of navigation, on the understanding that these rules shall facilitate, as far as possible, the circulation of merchant vessels.

ARTICLE 9

In such sections of the rivers and of their affluents, as well as on such lakes, as are not necessarily utilized by more than one riparian State, the Governments exercising authority shall remain free to establish such systems as may be required for the maintenance of public safety and order, and for other necessities of the work of civilization and colonization; but the regulations shall not admit of any differential treatment between vessels or between nationals of the Signatory Powers and of States, Members of the League of Nations, which may adhere to the present Convention.

ARTICLE 10

The Signatory Powers acknowledge their obligation to maintain in the regions under their control actual authority and police forces sufficient to insure protection for persons and property and, if the case should arise, freedom for commerce and transit.

ARTICLE 11

The Signatory Powers exercising sovereign rights or authority in African territories will continue to see to the preservation of the native populations and the improvement of their moral and material conditions. They will, in particular, endeavor to secure the complete suppression of slavery in all its forms and of the black slave trade by land and sea.

They will protect and favor, without distinction of nationality or of religion, the religious, scientific or charitable institutions and undertakings created and organized by the nationals of the other Signatory Powers and of States, Members of the League of Nations, which may adhere to the present Convention, which aim at leading the natives in the path of progress and civilization. Scientific missions, their outfits and their collections, shall likewise be the objects of special solicitude.

Freedom of conscience and the free exercise of all forms of religion are expressly guaranteed to all nationals of the Signatory Powers and to those of the States, Members of the League of Nations, which may become parties to the present Convention. Accordingly, missionaries shall have the right to enter into, and to travel and reside in, African territory with a view to pursuing their religious work.

The application of the provisions of the two preceding paragraphs shall be subject only to such restrictions as may be necessary for the maintenance of public security and order, or as may result from the enforcement of the constitutional law of any of the Powers exercising authority in African territories.

ARTICLE 12

The Signatory Powers agree that if any dispute whatever should arise between them relating to the application of the present Convention which cannot be settled by negotiation, this dispute shall be submitted to an arbitral tribunal in conformity with the provisions of the Covenant of the League of Nations.

ARTICLE 13

Except in so far as the stipulations contained in Article 1 of the present Convention are concerned, the General Act of Berlin of 26th February, 1885, and the General Act of Brussels of 2nd July, 1890, with the accompanying Declaration of equal date, shall be considered as abrogated, in so far as they are binding between the Powers which are Parties to the present Convention.

ARTICLE 14

States exercising authority over African territories, and other States, Members of the League of Nations, which were parties either to the Act of Berlin or to the Act of Brussels or the Declaration annexed thereto, may adhere to the present Convention. The Signatory Powers will use their best endeavors to obtain the adhesion of these States.

This adhesion shall be notified through the diplomatic channel to the Government of the French Republic, and by it to all the Signatory or adhering States. The adhesion will come into force from the date of its notification to the French Government.

ARTICLE 15

The Signatory Powers will reassemble at the expiration of ten years from the coming into force of the present Convention, in order to introduce into it such modifications as experience may have shown to be necessary.

The present Convention shall be ratified as soon as possible.

Each Power will address its ratification to the French Government, which will inform all the other Signatory Powers.

The ratifications will remain deposited in the archives of the French Government.

The present Convention will come into force for each Signatory Power from the date of the deposit of its ratification, and from that moment that Power will be bound in respect of other Powers which have already deposited their ratifications.

On the coming into force of the present Convention, the French Government will transmit a certified copy to the Powers which, under the Treaties of Peace, have undertaken to accept and observe it. The names of these Powers will be notified to the States which adhere.

In faith whereof the above-named Plenipotentiaries have signed the present Convention.

Done at Saint-Germain-en-Laye, the 10th day of September, 1919, in a single copy, which will remain deposited in the

archives of the Government of the French Republic, and of which authenticated copies will be sent to each of the Signatory Powers.

[L. S.] FRANK L. POLK
[L. S.] HENRY WHITE
[L. S.] TASKER H. BLISS
[L. S.] HYMANS
[L. S.] J. VAN DEN HEUVEL
[L. S.] E. VANDERVELDE
[L. S.] ARTHUR JAMES BALFOUR
[L. S.] MILNER
[L. S.] G. N. BARNES
[L. S.] A. E. KEMP
[L. S.] G. F. PEARCE
[L. S.] MILNER
[L. S.] THOS. MACKENZIE
[L. S.] SINHA OF RAIPUR
[L. S.] G. CLEMENCEAU
[L. S.] S. PICHON
[L. S.] L. L. KLOTZ
[L. S.] ANDRÉ TARDIEU
[L. S.] JULES CAMBON
[L. S.] TOM. TITTONI
[L. S.] VITTORIO SCIALOJA
[L. S.] MAGGIORINO FERRARIS
[L. S.] GUGLIELMO MARCONI
[L. S.] S. CHINDA
[L. S.] K. MATSUI
[L. S.] H. IJUIN
[L. S.] AFFONSO COSTA
[L. S.] AUGUSTO SOARES

The treaty was reported to the Senate without amendment.

Mr. BORAH. Mr. President, this is a treaty between the United States, Great Britain, Belgium, France, Italy, Japan, and Portugal, which provides really for the open door in Africa. It is a revision of what is known as the Berlin treaty. That revision has been signed by all other governments interested in the treaty and ratified by all except our own. There is a reservation to go with the resolution of ratification. The reservation provides as follows:

The Senate consents to the ratificatiton of the present convention, subject to the understanding that in the event of a dispute in which the United States may be involved arising under the convention, such dispute shall, if the United States so requests, be submitted to a court of arbitration constituted in accordance with the convention for the pacific settlement of international disputes signed at The Hague on October 18, 1907, or to some other court of arbitration.

The PRESIDENT pro tempore. The resolution of ratification will be read.

The Chief Clerk read the resolution of ratification, as follows:

Resolved (*two-thirds of the Senators present concurring therein*), That the Senate advise and consent to the ratification of executive N, Seventieth Congress, first session, a convention signed at Germain-en-Laye on September 10, 1919, subject to the understanding that in the event of a dispute in which the United States may be involved arising under the convention such dispute shall, if the United States so requests, be submitted to a court of arbitration constituted in accordance with the convention for the pacific settlement of international disputes signed at The Hague on October 18, 1907, or to some other court of arbitration.

Mr. BLEASE. Mr. President, may I ask the Senator to what court the resolution refers?

Mr. BORAH. To the Court of Arbitration, The Hague tribunal—not the World Court.

Mr. BLEASE. Very well.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to the ratification of the treaty? [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is adopted and the treaty is ratified.

ROBERTA J. TATUM

The Chief Clerk announced the nomination of Roberta J. Tatum to be postmaster at Alamo, Tenn.

Mr. McKELLAR. Mr. President, I have no objection to the nomination and hope it will be confirmed.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed, and the President will be notified.

POSTMASTERS

The Chief Clerk announced as next on the Executive Calendar the nominations of sundry postmasters.

Mr. McKELLAR. I move that all post-office nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be confirmed en bloc and the President notified.

LUTHER H. REICHELDERFER

The Chief Clerk announced the nomination of Luther H. Reichelderfer to be commissioner of the District of Columbia.

Mr. BLEASE. Mr. President, I ask that the nomination go over until tomorrow, when I understand the nomination of General Crosby will be reported.

The PRESIDENT pro tempore. The nomination will go over at the request of the Senator from South Carolina.

Mr. BORAH. I move that the Senate resume the consideration of legislative business.

The motion was agreed to.

RECESS

Mr. McNARY. I move that the Senate take a recess until to-morrow at 12 o'clock noon.

The motion was agreed to; and the Senate (at 5 o'clock and 5 minutes p. m.) took a recess until to-morrow, Friday, April 4, 1930, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 3 (legislative day of April 2), 1930

SECRETARIES IN THE DIPLOMATIC SERVICE

The following-named persons, now Foreign Service officers, unclassified, and vice consuls of career, to be also secretaries in the Diplomatic Service of the United States of America:

Gerald A. Drew, of California.
Sidney H. Browne, jr., of New Jersey.
Roger Sumner, of Massachusetts.

UNITED STATES ATTORNEYS

William J. Carter, of Tennessee, to be United States attorney, eastern district of Tennessee, to succeed Everett Greer, resigned.

Roy C. Fox, of Washington, to be United States attorney, eastern district of Washington. (He is now serving in this office under an appointment which expired March 16, 1930.)

UNITED STATES MARSHAL

Tom W. Dutton, of Louisiana, to be United States marshal, eastern district of Louisiana, to succeed Victor Loisel, whose term expired December 15, 1929.

PUBLIC HEALTH SERVICE

The following-named passed assistant surgeons to be surgeons in the Public Health Service, to take effect from date of oath:

Passed Asst. Surg. Lieuen M. Rogers.
Passed Asst. Surg. Henry A. Rasmussen.
Passed Asst. Surg. William Y. Hollingsworth.
Passed Asst. Surg. Octavius M. Spencer.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 3 (legislative day of April 2), 1930

POSTMASTERS

ALASKA

Jacob Otness, Petersburg.

ARIZONA

James L. T. Watters, Duncan.

ARKANSAS

Edwin C. Widener, Delight.
Benjamin W. Allen, Hamburg.
Grace P. Stark, Marked Tree.
William E. Edmiston, Portland.

COLORADO

Samuel A. Mohler, Salida.

IDAHO

Roger L. Fisk, Parma.

MASSACHUSETTS

Effie M. Ellis, East Wareham.
Harry E. King, Millis.

MISSISSIPPI

Charles B. Turner, Ellisville.
Burnell Shelton, Hazlehurst.

NEBRASKA

Andres P. Peterson, Lindsay.

OHIO

George H. Shauf, Massillon.

PORTO RICO

Cesar Rossy, Ciales.

TENNESSEE

Roberta J. Tatum, Alamo.

TEXAS

Joe C. Hailey, Hughes Springs.
Ora R. Porterfield, Lott.

UTAH

Walter Cannon, St. George.
John F. Justesen, Spring City.

HOUSE OF REPRESENTATIVES

THURSDAY, *April 3, 1930*

The House met at 12 o'clock noon.

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

Gracious Lord and our God, O that the blessing of Thy love and mercy might fill us with hope and peace, that in the midst of labor and imperfection we might discern the thought of our beneficent Heavenly Father. O Lord God, stir such thoughts in us. More and more reveal unto each one of us the inner life of the soul and cause it to send forth resounding joy and thanksgiving. We need Thee; vouchsafe to-day Thy presence to everyone. May we hold fast to purity, temperance, truth, and duty. We thank Thee for the surpassing wonder of Thy compassion and for Thy care and patience from day to day. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

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

H. R. 238. An act granting the consent of Congress to the State of North Dakota to construct, maintain, and operate a free highway bridge across the Missouri River at or near Fort Yates, N. Dak.;

H. R. 563. An act for the relief of Frank Yarlott;

H. R. 4604. An act to provide for the recording of the Indian sign language through the instrumentality of Maj. Gen. Hugh L. Scott, retired, and for other purposes;

H. R. 6337. An act granting the consent of Congress to George H. Glover to construct a private highway bridge across Flanders Bay, Hancock County, Me., from the mainland at Sorrento to Soward Island;

H. R. 6844. An act to grant the consent of Congress to the Highway Department of the State of Tennessee to construct a bridge across the Hatchie River on the Boliver-Jackson Road near the town of Bolivar, in Hardeman County, Tenn.;

H. R. 7007. An act granting the consent of Congress to the State of Massachusetts to construct, maintain, and operate a free highway bridge across the Merrimack River at or near Tyngsboro, Mass.;

H. R. 7566. An act granting the consent of Congress to the Highway Department of the State of Tennessee to construct a bridge across the Holston River on projected Tennessee Highway No. 9, in Knox County, Tenn.;

H. R. 7580. An act authorizing the county of Lee, in the State of Iowa, and Wayland Special Road District, in the county of Clark and State of Missouri, to construct, maintain, and operate a free highway bridge across the Des Moines River at or near St. Francisville, Mo.;

H. R. 7829. An act granting the consent of Congress to the Great Southern Lumber Co., of Bogalusa, La., to construct, maintain, and operate a railroad bridge across the Bogue Chitto River in or near township 3 south, range 11 east, in the parish of Washington, State of Louisiana;

H. R. 7964. An act to authorize the issuance of a fee patent for block 23 within the town of Lac du Flambeau, Wis., in favor of the local public-school authorities;

H. R. 9038. An act granting the consent of Congress to the State of New York to reconstruct, maintain, and operate a free highway bridge across the West Branch of the Delaware River at or near Beerston, N. Y.; and

H. J. Res. 283. Joint resolution making additional appropriations for certain expenses under the Department of Justice for the remainder of the fiscal year 1930.

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

H. R. 6153. An act authorizing the President to appoint a commission to study and report on the conservation and administration of the public domain.

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

S. 962. An act to amend and reenact subdivision (a) of section 209 of the transportation act, 1920;

S. 1469. An act to quitclaim certain lands in Santa Fe County, N. Mex.;

S. 2245. An act for the relief of A. H. Cousins;

S. 2864. An act for the relief of certain lessees of public lands in the State of Wyoming under the act of February 25, 1920, as amended; and

S. 3231. An act to compensate Harriet C. Holaday.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 2667) entitled "An act 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," 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. SMOOT, Mr. WATSON, Mr. SHORTRIDGE, Mr. SIMMONS, and Mr. HARRISON to be the conferees on the part of the Senate.

PERMISSION TO ADDRESS THE HOUSE

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent that at the completion of the address to-day by the gentleman from Texas [Mr. PATMAN] I be permitted to address the House for five minutes.

The SPEAKER. In view of the fact that by special order of the House Calendar Wednesday business is made in order to-day, it is the view of the Chair that the order affecting Mr. PATMAN is automatically canceled.

Mr. CRAMTON. Then I make this request, that at the completion of the business brought to the House to-day by the Committee on Interstate and Foreign Commerce, I be permitted to address the House for five minutes. I make that request, because I am informed that the business of the committee will not take a full day.

The SPEAKER. The gentleman from Michigan asks unanimous consent that at the completion of the business called up to-day by the Committee on Interstate and Foreign Commerce, he be permitted to address the House for five minutes. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, I make a similar request, after the gentleman from Michigan has concluded his address, for 30 minutes.

The SPEAKER. The gentleman from Texas asks unanimous consent that at the completion of the address of the gentleman from Michigan [Mr. CRAMTON] he be permitted to address the House for 30 minutes. Is there objection?

There was no objection.

Mr. LINTHICUM. And, Mr. Speaker, if there be sufficient time left, I ask unanimous consent to be permitted to address the House for 10 minutes.

The SPEAKER. The gentleman from Maryland asks unanimous consent that after the completion of the address of the gentleman from Texas he be permitted to address the House for 10 minutes. Is there objection?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

The SPEAKER. This being the day on which, by the order of the House, Calendar Wednesday business is in order, the Clerk will call the committees.

The Clerk called the Committee on Interstate and Foreign Commerce.

ALLOWANCES FOR OFFICERS IN THE FOREIGN COMMERCE SERVICE

Mr. PARKER. Mr. Speaker, I call up the bill (H. R. 10653) to amend an act entitled "An act to establish in the Bureau of Foreign and Domestic Commerce of the Department of Commerce, a foreign commerce service of the United States, and for other purposes," approved March 3, 1927, which I send to the desk.

The SPEAKER. The gentleman from New York calls up the bill H. R. 10653. This bill is on the Union Calendar. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, and the gentleman from Michigan [Mr. HOOPER] will kindly take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10653, with Mr. HOOPER in the chair.

The Clerk read the title of the bill.

Mr. GARNER. Mr. Chairman, I take it that this bill has the unanimous report of the gentleman's committee?

Mr. PARKER. My impression is that it has.

Mr. GARNER. I do not want to make a point of no quorum or anything of that kind, but I would like to have some time before general debate is closed on the bill. The gentleman from

New York expects to occupy the floor for 5 or 10 minutes in explanation of the bill?

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

The CHAIRMAN. Is there objection?

Mr. LINTHICUM. Mr. Speaker, reserving the right to object, I would like to know what the bill is about.

Mr. PARKER. The bill is to provide for allowances for living quarters, and so forth, for commercial attachés in territory outside of the United States.

Mr. LINTHICUM. I have no objection to dispensing with the first reading of the bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PARKER. Mr. Chairman, no better commentary on the value of the work of the Bureau of Foreign and Domestic Commerce can be offered than the increasingly large number of services now being rendered by that organization.

Some 10 years ago the average weekly number of commercial services rendered by the bureau was approximately 4,200. This total has grown steadily until the weekly average is now nearly 75,300. As a matter of fact, all existing records for the number of commercial services rendered by the bureau were broken during the first week in March when a total of 79,583 was reached.

It is impossible to give briefly any adequate idea of the nature and diversity of these services. To sum up as quickly as possible, it may be said that 22,000 American firms located in every section of the United States received services from the bureau during the last fiscal year, the great bulk of them based upon facts brought to light by investigations of commercial attachés and trade commissioners at their foreign posts.

Although services rendered, in the majority of cases, were of such a nature that no dollars-and-cents valuation could be made, it is a significant fact that about 10 per cent of the firms served reported that their sales had been increased by over forty-two and one-half million dollars during the year through the assistance given by the bureau.

This increase, reported by only a small part of the bureau's clientele, was about ten times the total cost of the maintenance of the bureau. In my opinion, there have been few organizations or institutions which have secured such great results at such a relatively small expenditure.

And I am supported in this thought by some of the leading commercial publications of the world. The Diario del Commercio, the most important daily commercial and industrial paper in Spain, in referring to our Bureau of Foreign and Domestic Commerce, said, in part:

> In spite of the individualistic character of the Americans, they have organized a great Bureau of Foreign and Domestic Commerce, which, because of its importance as well as its complexity and variety of action, may serve to-day as an example for all similar organizations.
>
> Its growing popularity is due to the service which it renders; because, using a graphic North American expression, this bureau "pays," which is to say, it returns more than it costs.

Neptune, the most important general and commercial trade paper of Belgium, in comparing the American foreign trade promotion service with that of other nations, said, editorially:

> It is well to study the successful methods that have favored the commercial balance of the United States of America * * *. The bureau has become indispensable to the American * * *. He could not get along without it * * *. Thanks to it, he not only sells his merchandise to the four corners of the earth but knows as well as it is humanly possible to know the resources of all competing nations.

What is it that prompts this increasing national utilization and world recognition of the commercial services being made available by the bureau?

The answer can be found in the constantly expanding value of our export trade. During the calendar year 1929 our sales of merchandise to foreign countries were valued at $5,241,262,000. Impressive though this total may appear, its economic importance looms larger when we consider that our foreign sales to-day account for about 10 per cent of our total production—the margin that spells the difference between well-being for our country and the possible pinch of economic need.

It is evident that any serious impairment of our export trade would be disastrous not only to the hundreds of thousands of workers engaged in producing these goods and the many persons who have money invested in the producing organizations, but to the countless retailers, farmers, and others whose business is dependent upon them.

In addition to the dollars-and-cents exchange of merchandise resulting from the activities of the bureau, many other economies that may be calculated in terms of hundreds of thousands of dollars have been affected in behalf of American trade.

The bureau not only endeavors to augment American export trade, it also strives to save money for American business men by preventing them from doing obviously injudicious and potentially injurious things. The avoidance of costly mistakes is one of the constant objects of its solicitude. It has frequently saved large sums of money for American exporters by warning them of the dangers of improper export policies. Its information has upon innumerable occasions prevented them from trying to exploit barren markets and from dealing with irresponsible foreign firms or individuals, and this information is kept up-to-date and reliable by the men at the foreign posts.

Regulations considered discriminatory to American merchandise have been altered through the watchfulness of the bureau's representatives abroad and more reasonable tests of American foodstuffs and other merchandise have been obtained.

Industrial, agricultural, financial, and technical interests have been assisted on numerous occasions by the foreign personnel of the bureau on legal, financial, and commercial details concerning foreign projects, and much assistance has been given them in connection with difficult matters of trade that involved dealings with foreign governments.

The bureau aims, in short, to furnish relevant advice on every phase of the transactions having to do with the sale of American merchandise abroad.

This bureau truly, as has been said on numerous occasions both at home and abroad "returns dividends to the taxpayer," and any measure aimed at improving the service by raising the morale of the men who work under so many disadvantages in the foreign field will also raise the standards of the service and insure even greater returns from the money invested by the taxpayers in this activity.

Mr. GARBER of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. PARKER. Yes.

Mr. GARBER of Oklahoma. The general impression is that the foreign-trade service is devoted exclusively to the ascertainment of markets for the products of industry?

Mr. PARKER. Oh, no; that is not correct.

Mr. GARBER of Oklahoma. I did not know whether the gentleman had developed that phase or not. It is also for the development of products of agriculture as well as products of industry.

Mr. PARKER. Yes.

Mr. GARBER of Oklahoma. During the last year seven and a quarter million dollars additional trade in the products of agriculture was the result of our foreign-trade service.

Mr. PARKER. And I would say further that due to the activities of the commercial attachés very many of the restrictions against our food products in effect in foreign countries have been removed.

Mr. SPROUL of Kansas. Mr. Chairman, will the gentleman yield?

Mr. PARKER. Certainly.

Mr. SPROUL of Kansas. I did not understand the gentleman's statement satisfactorily as to the amount in value of our exported products during the past year.

Mr. PARKER. The estimate is over $5,500,000,000.

Mr. SPROUL of Kansas. You say over $5,500,000,000?

Mr. PARKER. Yes.

Mr. SPROUL of Kansas. Can the gentleman inform us what per cent of that $5,500,000,000 was manufactured goods?

Mr. PARKER. No; I have not that information.

Mr. SPROUL of Kansas. Has the gentleman or any member of his committee ascertained from the Department of Commerce what per cent of the exported products was manufactured products?

Mr. PARKER. I do not think they can, but I would say to the gentleman that every dollar of that 10 per cent of our products exported came back to the American people, and it made a market for the food products that are raised in this country. It was explained here that that is the indirect benefit. The direct benefit I can not tell you, but the gentleman from Oklahoma [Mr. GARBER] stated that there was a very large amount of food products exported.

Mr. SPROUL of Kansas. My information from the Department of Commerce is that only about 5 per cent of the total amount of the unprocessed exports from this country was agricultural products, making 95 per cent of exportable surplus manufactured goods.

Mr. PARKER. Yes.

Mr. SPROUL of Kansas. Now, I want to ask the gentleman this question: This bill provides for the Government paying the living expenses and providing quarters for our foreign attachés. Can the gentleman tell us how much money we are now paying for that purpose?

Mr. PARKER. The gentleman who will follow me will explain the details of the bill. I have been explaining them only in a general way. The gentleman who will follow me will explain more fully.

Mr. SPROUL of Kansas. Is it not a fact that our policy is to discourage the production of farm products in exportable surpluses?

Mr. PARKER. I do not think so.

Mr. SPROUL of Kansas. Was it not provided in the farm relief bill that we passed at the last session? I understand it was proclaimed by the head of the Farm Board that that is what the farmer should do, to quit producing exportable agricultural products.

Mr. PARKER. I do not think that is in this bill.

Mr. GARBER of Oklahoma. With the gentleman's permission, I will answer the question for the gentleman from Kansas, that in respect to the matter he refers to in the farm relief bill it applies only to exportable surpluses. It does not apply to the production of crops that are used in the manufacture of food products for export to foreign markets.

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

Mr. PARKER. Yes.

Mr. LINTHICUM. Does it apply to those producers of special products or to all American citizens?

Mr. PARKER. It applies to all American citizens. I was simply making a general statement. The gentleman who will follow me, Mr. HOCH, will explain the details more fully.

I now yield to the gentleman from Kansas.

The CHAIRMAN. How much time does the gentleman yield?

Mr. PARKER. As much time as the gentleman desires.

The CHAIRMAN. The gentleman from Kansas [Mr. HOCH] is recognized.

Mr. HOCH. Mr. Chairman and members of the committee, I only desire to take such time as may be necessary to explain this bill briefly and to answer any questions, as far as I am able to do so, that may be asked by Members.

The purpose of the bill is to give statutory authority for providing allowances for living quarters, fuel, and light to the foreign representatives of the Bureau of Foreign and Domestic Commerce. I may say that the current appropriation bill for that department and also for the Department of State as it passed the Senate carried an appropriation for this purpose. As I recall it, it was——

Mr. ACKERMAN. Seven hundred and fifty thousand dollars.

Mr. HOCH. Yes; it was $750,000. The amount carried for this purpose in the current appropriation bill is $200,000.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. HOCH. Certainly.

Mr. JOHNSON of Texas. What is the estimated increase involved in this bill? In other words, the bill provides that our officers in foreign countries shall be provided with quarters and heat and light and subsistence. What is that estimate?

Mr. HOCH. Two hundred thousand dollars is carried in the current bill, and the head of the department says that will reasonably take care of present requirements.

Mr. JOHNSON of Texas. Does that includes this?

Mr. HOCH. Yes; that includes this.

Mr. JOHNSON of Texas. Do you know how much this involves?

Mr. HOCH. There is no statutory authority at present.

Mr. JOHNSON of Texas. This is simply to authorize legally what is already the practice?

Mr. HOCH. No; there has been no practice to grant these allowances. But there is an item in the current appropriation bill for the purpose. They have never had this allowance heretofore.

Mr. JOHNSON of Texas. What does this section 1765 of the Revised Statutes provide? I notice the bill says—

Notwithstanding the provisions of section 1765 of the Revised Statutes.

Mr. HOCH. That section provides that where there is a fixed salary we shall not increase them by allowances except upon special authority of law. Personally I do not think it is necessary, because this would be specific authority of law.

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

Mr. HOCH. Yes.

Mr. LINTHICUM. Is it the purpose to pay them an additional sum over what it costs them to live in this country, or is it intended to pay them the full cost of the house rent, light, and heat?

Mr. HOCH. It is not the purpose to pay them the full amount of those expenses.

Perhaps I had better outline the general situation that calls for this legislation. The gentleman from New York [Mr. PARKER] has already spoken with reference to the valuable service that is rendered by the Foreign Commerce Service of the Department of Commerce. I am sure there will be no debate on the value of that service; certainly not by anyone who has looked into the workings of the service.

The department has abroad now 189 officers in 56 different offices throughout the world, and the gentleman from New York [Mr. PARKER] has explained the general purpose and value of the service. The service started under President Taft in 1912. The first men were sent abroad by Secretary Redfield in 1914, and the service has steadily grown since that time.

In 1927 Congress passed an act which put the service upon a permanent statutory basis, provided for classification of the representatives into five classes, and so forth, and this act is an amendment of the act of 1927.

The department has found it very difficult to retain competent men in the service because of the comparatively low salaries and necessary expenses in so many of the foreign countries.

I might read from a statement which was given by Dr. Julius Klein, Assistant Secretary of Commerce, in the hearings, showing as typical cases the situation in four places, illustrating the turnover or change in personnel in three years.

The change in personnel or turnover in three years at Buenos Aires has been 50 per cent; at Paris, 43 per cent; in India, 60 per cent; and in London, 57 per cent.

So the department has been faced with a very difficult situation to keep competent men in this service.

The only purpose of this measure is to give a little increase in compensation, not just for the sake of helping the men in the service, but in the interest of this very important and valuable service.

Mr. JONES of Texas. Will the gentleman yield?

Mr. HOCH. I yield.

Mr. JONES of Texas. I was wondering if any provision is made for similar representatives of the Department of Agriculture, who are probably in the same situation in foreign countries?

Mr. HOCH. I will say to the gentleman from Texas that I understand a general bill is under consideration covering all of the other services. When that bill will be reached, of course, no one knows. I am glad to say to the gentleman with reference to the Department of Agriculture, my information is that a most amicable adjustment has been made between the representatives of the Commerce Service and the representatives of the Department of Agriculture, working through the Farm Board, and I am sure there is now no antagonism.

Mr. JONES of Texas. There was a controversy for years, and it was more or less amicably settled a year or two ago, but I am wondering now if, having similar representatives in another department over there, we are not running into another tangle by picking out certain ones and giving them special consideration, which may upset the entire program again.

Mr. HOCH. I will say to the gentleman that the Department of Agriculture has five foreign representatives now whose salaries range between $5,000 and $6,000. Two more are ready to go out I am informed by this memorandum given me. Additional men will probably be employed in the near future, in connection with the crop outlook work, in which the Farm Board is so much interested.

The average salary of the representatives of the Commerce Department abroad is only $4,836. That is all they get; $4,836 is all they get. I am sure there will be a disposition on the part of everyone to do whatever is necessary for the Department of Agriculture representatives abroad, and there is no conflict to-day.

This service is seeking to serve not only manufacturing industry but agriculture as well, and if the gentleman will consult the hearings he will find there a most impressive showing of what has been done specifically with reference to an increase in the foreign markets of farm products—both raw products and processed food products, in which the farmer has certainly at least a substantial interest.

Mr. JONES of Texas. Will the gentleman yield again?

Mr. HOCH. I yield, gladly.

Mr. JONES of Texas. I am not criticizing the program laid out here as such because I am not familiar enough with it to know of its possibilities or its needs, but it is tremendously important to agriculture as well as to industry that the work in connection with foreign trade should develop, especially in view of the great number of things, both in industry and in agriculture that we produce in surplus quantities. Some fine work has been done. We have representatives of both departments in foreign countries, and they have been getting along well. I am wondering if, when we select one group and make special provision for them, we will not cause some friction and possibly

some criticism and possibly even some interference with the work as between the two departments?

Mr. HOCH. I appreciate the gentleman's thought about that, but I am confident that there is no danger of that. I read a moment ago a statement as to the salaries of the representatives of the Department of Agriculture.

Mr. JONES of Texas. Well, that refers to the ones the gentleman mentioned here, but does that constitute a fair comparison on the basis of the ordinary ratings in the Department of Agriculture and the Department of Commerce?

Mr. HOCH. I am informed that it does. The gentleman must understand that there are at present only a few—as I said, five foreign representatives now in the Department of Agriculture.

Mr. JONES of Texas. If only five are looking after all the interests of agriculture and all of our great export program in connection with certain staple crops, then they are doing enough work to justify a considerable salary.

Mr. HOCH. Of course, I am sure the gentleman understands that the representatives of the Commerce Service are just as much interested and doing just as active work in the promotion of foreign trade in American agriculture as in American industry. As I have said, a most impressive showing has been made.

Mr. JONES of Texas. That may be true, but the Department of Commerce is naturally and necessarily and essentially better informed on the products of industry both in this country and abroad, and the Department of Agriculture is naturally and by its nature essentially better informed on the marketing program of farm products all along the line. While each helps the other, one is primarily interested in one line of work and the other in another line of work.

Mr. HOCH. I can not quite agree with the gentleman.

They are interested in securing foreign markets for all American industry, including the great industry of agriculture, and certainly, as coming from an agricultural country, I would not want the agricultural interests to fail to use to the fullest extent the highly trained market promoters in the promotion of the foreign markets for agriculture, and that is exactly what they are doing.

Mr. JONES of Texas. I think it helps either to have the development of the other all along the line, but I do not feel it is best to select one particular branch and give them special concessions, special privileges, or special returns for their work over some other branch, and I wanted to be sure that was not to be done.

Mr. HOCH. I am confident there is no difference between the gentleman and myself as to the real substance and merits of what is sought to be done.

Mr. O'CONNELL of New York. Will the gentleman yield?

Mr. HOCH. Yes.

Mr. O'CONNELL of New York. As a matter of fact, is not this a gesture by the committee to try to save the good men we have in the department, because the same condition obtains in the Department of Commerce that obtains in the State Department, where the turnover is over 100 per cent, and we have lost the good men by not taking proper care of them.

Mr. HOCH. I think so, although I think we might use a stronger word than "gesture." It is an attempt to do something substantial, as carried in this bill, for these foreign representatives.

Mr. O'CONNELL of New York. Who are trained men?

Mr. HOCH. Yes.

Mr. LINTHICUM. Will the gentleman yield?

Mr. HOCH. Yes.

Mr. LINTHICUM. The idea is to pay them whatever additional it would be over what it would cost them to live in their own country—is that the idea?

Mr. HOCH. I do not think you could state it exactly in that way. Conditions vary in all these different countries, and the purpose is to provide a fund, so that when it is found it is necessary to grant an increase in order to do some reasonable justice to the men in that particular field that they may give to those men an allowance to apply upon living quarters, heat, and so forth. That does not mean they are to adopt any definite rule or that they are to pay them whatever the living expenses may be, or anything of that sort.

Mr. LINTHICUM. Then what basis would you take? That is the basis we have taken for the Foreign Service in the State Department, the additional cost of a man's living abroad to what it would be at his home in America.

Mr. HOCH. I have no doubt that would be a factor to be taken into consideration, yet I hardly think you could lay down any definite rule.

Mr. LINTHICUM. Is this to apply to chiefs and clerks as well?

Mr. HOCH. This applies only to officers of the service. The officers are those set out in the act, and there are five different classes. It does not apply to the clerks, and I will state to the gentleman the reason we did not include the word "employees."

Mr. LINTHICUM. I can not agree with the gentleman, then, that the bill is right, because it should apply to all our clerks abroad. Whether a man is a chief or a clerk, he ought to get an allowance that will take care of his additional cost of living abroad to what it would cost here.

Mr. HOCH. Let me state to the gentleman that the present law permits the department to fix the salaries of clerks and there is no limit upon the salary. So the department stated to us it could take care of clerks by simply raising the salary, and that is the only reason that is not included here.

Mr. LINTHICUM. That is what we are trying to remedy in the State Department. We are endeavoring to fix a schedule of salaries for all clerks and then provide a fund by which they can be given the difference in the cost of living abroad to what it would be in America, and it seems to me that in a comprehensive bill—which I would like to see—you ought to include clerks and give the clerks whatever additional it costs them abroad in comparison with what it costs them here.

Mr. HOCH. That may be. When the bill first came to us it provided for officers and employees. However, the committee felt that if we included the word "employees" it might include foreign employees and be otherwise too broad, and for that reason employees were not provided for in this bill. We raised the specific question with the department as to where there is a special need with reference to clerks, and they said that under the present law they could take care of that.

Mr. LINTHICUM. The gentleman spoke of Argentina, and I presume he meant Buenos Aires. If you have a clerk in Buenos Aires you have got to give him a high salary in order for him to get along. If you take that same clerk and send him to Antwerp you have got to reduce his salary, because he can live there much cheaper. In doing that it appears you are demoting him, whereas you are not doing so. You are merely reducing the salary because the cost of living is cheaper there than in Buenos Aires. However, if my suggestion were adopted, you could give him the same salary no matter where he goes, and then allow him for the extra cost of living wherever he may be stationed.

Mr. HOCH. The gentleman's suggestion may have some merit in it.

Mr. LINTHICUM. I think it has a great deal of merit. That is what we are doing for the Foreign Service in the State Department.

Mr. KETCHAM. Will the gentleman yield?

Mr. HOCH. Yes.

Mr. KETCHAM. May I say, by way of preface to the question I want to ask, that I am very much in sympathy with this legislation and have very gladly and enthusiastically supported all of these appropriations for the extension of the work of the Bureau of Foreign Commerce. I want to ask the gentleman whether or not when those of us who are interested particularly in agriculture bring in some legislation along this line the gentleman will, in turn, support such legislation for those engaged not only in the sale of agricultural products but in getting information for the bureau, and whether the gentleman will be willing to put agriculture on the same status, and whether he believes his committee will be glad to go along with us?

Mr. HOCH. I am sure the gentleman would not want it to appear that he suggested or that I agreed to anything by way of a deal in regard to the matter. I will say to the gentleman I am very sympathetic toward the work which he speaks of that is being done and I will give it in the future, as I have in the past, every assistance I may be able to give it.

Mr. KETCHAM. I knew that was the attitude of the gentleman, but I wanted to make it perfectly clear, because in some other days the relations have not always been as pleasant as they appear to be now.

Mr. HOCH. They have always been very pleasant so far as the gentleman from Michigan and myself are concerned.

Mr. KETCHAM. Oh, yes.

Mr. ARENTZ. Will the gentleman yield?

Mr. HOCH. Yes.

Mr. ARENTZ. The question in my mind, and I think it is one that is in the minds of other Members of the House, is this: $4,823 is the average salary of these foreign representatives, which would place them in class 4, which is the class ranging between $4,000 and $5,000. This would seem to include many who are receiving $3,000 or less than $3,000. Is this because of the turnover, with new men constantly coming in, or is it because it is difficult to increase the salary above $5,000?

Mr. HOCH. Of course, the gentleman will understand that the bureau would like to keep these men in the service as long as possible. They take in new men and they naturally come in in the lower grade, because they have not had experience. The bill provides for classification of commercial attachés, assistant commercial attachés, trade commissioners, and assistant trade commissioners. Of course, the lower salaries are paid to the men of comparatively little experience, and, as the men acquire greater experience and show their capacity and assume larger responsibility and more important posts, their salaries are increased as rapidly as can be done within the appropriation.

Mr. ARENTZ. It does not appear possible that it could just happen that they should all be in class 4.

Mr. HOCH. They are not all in class 4, but that is the average salary. There are four, I think, who receive the maximum salary.

Mr. ARENTZ. When we think of the average pay and allowances of military attachés and naval attachés, amounting to almost $7,000 in the case of the latter and $6,500 in the case of the former, and French attachés receiving $7,680, British attachés $12,500, we are paying a measly small salary to our representatives who are responsible for our foreign trade, which, as the gentleman from New York [Mr. PARKER] has said, represents billions of dollars yearly.

Mr. HOCH. I agree with the gentleman, and I am pleased that he has read the figures into the RECORD by way of comparison.

Perhaps I may repeat that the average of the pay and allowances of our military attachés abroad is $6,437, the average of the pay and allowances of naval attachés is $6,953, the average salary of Canadian trade representatives is $6,246, of French trade representatives $7,680, and of British trade representatives $12,551, whereas, as the gentleman has said, the average of our commercial attachés who are doing this remarkable work abroad is only $4,836.

Mr. SPEAKS. But when you add the allowances for heat, light, quarters, and so forth, they are probably on an equality.

Mr. HOCH. They ought to be on an equality, but I doubt whether they will be on an equality even then, because there are now 189 officers abroad and they are only proposing an appropriation of $200,000, so you see that would be approximately $1,000 apiece, provided they used the entire amount.

Mr. BRIGGS. Will the gentleman yield?

Mr. HOCH. I yield to the gentleman from Texas.

Mr. BRIGGS. I just want to ask the gentleman if this measure is one that the department itself has approved?

Mr. HOCH. The department has not only approved but has urged most earnestly the enactment of this legislation. Dr. Julius Klein, who has had long experience, not only as head of the bureau but also in the Foreign Service, was before us. Mr. Cooper, the present head of the service, who for many years was head of our foreign-trade service in London and knows first-hand the situation, was before us, and I hope the Members will find opportunity, if they are interested in this subject, to read the statements that were made before the committee by these men, giving actual illustrations of conditions abroad.

Mr. BRIGGS. I was interested particularly in the form of the legislation, and wanted to inquire whether it met with approval of the department as being commensurate with both the needs and the practices of the department.

Mr. HOCH. The department has approved both the substance and the form of the legislation, and the Bureau of the Budget has also approved it.

Mr. BRIGGS. We know that the department takes into this service quite a number of young, promising men; young men, perhaps, without a large measure of experience, but with a great deal of aptitude for the work, and they develop them in different places until they become qualified to hold higher positions in the Foreign Service and ultimately become commercial attachés. I understand this is with a view to holding these men, as far as can be done, in the service, bettering the service and yet not requiring too much of an outlay to accomplish the purpose, and it is with this thought in mind that the legislation has been drafted.

Mr. HOCH. The gentleman is correct.

Mr. SPEAKS. Will the gentleman yield for a suggestion?

Mr. HOCH. Yes.

Mr. SPEAKS. Is it not true that the great personnel turnover referred to results from the fact that this service is in the nature of a school, and, as the gentleman from Texas has said, the department is constantly taking in new blood, young men, who for the moment are not particularly qualified, but they like the service with its exceptional opportunities for gaining experience, and after two or three years they become valuable and immediately are taken by big commercial interests in this country who want them as representatives abroad?

Mr. HOCH. Of course——

Mr. SPEAKS. And that is the explanation in a large measure of the turnover.

Mr. HOCH. That is only a partial explanation. Of course, it is a partial explanation and I think it is a great compliment to the service.

Mr. SPEAKS. I agree with the gentleman.

Mr. BRIGGS. I think it is a very great compliment to the service.

Mr. HOCH. Yes; that they have been able to develop alert, efficient men after a few years of service, so that large business interests of the country realize that they are the sort of men they want.

Mr. SPEAKS. That is why I have referred to it as a school.

Mr. BRIGGS. It is true that these young men are required to be rather thoroughly prepared for the foreign-trade service and then to show some experience in that field and also to show proper educational qualifications.

Mr. HOCH. Not only that they have the qualifications for this particular service, but it is a matter of making good—if they do not make good they are let out of the service.

Mr. BRIGGS. Is it not true that during the last year the returns of this service is estimated at $450,000,000.

Mr. HOCH. I could not give the gentleman exactly the figures.

Mr. BRIGGS. I think that was the estimate given by Doctor Klein.

Mr. PARKER. Will the gentleman yield?

Mr. HOCH. I yield.

Mr. PARKER. The estimate is that it is 10 per cent, following the establishment of the service, and the increase of $44,000,000, and that would indicate a return of $440,000,000.

Mr. HOCH. Doctor Klein testified that a fair estimate of the return of the service was $100 for every dollar spent.

Mr. BRIGGS. It is one of the most wonderful services we have, and has accomplished more for the development of foreign trade than any other governmental agency.

Mr. COLE. Will the gentleman yield?

Mr. HOCH. I yield.

Mr. COLE. I have no question that I want to ask, but if the gentleman will pardon me I would like to inject a statement.

Mr. HOCH. I would be glad to have the gentleman do so.

Mr. COLE. Last summer it was my privilege to visit almost every South American country, and, of course, I called upon all of the commercial attachés. I want to say that I found them of the very highest class of men. I never heard a complaint against a single one of them. They stand high in the country in which they serve. They are diligent.

The gentleman from Maryland [Mr. LINTHICUM] mentioned Doctor Dye. I happen to know that Doctor Dye had an opportunity to accept employment at a much higher remuneration, but he is so devoted to the work that he is doing in behalf of the American people that he declined to accept the offers.

I am glad that the gentleman's committee has seen fit to provide additional compensation for these able and high-class men. The most of them are greatly in need of it.

There is a mistaken notion in regard to these commercial attachés. On account of the word "commercial" there is a mistaken notion that they are only interested in manufactures. That is not true; they have shown just as much interest in agricultural matters as they have in manufactured products. They are attachés, and as such will look after agriculture. They represent all American products and all industries. I do not believe it would be a wise thing to establish a foreign sales service for agriculture alone. The thing to do is to have a sales service for all, and then the Department of Agriculture could send out special representatives to get certain information, and it ought not to have so much to do with the sale of products; but that should go through one agency and the commercial attaché should look out for it.

Mr. ACKERMAN. Will the gentleman yield?

Mr. HOCH. I yield.

Mr. ACKERMAN. I will say that I happened to be a member of the subcommittee on the State Department bill. In that bill there was $760,000 provided and there was $200,000 provided for the Commerce Department. There is no enabling act on the statute books. This is the first one that gives the authorization. The bill has gone to the Senate, and both the $760,000 and the $200,000 have been inserted therein; therefore, when the bill comes back from the Senate the conferees may be able to show that there is an enabling legislation and the matter can go through properly if this bill passes. I think the

matter should be built up, and this is the first step in the procedure.

Mr. HOCH. I thank the gentleman for his statement. In view of the fact that the gentleman from Pennsylvania [Mr. SHREVE] has been for a number of years the chairman of the subcommittee, of which the gentleman from New Jersey is a member, that handles the appropriation for the Department of Commerce, and in view of the fact that the gentleman from Pennsylvania [Mr. SHREVE] is unable to be here on account of illness, I would like to read a paragraph from his testimony before the committee.

Mr. ACKERMAN. If the gentleman will allow me, Mr. SHREVE is detained at home on account of illness. A representative from his office so informed me this morning. If he had been able, he would have made the statement that I have just made.

Mr. HOCH. No one has taken a more intelligent or helpful interest in this service or done more for it than the gentleman from Pennsylvania [Mr. SHREVE]. I want to read a paragraph from his statement before the committee as to his own experience in meeting these men in Europe during the past summer. He said:

> Permit me to say that they are a very high type of men. I covered 26 cities of Europe this year, and 9 countries, and the thing that amazed me, and I said to the President after I had returned, that the thing that surprised me was that he was able to find such a high class of men, everywhere all over Europe, all over every part of the countries I visited—Czechoslovakia, Austria, and numerous others.

Mr. ACKERMAN. Mr. Chairman, if it is not inappropriate, I might say that I accompanied Mr. SHREVE on that trip. We saw and appreciated how the commercial attachés of the United States were being hampered, as compared with the representatives of other nations, in not having adequate allowances, and I might say in this connection, that Mr. Cooper, who is the head of the Bureau of Foreign and Domestic Commerce, was one of them at that time, and was stationed in London.

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

Mr. HOCH. Yes.

Mr. MOREHEAD. I have not had time to give proper consideration to this contemplated legislation, but it seems to me that if our foreign representatives are underpaid, a much better way would be to have legislation increasing salaries rather than giving an opportunity for irregular or extravagant living, with not much of a check upon it. I never have been strongly in favor of that sort of legislation. I believe we ought to have some check on them, and let them live according to their ideas of living, without having them feel, as we all know they would be inclined to feel, that the Government is always paying and that it is costing nobody anything. Might this legislation also not be used to legalize the payment of money that has been paid without authority?

Mr. HOCH. In the first place, there has been no money paid without authority in this service.

Mr. MOREHEAD. I understood there had been expenses met.

Mr. HOCH. No; there has been no expenditure for these purposes by the Department of Commerce. So far as the matter of salaries is concerned, I appreciate the force of the gentleman's argument, provided we had uniform conditions, but conditions in these foreign countries are so entirely different, one from the other, that to have fixed salaries to apply to men regardless of the country would be unjust to the men and would not at all meet the situation. As far as a check upon the matter is concerned, every one of these allowances is subject to scrutiny by the Budget Bureau, by the Committee on Appropriations, and I am sure they will bear witness to the fact that the department has at no time concealed anything about it and is always glad to come before the committee and lay down precisely what they are doing in every country in the world.

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

Mr. HOCH. Yes.

Mr. FREAR. In view of what the gentleman from New Jersey [Mr. ACKERMAN] and others have said, permit me to say that I visited quite a number of these men in foreign countries, away down as far as Greece, and I found that that was their complaint. They had to entertain; they had to take care of people, in a quiet way of course, but they had very meager salaries in view of what they were accomplishing. In Greece, for instance, the United States had displaced Great Britain, so far as business was concerned, largely on account of the department's representatives, and the same is true of Turkey and some other countries that we visited.

So far as the suggestion about the salary is concerned, in order to get a salary increase you would have to adjust it for practically all of those engaged in that department, and that is a long procedure. These men are in need at the present time, and if there is any branch of the Government that is furnishing a good return, it is through these men who represent the Department of Commerce of the United States in all of these various countries.

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

Mr. HOCH. Yes.

Mr. EDWARDS. Has the gentleman any estimate as to what this is going to cost?

Mr. HOCH. The estimate for fairly meeting present needs is $200,000. I think the testimony was that to meet all the needs they feel they really ought to have about $240,000 or $250,000. The current appropriation, which is all they have asked for, is $200,000.

Mr. EDWARDS. This service is growing and is being extended, and that cost will increase yearly, will it not?

Mr. HOCH. There is this to be said in answer to that: While the service is growing, the gentleman will note that this is only to apply where the men are not living in Government buildings; and, as the gentleman knows, we have under way now a great building program in many of the foreign countries and our policy is to provide not only for office quarters but also for living quarters for all of the representatives of the various departments in those foreign countries, and just to the extent that we construct those buildings, and many of them are under way, particularly in Latin America, China, and some other places, we will cut down on the appropriation for these individual allowances.

Mr. EDWARDS. Will the gentleman give us his view as to whether or not there is duplication of service to some extent between the commercial attaché service and the regular diplomatic service? And does not the gentleman believe, if there is this duplication, that we should begin to iron it out and do away with it?

Mr. HOCH. I think not only that we ought to, but that we have been ironing out the duplications. I do not think the duplication is very serious at this time. The diplomatic representatives are there to look after political rights, a great and important service. These men are business finders, market finders, and that is essentially their duty. They are working together in perfect harmony. The fact is that these men are accredited to the State Department, and the State Department has the right to reject any man whom they think for any political or governmental reason is not satisfactory. That has been worked out amicably.

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

Mr. HOCH. Yes.

Mr. PALMER. I am in hearty accord with this legislation. As I understand it, it simply seeks to provide additional quarters for our officers abroad and allowances.

Mr. HOCH. It seeks to provide allowances for quarters, light, and heat.

Mr. PALMER. And there is an actual demand for it, and they actually need it?

Mr. HOCH. Yes.

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

Mr. HOCH. Yes.

Mr. WATSON. I asked the gentleman to yield in order to emphasize the statements made by the gentlemen who have traveled abroad and have met many of the commercial attachés. There is one thought that has not been brought out, and that is many of the foreign governments appropriate large sums of money for this service. For instance, I was advised that Germany appropriated $40,000 to its representative in a certain country to cover the expenses for entertainments. How can a man without wealth maintain such a service without sufficient funds for Americans who go abroad to buy and sell? I found in Calcutta that the German attaché had $40,000 at his disposal, but the American attaché did not have enough money to buy an automobile. He eventually bought one and had to borrow the money to do so.

I am heartily in favor of this measure, and I hope in the near future our Government will be liberal enough to give an amount sufficient to our American representatives to enable them to entertain those who go abroad in the interest of international commerce.

Mr. SPROUL of Kansas. Mr. Chairman, will the gentleman yield there?

Mr. HOCH. Yes.

Mr. SPROUL of Kansas. The gentleman has given a very good exposition of the bill, but I would like to know if he can inform the House as to the number of our special attachés in the employ of the Government?

Mr. HOCH. There are 189 in the Foreign Service, in 56 different posts.

Mr. RANKIN. Are they all given this allowance?

Mr. HOCH. No; the allowances would not be given to all of them.

Mr. SPROUL of Kansas. What is the total sum of money paid to these commercial attachés annually?

Mr. HOCH. The current appropriation for the Bureau of Foreign and Domestic Commerce is $5,000,000. About half of that is for the Foreign Service. It is impossible to segregate it absolutely, because these men are brought home on occasion, which is a very fine part of the service, by the way, because after they have had at least three years' service abroad they are brought home to establish contacts with those interested in the Foreign Service, and thereby they are enabled to render more efficient foreign service than they could render otherwise.

Mr. SPROUL of Kansas. Then half of that $5,000,000 is the amount paid for the Foreign Service?

Mr. HOCH. Yes.

Mr. SPROUL of Kansas. Can the gentleman give us in percentage the value of the farm products, as compared with the total amount of merchandise sold in foreign countries?

Mr. HOCH. I do not have at hand any segregation of all those figures; but if the gentleman will turn to the hearings, he will find on page 28 this statement:

> One thousand and twenty-one firms in the United States reported to the district offices of the Bureau of Foreign and Domestic Commerce that during the fiscal year ended June 30, 1929, they had secured new business to the extent of $42,651,854, of which amount $7,172,000 represented new business in food products.

Now, as to how much of that is raw products and how much processed products, I have not the figures to show. And, of course, those reports cover only a small per cent of the results.

Mr. SPROUL of Kansas. I inquired of the Department of Commerce for this particular information, and the official whom I consulted told me that, as the gentleman from Kansas says, the exact amount was not known, but it was estimated that 5 per cent of the total value of products sold abroad would be raw products, farm products raised in the United States.

Mr. HOCH. I do not take it that that to any extent discredits the service of these people in extending the foreign market for raw farm products.

Mr. SPROUL of Kansas. I understood the gentleman a moment ago to say that one reason for asking for this appropriation here was the higher cost of living in foreign countries as compared with the cost in this country. Is not that inconsistent with the general understanding that we have, that living in foreign countries is cheaper than it is here?

Mr. HOCH. I said that living conditions and the conditions under which these men are doing this service at many places are such as to render insufficient the salaries provided to hold the men.

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

Mr. HOCH. Yes.

Mr. RANKIN. Of course, when the Department of Commerce answered the inquiry of the gentleman from Kansas [Mr. SPROUL] they referred to food products. I would say to the gentleman from Kansas that evidently this would have no effect on the wheat market. Wheat is higher in Liverpool than in the United States.

Mr. HOCH. I hope the gentleman from Mississippi will not go into extraneous matters, though I am glad to yield for any statement he desires to make.

Mr. RANKIN. I will say this to the gentleman from Kansas, that when we support commercial attachés in foreign countries we are certainly interested in their finding for us markets for farm commodities. I understand they are doing that and making an impressive showing. The gentleman from Kansas [Mr. SPROUL] asked the gentleman from Kansas [Mr. HOCH] how much of this was food products.

Mr. SPROUL of Kansas. The total was $5,000,000.

Mr. RANKIN. It was 5 per cent, as I understand it. It would have no effect whatever under existing conditions on the price of wheat in the United States, because the price of wheat in Liverpool is higher than in the United States.

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

Mr. RAYBURN. Mr. Chairman, I do not desire to delay the vote, because I am in favor of this bill. But I rise at this time simply to call attention to the fact that we have heretofore enacted and are still enacting this sort of legislation in patchwork and piecemeal and more or less at haphazard. What ought to be done is not that one bill from time to time should come up from one committee to take care of this service in one branch, but that a general bill should be passed to take care of all the departments of the service having to do with our relations with foreign countries. Then we would not have jealousy, such as we have now, between the Department of Agriculture and the Department of Commerce as to whose representatives abroad should get the most money to carry on their branch of the work.

It seems to me that those in responsible authority here should see to it that a general law is passed to take in all of those who are doing this Foreign Service work, and treat them in the same way, because one representative of the United States Government in foreign service is as much entitled to allowances for quarters as the representative of any other department.

While I am on my feet, let me say that I do not think there is a department of the Government, that there is any activity of the Government in any branch of it that deserves the commendation of the Congress of the United States and of the American people any more than the Bureau of Foreign and Domestic Commerce, in its operation in foreign countries, with these commercial attachés. They have found markets for American products in foreign countries to a degree that is very gratifying. There was one product in one State of the Union that the people of the United States would not use, which the Bureau of Foreign and Domestic Commerce, through its agents abroad, found a market for the entire crop. That was the rice crop of California. That is not only true with reference to the rice crop of California, but it is true, to a limited extent, of other crops. Of course, the Department of Agriculture has much more to do specifically with agricultural products, but it has in many instances found markets for specific agricultural products, and especially has it done a very great and a very fine work with reference to finding markets for the products of industry.

Mr. WRIGHT. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. WRIGHT. Does the gentleman happen to know of the activities of the attachés with reference to the disposal of cotton and cotton products?

Mr. RAYBURN. No; I do not specifically. I know that an appropriation was made a few years ago of $25,000 to search for new uses for cotton. I understand that not only this department but the representatives of the Department of Agriculture are doing all they can to find new markets for the products that are produced from cotton.

Mr. EDWARDS. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. EDWARDS. I have not made as thorough study as the gentleman from Texas, perhaps, but I have not been impressed with the fact that this bureau has been developing any new markets for our raw agricultural products like cotton and other similar products. I think they are laying much more stress upon the manufacturing end of it than on the agricultural end of it.

Mr. RAYBURN. That may be true; but if they find a market for the finished product made out of cotton, they are helping the cotton industry.

Mr. EDWARDS. I think, if the gentleman will pardon the suggestion, we ought to stress in some way, either by an amendment or otherwise, that they should develop markets for agricultural products. I am sure the gentleman agrees with me.

Mr. RAYBURN. I would be willing to have any amendment made that would cover the point which the gentleman has in mind, if it is not being done, and if the suggestion would be of any benefit.

Mr. RANKIN. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. RANKIN. In order to find a market for products manufactured in the United States under the present tariff law and under the next tariff law which they expect to perpetrate as soon as the conferees' report is adopted, and in order to sell those commodities abroad they have to sell them cheaper than they do to the people of the United States, do they not?

Mr. RAYBURN. I have heard that asserted many times, and I have asserted it myself on the stump, and when I asserted it I thought it was correct.

Mr. RANKIN. But the gentleman has never heard it successfully contradicted, has he?

Mr. RAYBURN. Of course, there are not enough Republicans in my country to have a debate about that.

Mr. RANKIN. The gentleman can get as much or at least as accurate information from the Republicans in Texas as he can from the Republicans in the House on that subject, especially this close to election, but as a matter of fact by this appropriation for these permanent commercial attachés in other countries of the world are we not going into the Federal Treasury to pay for sales agencies for the manufacturers of the United States, so that they can unload their surplus products abroad and sell them cheaper than they are selling them in the United States?

Mr. RAYBURN. That is certainly not my intention in supporting this bill. I repeat to the gentleman that I think this

bureau has done very great work; that it has found markets for American products and American surpluses, and anything that does that I shall support.

Mr. RANKIN. I know it is not the gentleman's intention to furnish sales agencies for the various manufacturing establishments, and I agree with him. But as far as finding a market for wheat is concerned—of course, cotton finds its own market—I want to call the gentleman's attention to the fact that while we are the greatest wheat-growing country in the world, yet we have a tariff of 42 cents a bushel on wheat. On the 24th day of March May wheat in Liverpool was selling at $1.12¼. May wheat in Minneapolis was selling at $1.08½, or nearly 4 cents a bushel cheaper than it was in Liverpool. Even in Winnipeg, Canada, it was higher than it was in Chicago, in Minneapolis, or in Kansas City. Under those conditions, is it not virtually impossible for these Government attachés to be of any benefit to the wheat growers of this country, securing markets for their wheat, when there is only that small difference between the two markets?

Mr. RAYBURN. That may be true, but let me say this to the gentleman: In this report is set out some of the new business that was secured for the United States during the year 1929. This service is credited with having extended that $42,651,000, of which $7,172,000 was foodstuffs. I would presume that some of that amount was wheat and other food products, produced on farms of the United States.

Mr. RANKIN. May I interrupt the gentleman further?

Mr. RAYBURN. Yes.

Mr. RANKIN. I would like to call the gentleman's attention to this fact: That we have in this country more than 2,000,000 pounds of surplus butter, which the producers are unable to sell, because there are no markets abroad. Why is it, with all of these Government attachés, and with this extremely depressed condition among the agricultural elements of the country, they do not find a market for some of this wheat or some of these dairy products?

Mr. RAYBURN. I would presume they are trying to do that. That would be my presumption. I trust they will read the remarks of the gentleman in the RECORD to-day, and if they have not begun doing that, that they will call the attention of the foreign trade representatives to this surplus wheat, and that they will try to secure a market for it.

Mr. RANKIN. I will say to the gentleman that he is rather liberal with his presumptions.

Mr. RAYBURN. I yield to the gentleman from California [Mr. FREE.]

Mr. FREE. I can give a specific instance in regard to an agricultural product where the Bureau of Foreign and Domestic Commerce secured a market.

Mr. RAYBURN. I think the gentleman is referring to rice.

Mr. FREE. Yes.

Mr. RAYBURN. I mentioned that, but I will be glad to have the gentleman give more of the detail of it.

Mr. FREE. In 1922 California produced the largest rice crop that it ever had in its history. We raised a lot of rice. We were unable to sell it. We appealed to the Bureau of Foreign and Domestic Commerce, and every pound of the rice was sold at a very good figure, at a place where we did not even think to ask to sell it.

That was in Japan and Japan has been a big customer for American rice ever since. That is one specific illustration, and I dare say to-day they are finding markets throughout the world for something like $10,000,000 worth of canned and dried fruits produced in the State of California. So as far as we are concerned our benefit out of this bureau is largely from the agricultural standpoint.

Mr. LINTHICUM. If the gentleman will permit, I want to state that I met a gentleman in London, Mr. Benjamin Hill, who was one of the commercial traveling men. He was devoting his entire time to the sale of tobacco and getting people in France, England, and Belgium to buy our tobacco. So he was devoting his entire time to that work.

Mr. RAYBURN. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. JONES].

Mr. JONES of Texas. Mr. Chairman and gentlemen of the committee, in view of the line of questions which I propounded to the gentleman from Kansas [Mr. HOCH] a while ago, I felt I would like to say a few words, but I shall probably not use the entire 10 minutes.

I am thoroughly in accord with the effort to secure additional and better foreign trade. In fact, our country has developed to the point where if it is to continue to prosper in the future even as it has in the past, and we hope it may do so to an even greater degree, it will be necessary for us to have foreign trade both in manufactured commodities and in our raw materials.

I think—and I just want to emphasize what my colleague from Texas [Mr. RAYBURN] said a few minutes ago in that connection—that the Bureau of Foreign and Domestic Commerce in both its capacities has done a wonderful work in promoting our foreign trade in these commodities. It is also true—and I wish to put that fact alongside of the other fact—that the Department of Agriculture has done some very fine work along similar lines in promoting the disposal of the surplus raw products of America.

But here has been the trouble. Some reference was made awhile ago to some little friction that existed. That is because—notwithstanding the mutuality of interest that exists between the producers of the raw product and the makers of the finished article—there is a point along the line where they necessarily come in competition with each other. Of course, the producer of the raw product is anxious for markets wherever he may find them. If he had no foreign markets for his raw materials, he would be at the mercy of the manufacturer, and by piling up a surplus the manufacturer could get the raw product at less than a living price, and that sometimes occurs just the same. For that reason it is altogether fitting and proper that just as there is a department that has for its primary purpose the finding of an outlet in the form of a marketing system for the manufactured products, there should also be a department whose primary purpose it is to find an outlet and a market for the raw products. It is, therefore, necessary that both these services be maintained. If they are to be maintained, it is impossible to secure the right kind of service in the Department of Agriculture or in the divisions which it maintains if we are going to give special consideration and more advantages to the employees in another department.

Therefore, I think that instead of a measure which cares for only a part of the service being brought into the Congress—and I am not criticizing the committee; it may be just and proper, and it may be what is needed for this department—that in order to have it done properly there should be a measure which takes care of all of our Foreign Service on the same basis. The trouble has been that we have devoted more attention, in proportion, to the manufactured article than we have to the raw product, and I say that not in criticism of industry, for it is natural for a man to look after his own interests, and industry has been better organized. But you will find, if you will go to the rate structure of this country—and my friend and neighbor from Oklahoma has made an investigation along that line—that when a manufactured article is shipped abroad there are reduced rates from practically all of the terminal centers to the port of exportation, while in the case of most of the raw products of the farm there are no such reductions. Naturally, the reduction of the freight rates on the finished article encourages the exportation and disposal of that article, and in disposing of it in that way there is an advantage over the producer of the raw product.

There are 189 commercial attachés, and while they do some good work in connection with agriculture, that is not their main or primary business. There is a much smaller percentage of representation abroad for the Department of Agriculture. I believe this increase may be justified, but I believe the other should be taken care of adequately, too.

Mr. ANDRESEN. Will the gentleman yield?

Mr. JONES of Texas. Yes.

Mr. ANDRESEN. As the gentleman knows, we have considered the proposition in connection with the Farm Board of having specialists in the marketing of our agricultural products abroad.

Mr. JONES of Texas. I realize that and I think it is tremendously important.

Mr. ANDRESEN. Does not the gentleman feel it would be well to give the Farm Board certain specialists in the marketing of agricultural products, so that they may be stationed in the leading countries of the world for the purpose of finding markets for our agricultural products.

Mr. JONES of Texas. I most certainly do feel that way. I think there should be an increased and better provision made for that service all along the line. We produce and export abroad in their raw state wheat and cotton to the value of approximately $1,000,000,000.

Mr. ANDRESEN. Will the gentleman yield further?

Mr. JONES of Texas. Yes.

Mr. ANDRESEN. The sale of agricultural products is a specialty. The sale of industrial products, like automobiles and electrical articles, is a specialty, and the man who is interested in the sale of automobiles and electrical products would not be interested primarily in the sale of agricultural products, so that we should necessarily have specialists in the sale of agricultural products as well as specialists in these other lines.

Mr. JONES of Texas. The gentleman is correct.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. JONES of Texas. Yes.

Mr. LAGUARDIA. What good would it do to have specialists in these agricultural products when the world price of wheat and cotton is lower than the price at which we can produce in this country? Salesmanship is not our trouble.

Mr. JONES of Texas. That very fact of its being higher in a foreign country, if it were permitted to continue, would make it all the more important to get our commodities over there at the proper place and dispose of them, because, if we can get a better price over there, we should send them there.

Mr. LAGUARDIA. But the world price is lower.

Mr. JONES of Texas. I misunderstood the gentleman. However, I want to say to the gentleman that that condition, if it exists, if there is any appreciable margin between the two, it can, in the nature of things, only be temporary.

Mr. LAGUARDIA. That answers the question.

Mr. JONES of Texas. Because commodities finally seek their proper source of outlet, and I think in some instances the prices are higher abroad than they are here for just a temporary period; but, on the other hand, because of the tariff system which we have in this country—and I am not discussing the merits of it—there are some instances when the manufactured commodity which is shipped abroad is sold for less than in this country.

Mr. LAGUARDIA. Yes; that is necessary.

Mr. JONES of Texas. This has to be adjusted on the basis of what the commodity will finally yield to the maker or the producer all along the line and what will finally net him the largest return.

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

Mr. PARKS. I yield the gentleman two more minutes, Mr. Chairman.

Mr. ANDRESEN. Will the gentleman yield for a suggestion?

Mr. JONES of Texas. Yes.

Mr. ANDRESEN. I think the gentleman will agree with me that we will never find a sound solution for agriculture until we are in a position to dispose of our surplus products to the rest of the world, and in order to do this we must have these specialists to go out and find markets for us.

Mr. JONES of Texas. I can think of nothing that will add more to our ability to dispose of these commodities than to have that done, because one trouble in the disposal of the raw products of the farm—and this has been the universal experience of all countries—has been the tendency to congest at certain points and the market demand not being known at some other point by those who are handling such raw products until such time as the price has been beaten down.

Mr. COLE. Will the gentleman yield for a suggestion?

Mr. JONES of Texas. I yield.

Mr. COLE. Of course, these commercial attachés are not salesmen and are not supposed to be salesmen.

Mr. JONES of Texas. No; but they put the producers in touch with the demand, and they are supposed to collect data and to have information which will enable a man to find the point where he can dispose of his commodity to the best advantage.

Mr. LAGUARDIA. In other words, to establish contacts.

Mr. JONES of Texas. Yes.

Mr. COLE. But, primarily, they are not salesmen.

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

Mr. PARKS. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM. Mr. Chairman, I am in favor of this bill. The principle involved here has from time to time come before our Committee on Foreign Affairs in respect to the Foreign Service.

I feel these men have done wonderful work and that they should have some compensation for the difference in the cost of living with other necessary expenses abroad and what it would be in this country. We realize that in various parts of the world the expenses are very much higher than they are here. We also realize that these men, in order to make the contacts about which the gentleman from New York [Mr. LAGUARDIA] speaks, must at times entertain, and they must be friendly with everybody they come in contact with, and this entertainment costs money.

I have been very much interested in the remarks of the gentleman from Texas [Mr. JONES] in reference to these men abroad regarding whether they advocate farm products or not. I think they devote a very considerable portion of their time to the sale of farm products, but we must also remember that no manufactured article is taken from the air. They come from our raw products, and when you sell cotton goods abroad you thus create a greater demand for raw cotton in this country. When you sell any completed product abroad you give employment in the manufacture of that product to our mechanics and to our workmen. If you sell steel products abroad completed, you are giving more work to the men employed in the steel mills of our land. If you sell more manufactured cotton goods abroad, you give more work to the men and women employed in our cotton mills at home.

So while these men may devote a lot of time to the sale of farm products, as well as to completed products, yet all of it is in the interest of some great industry in our country, because it must all be manufactured from raw products produced in our country.

However, my principal purpose in speaking on this bill is this. I am in favor of the bill and will vote for it, but I do not think the bill goes far enough. It takes care of 189 chiefs in the Bureau of Foreign and Domestic Commerce, the commercial attachés abroad. It ignores absolutely all of the clerks under these men, who do considerable work. It seems to me that the bill to be comprehensive should not only include the chiefs of the Department of Commerce abroad, but should likewise include the clerks abroad who are employed under them. We in the Foreign Service are endeavoring at this time to pass a bill which will grade all the clerks in the Foreign Service, and give them a specific salary, with a certain sum to the State Department to average their cost of living in different places.

The advantage of that is this: That when you give a clerk a definite salary, according to where he is, if he is in Buenos Aires, Uruguay, or Brazil, you have to give him a high salary. It may be that you want to transfer that clerk to Antwerp or some place where the living is cheaper.

In order to do justice in transferring him from Buenos Aires to Antwerp you have to reduce his salary because he can live cheaper in Antwerp than he can in Buenos Aires. If you want to transfer him from Antwerp to Buenos Aires, you have to increase his salary.

Therefore when you transfer a man from Buenos Aires to Antwerp you reduce his salary, and that will be pretty well known throughout the service. They will wonder, "Has John Jones done something that should cause his salary to be decreased?" Whereas if you have a specific salary and then there is a lump sum by which he can be compensated where he is living everybody is on the same basis.

You need have no fear as to the amount of money given to the various departments to make an average cost, for it must go to the Budget, and they are very exacting. It must then go to the Appropriations Committee and they will examine the matter in detail. Then after that it has finally to go before Congress and be questioned as to every detail, every increase, and so forth.

Mr. PARKER. Will the gentleman yield?

Mr. LINTHICUM. I yield.

Mr. PARKER. Is not the principle that the gentleman is just advocating exactly what we have done in this bill?

Mr. LINTHICUM. As to the chiefs, yes; but not the clerks. You give to one clerk a certain salary and to another clerk a lesser salary because it does not cost so much for him to live. I should like to see the gentleman introduce a bill along the lines of the bill that we have before the Foreign Affairs Committee, H. R. 9110, which gives the clerks equal consideration with that which you give to the chiefs.

Under the Rogers bill the chiefs are taken care of, and the consuls are taken care of, and under the bill H. R. 9110 the clerks will be taken care of. It seems to me that if you are to take care of the big fellows you ought to take care of the little fellows. There is too much inclination to take care of the big men and not take care of the little fellow. I am in favor of this bill for it is a step in the right direction, but I would like to see a bill to take care of the little fellows.

Mr. HOCH. Will the gentleman yield?

Mr. LINTHICUM. I will yield to the gentleman from Kansas.

Mr. HOCH. I appreciate the gentleman's argument, but I want to state that there is no inclination not to take care of the little fellow—it is only a question of the method of doing it. The State Department said that they are entirely satisfied with this bill as it is now constituted and they can take care of it. If there was an increase in the salary—if the conditions call for an increase in salary, of course, it must be explained to him that it would necessarily follow that if he was transferred to some other place where the living was cheaper there would be a decrease.

Mr. LINTHICUM. I do not want to be understood as saying that the gentleman does not want to take care of the little fel-

lows, but I meant that they ought to be taken care of under a proper salary. You might explain to him the change in his salary but you could not explain it to his confrères throughout the world.

Mr. ACKERMAN. As I understand it, at the present time there are only six American clerks employed by the Department of Commerce abroad.

Mr. LINTHICUM. We are quite in our infancy, but whether it is 6 or 600, I think the system should be to give them an average salary and then some money for their compensation commensurate with where they live.

Mr. ACKERMAN. I agree with the gentleman, but this bill is simply enabling legislation, so that when the conferees return with the appropriation bill for the State, Justice, Commerce, and Labor Departments, we will have authority for agreeing upon this sum of money which has been put in the bill.

Mr. LINTHICUM. I see that, and I am entirely in favor of the bill.

Mr. O'CONNOR of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. LINTHICUM. Yes.

Mr. O'CONNOR of Louisiana. The gentleman from New Jersey [Mr. ACKERMAN] is a member of the Committee on Appropriations. The gentleman from Maryland is discussing a subject which I know he and a great many other members representing port cities are concerned about. Has the gentleman any knowledge whether or not the branch bureaus of the Department of Commerce in cities like Baltimore, New York, New Orleans, Savannah, Galveston, are adequately supplied with funds to meet the expanding needs of these particular bureaus? It appears to me that they are just as important in consideration of domestic and foreign commerce as the men engaged in foreign service, about which the gentleman spoke.

Mr. LINTHICUM. I think they are all well provided for. I should like to ask the gentleman from New Jersey [Mr. ACKERMAN] a question. The gentleman says that only six American clerks are employed in the Foreign Service. How many foreign clerks are employed?

Mr. ACKERMAN. About 180.

Mr. LINTHICUM. Does not the gentleman think that they are entitled to consideration and classification? I should like to see a greater proportion of American clerks. The more of our people we educate in the work abroad the better for business.

Mr. ACKERMAN. They can take care of them out of the funds which we have at the present time. They engage foreign clerks from time to time, and they are paid salaries that American clerks could not exist on.

Mr. LINTHICUM. I realize that; but it seems to me that it would be better to classify them all.

Mr. ACKERMAN. But just for the moment this is enabling legislation.

Mr. LINTHICUM. I am in favor of that. I am suggesting something for the future.

Mr. ACKERMAN. And it is an excellent suggestion.

Mr. LINTHICUM. I thank my good friend from New Jersey.

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

Mr. LINTHICUM. Yes.

Mr. KETCHAM. The gentleman a moment ago made reference to the fact that a bill ought to be introduced and considered in the House which would provide the same arrangement for all of the other services. Does the gentleman know of such a bill as that?

Mr. LINTHICUM. No. I think the gentleman from Texas [Mr. RAYBURN] made that reference.

Mr. KETCHAM. Then such a bill has not been referred to the gentleman's committee?

Mr. LINTHICUM. I do not see how it could be. It seems to me these matters are bound to go to the committee with which the particular services are connected and has jurisdiction over. There are different conditions in the different services. I should like to see all men employed by us abroad provided for in the different countries according to the cost of living in those different places, and I think the clerks are all entitled to it—the State Department, the Department of Agriculture, and the Department of Commerce.

Mr. O'CONNOR of Louisiana. Mr. Chairman, will the gentleman yield to me in order that I may ask the gentleman from New Jersey a question?

Mr. LINTHICUM. Yes.

Mr. O'CONNOR of Louisiana. Are the branch bureaus in these port cities of our own country receiving that adequate treatment which would enable them to meet the expanding needs of their various offices? I have received a number of complaints about it.

Mr. ACKERMAN. We have to do with what the Budget allows us to do with. With more money, of course, more could be accomplished. Many of the local branches of the Bureau of Foreign and Domestic Commerce are provided for by the chamber of commerce in the respective cities, and it is on that basis that they are made branch offices of the Bureau of Domestic and Foreign Commerce. Of course, if more money were appropriated more good could be done.

Mr. O'CONNOR of Louisiana. I have received many complaints from men active in commercial services. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield five minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, with all deference to those favoring this measure, I must say that, stripped of all camouflage, it is nothing in the world but a bill to pay the expenses of commercial sales agencies for American industry out of the Federal Treasury.

They represent the industrial elements of the United States, for whom they seek to find markets abroad at our expense, to unload the surplus manufactured products of the United States at a less price than they are sold for to the American people. Yet when we say that we need markets for our agricultural products, we are told to reduce our acreage and produce less.

The gentleman from California [Mr. FREE] referred to rice. You spend this money to find foreign markets for rice, and at the same time put a tariff on rice and keep it out of the United States in order to raise the price to you; and I make the assertion, without fear of successful contradiction, that every pound of that rice was sold in a foreign country cheaper than it was to the consumers in the United States.

Not only that, but this is a movement toward the inevitable trade war to which we are headed. You build tariff walls along the borders of the United States and say to foreign manufacturers that they can not come here, and then you send your commercial attachés abroad and pay them out of the Federal Treasury, and pay their living expenses, to find markets for surplus manufactured products produced in the United States, all of which are sold cheaper than they are sold to your constituents and mine.

You not only are discriminating against the consumers in the United States but you are creating sources of irritation and provocation by sending these industrial agents there to solicit trade or "find markets" for American goods while shutting out goods produced in those countries. This practice provokes resentment against the United States. Instead of provoking enmity we should be cultivating good will, which in the end would mean more, perhaps, than a reduction of naval armament. Lord Beaverbrook—as I pointed out on the floor of the House some time ago—one of the ablest newspaper men in England perhaps since the death of Northcliffe, is advocating a policy of free trade among all of the various Dominions of the British Commonwealth of Nations and the building of tariff walls against those countries that have tariff walls against them, including, of course, the United States.

But since that time there met at Geneva the representatives of 23 European countries, spurred on by the activities of these commercial attachés that we have sent abroad to "find markets" for the surplus manufactured articles produced in the United States and sold at a less price, as I say, than we pay for them here. Those representatives met at Geneva to discuss the formation of what they call "the economic United States of Europe," whereby they might agree on free trade among themselves and retaliatory tariffs against the United States and every other country that has protective tariffs against them.

There is a good deal of talk about reduced armaments. They talk about our retiring from Haiti, which may or may not become a fact ultimately.

But the greatest foreign danger to-day is this policy on the part of the United States of attempting by this method and others of dumping manufactured products on foreign countries at cheaper prices than those products are sold for here, and at the same time keeping foreign commodities out of this country in order to raise the price of domestic-made articles to the consumers in the United States.

I know it is useless to oppose this measure. But I think it is a dangerous policy, and I for one must register my protest against it. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield five minutes to the gentleman from Louisiana [Mr. O'CONNOR].

The CHAIRMAN. The gentleman from Louisiana is recognized for five minutes.

Mr. O'CONNOR of Louisiana. Mr. Chairman and members of the committee, had I known at the outset of this discussion that I would be granted time by the gentleman from Texas

[Mr. RAYBURN] I would not have asked the questions that I asked of gentlemen on the floor. It has not done any harm, however, but I must repeat what I said and what they said in response to my questions. What I want to make clear is that there is a general impression prevailing, I think in port cities, that the branch bureaus are not sufficiently taken care of to make for an expansion of the services they are rendering.

Of course, the surplus of American products for years has been sold abroad cheaper than the domestic price here. For years Democratic speakers and some Republican speakers have coincided in the statement that American sewing machines and American rifles and American typewriters and American rails and locomotives were sold abroad cheaper than in this country.

But the answer to that, in my judgment, was clear-cut and logical, and that answer was that as a result of the sale of the surplus abroad the domestic demand would be maintained. I hope the gentleman from Mississippi will catch the significance of that. That is the very argument that those who are championing the debenture plan, as I understand, are urging to-day; a policy to sell surplus products abroad in order to increase the demand and thereby make for a higher price at home. That is the heart and soul and the very logic of those championing the debenture plan, and if they have not got that theory on which to support their claim, in my judgment they will not appeal convincingly to the judgment of the Members of this House.

Mr. RANKIN. Mr. Chairman, will the gentleman yield there?

Mr. O'CONNOR of Louisiana. I would rather finish what I have to say. It is not impossible to get an advocate of the debenture plan to agree with the advocates of a tariff on sugar.

Mr. RANKIN. It is designed to procure a proper price. The tariff on sugar is not based on the theory that we have a surplus.

Mr. O'CONNOR of Louisiana. The tariff on sugar, in my opinion, is more substantially based than that on any other product in the whole list. It is on the theory of national defense. Does any man in America believe that the sugar industry should be extirpated and put in the control of peon labor in foreign countries? Aside from that, however, as a great agricultural industry in the continental United States it is entitled to the same treatment and consideration as other agricultural products about which there has been no mention as tariff beneficiaries.

Mr. RANKIN. Does the gentleman say that the tariff on sugar is based on the theory that we have a surplus of sugar in this country?

Mr. O'CONNOR of Louisiana. No. I said that in my opinion it was based on the theory of national defense. In other words, if there was not a stalk of cane growing in Louisiana I would stand out as an advocate of a tariff on sugar as an American patriot, wishing their country to be self-sustaining in peace times and in war times. I would stand out for a tariff on sugar in order to develop that industry, so that the Nation would to as large an extent as possible be self-sustaining and not at the mercy of any country, economically or otherwise.

Mr. RANKIN. The debenture is based on the theory that American farmers are suffering from a surplus. But here you propose to unload your surplus on foreign countries through these sales agents called attachés and leave those producing cotton, corn, and wheat without a remedy.

Mr. O'CONNOR of Louisiana. Oh, I do not see why the gentleman should bring that Trojan horse in here. What I said is logical from the economic standpoint and patriotic from the view of protecting a great American agricultural product and thereby avoid the folly of placing ourselves under the control of alien sugar producers whose labor conditions are indescribably low in standard.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield there?

Mr. O'CONNOR of Louisiana. Yes.

Mr. KETCHAM. Is it not good policy to manufacture here all the products we can and send the surplus abroad? Is not that a good policy?

Mr. O'CONNOR of Louisiana. Yes; undoubtedly. That necessarily is applicable to agricultural products as well as industrial products.

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

Mr. O'CONNOR of Louisiana. May I have a little more time?

Mr. RAYBURN. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. Fifteen minutes.

Mr. RAYBURN. I yield to the gentleman three additional minutes.

The CHAIRMAN. The gentleman from Louisiana is recognized for three additional minutes.

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

Mr. O'CONNOR of Louisiana. Yes.

Mr. MOUSER. Does not the gentleman believe that if the American farmer is raising sugar beets and sugarcane, and those products are not protected, we would have to depend solely on Cuban sugar and Filipino sugar, and we would have to pay a higher price than sugar now brings?

Mr. O'CONNOR of Louisiana. Yes. Absolutely, yes. The history of American sugar would then become one of the greatest tragedies in our entire history.

Mr. MOUSER. Does not the gentleman recall that during the war, when we failed to purchase the entire crop of Cuban sugar we had to pay 22 cents a pound?

Mr. O'CONNOR of Louisiana. The Cubans, like all others, are the victims of cupidity when they see an opportunity to gouge anyone. They are no different than anybody else, and the extirpation, the destruction of our sugar industry would put us absolutely, economically and otherwise, at the mercy of the lesser breeds without the law from the standpoint of the labor involved, to use a Kipling expression. You would transfer that which is produced by American labor to the serfs and peons of other countries. I am not using that term reflectively. I use it in sympathy for the men that have to work in other lands for such a small wage. They are entitled to our pity and our sympathy, and I know that by elevating our labor standards in industry and in agriculture that I am unerringly and with certainty working to elevate labor standards abroad as a reflex action.

Mr. KETCHAM. Will the gentleman yield?

Mr. O'CONNOR of Louisiana. I yield.

Mr. KETCHAM. Can the gentleman recall any period when he was able to go to a retail store in the city of Washington and buy 10 pounds of sugar for 49 cents, or 4.9 cents per pound?

Mr. O'CONNOR of Louisiana. You can obtain it in cartons now, 5 pounds for 25 cents, in many of the department stores right here in Washington.

Mr. KETCHAM. Has the gentleman ever known a time when he could get a more favorable price in spite of all the added expense that our friends on the other side say are occasioned by an increase in the tariff?

Mr. O'CONNOR of Louisiana. I have never been able to recall it.

Mr. RANKIN. Will the gentleman yield?

Mr. O'CONNOR of Louisiana. I yield to the gentleman.

Mr. RANKIN. The gentleman spoke of putting labor in this country in competition with peons. As a matter of fact, under the present tariff system every man who grows wheat, corn, or cotton is placed on that basis, and is in competition with the peons.

Mr. O'CONNOR of Louisiana. I wish I could help them, my countrymen, but the gentleman is not helping them by destroying sugar, for by permitting sugar production to grow, expand, and increase you will to that extent reduce the acreage that would otherwise be given to other crops and in that manner tend to reduce surpluses, and the prosperity of the sugar planter would communicate itself to all other farmers, for it is a truism almost that all of our life pursuits here in the United States are interdependent.

Mr. RANKIN. Did the gentleman vote for the debenture to help them?

Mr. O'CONNOR of Louisiana. I did. I am one of the few city men who has always tried to express sympathy for the agriculture of this country in any way I can. [Applause.] No one appreciates more than I the sincere and honest efforts of my gallant friend from Mississippi [Mr. RANKIN] in behalf of the struggling farmers of this Nation than myself. We both have the same ends in view, and my hope is that he will see as I see the debenture plan for the sale of surplus agricultural products the same in principle and policy as the plan that has been so long operated by industry for the sale of surplus products abroad cheaper than at home, and the justification of it by the allegation that the surplus produced makes for that largely increased mass production which makes for a cheaper price than if only the local or domestic demand and requirement were the controlling factor in determining the output of industrial plants. And I hope he will see the value of saving the sugar industry as an invaluable asset for our country, for I want men of his courage, sincerity, and talent to be friendly to the great agricultural product of my State.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAYBURN. I yield five minutes to the gentleman from Minnesota [Mr. CHRISTGAU].

Mr. CHRISTGAU. Mr. Chairman, I wish to call attention to some trends that I have observed in the last few years, especially last summer on a trip to Europe.

I visited 11 different countries and I called at the commercial attaché offices in 8 of those countries. I noted the very effective work that those men were doing for the commercial people of this country. I visited two foreign offices of the Department of Agriculture, one in London and another in Berlin, and I observed the splendid work that they were doing for the agricultural interests of this country.

I understand that later on a bill is to be reported which will permit the extension of the agricultural service in foreign countries. I think that is absolutely essential. There is as much conflict, in some instances, between agriculture and industry in foreign countries as there is in this country, as exemplified by the fight we had on the tariff.

Denmark, for example, buys a great many American automobiles. In fact, most automobiles purchased in Denmark are purchased from interests in the United States. The Danes are great butter producers and they would like to pay for those automobiles with butter. In other words, they would like to trade with the United States. The commercial interests who are interested in selling automobiles in Europe, and who receive pay for them through money earned in the production of agriculture, are not interested in agricultural tariffs for the farmers of America. They would rather have the Danes send butter to this country to pay for the automobiles which they purchase here.

These commercial attachés are doing great work for the commercial interests of the United States, and they are also interested in expanding foreign markets for agriculture, but, because of the rapidly increasing surplus of industry in this country, there is a greater demand upon their time in finding markets for industry than there is upon their time for finding markets for agriculture. For that reason it is necessary to expand the foreign service for agriculture, and that service should be in and under the control of the Department of Agriculture.

It was suggested a few moments ago that that service should be put under the Federal Farm Board; that they should have men over in Europe who will be able to find facts relative to production in European countries. The Federal Farm Board is considered in Europe as a political agency for the interests of agriculture, and as such the agents of the Federal Farm Board would have difficulty in obtaining the right kind of information from the people of Europe. If that agency was in the Department of Agriculture, it would be easier for them to get the facts which the farmers in this country need relative to production trends and opportunities for the opening up of new markets.

Let me call attention to two policies which we are adopting at the present time which I do not think are entirely in harmony with the economic development of this country. In the first place, we have recently, through the Federal Farm Board, launched out on a policy of reducing agricultural production as a means of handling our surplus problem. That means that agriculture is going to be contracted instead of expanded. On the other hand, the Department of Commerce, through the commercial attachés, has gradually expanded our foreign trade in the products of industry. That means that we are following much the same policy that England followed for a great many years. We are developing into a great industrial Nation, and we are sacrificing agriculture in that trend. Anyone who has visited Europe and observed conditions there knows that in those countries where agriculture is prosperous the country generally is prosperous.

If you visit England, which has followed a policy of industrial development, you will find a great deal of poverty. I think it is generally accepted that when the agricultural industry of a nation is prosperous, that nation will be generally prosperous. [Applause.]

Mr. KETCHAM. Will the gentleman yield?

Mr. CHRISTGAU. I yield to the gentleman.

Mr. KETCHAM. If I understand the gentleman's reasoning, it seems to me, if I interpret the attitude of the Federal Farm Board properly, you are not in agreement with the board. It is not the purpose in the program of restricting production as advocated by the board, as I understand it, to bring less income to the American farmer, but it is an endeavor to get farmers to reduce their acreage and their production so that they can come within the protection of the tariff rates that have been imposed, for instance on wheat, and, of course, that will be done immediately when we do not produce a surplus to sell to foreign countries. We will raise less crops, but we will have more money.

Mr. CHRISTGAU. Does the gentleman interpret the Farm Board's policy to mean that all agricultural production should be on a domestic-consumption basis?

Mr. KETCHAM. As far as it is affected by the tariff, I think that is the idea.

Mr. CHRISTGAU. I believe we could well consider the advisability of legislative action that would give agriculture a domestic price level on products consumed in this country, but at the same time do for agriculture what we have done for industry, namely, locate new markets for farm products. I am not convinced that limiting farm production to the consumption needs of the country is a solution of the farm problem, nor do I believe that such a policy is sound if we desire this country to be a strong, prosperous nation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAYBURN. Mr. Chairman, I yield two minutes to the gentleman from Georgia [Mr. CRISP].

Mr. CRISP. Mr. Chairman, I have asked for this time in order to express my hearty approval of this bill. I do not believe any Government bureau has rendered a greater service to the commerce and industry of the United States than the Bureau of Foreign and Domestic Commerce, under the direction of Doctor Klein. I know it has rendered a distinct service to the textile industry, and I have knowledge that through the activities of this bureau foreign markets have been found for millions of yards of southern cotton textiles.

May I say in conclusion that, in my judgment, the Government is very fortunate in having the services of Doctor Klein. Than he I do not believe the Government has a more able and efficient public official. [Applause.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 3 of the act approved March 3, 1927, entitled "An act to establish in the Bureau of Foreign and Domestic Commerce of the Department of Commerce a Foreign Commerce Service of the United States, and for other purposes," is hereby amended by adding thereto the following paragraph:

"(f) The Secretary of Commerce may, under such rules and regulations as he may prescribe, furnish the officers in the Foreign Commerce Service of the Bureau of Foreign and Domestic Commerce stationed outside the continental limits of the United States, without cost to them and within the limits of any appropriation made for this purpose, allowances for living quarters, heat, and light, notwithstanding the provisions of section 1765 of the Revised Statutes (U. S. C., title 5, sec. 70): *Provided*, That the provisions of this paragraph shall apply only to those officers who are citizens of the United States: *Provided further*, That the provisions of this paragraph shall not apply to those officers who are living rent free in Government-owned buildings."

With the following committee amendment:

Page 2, line 4, strike out the words "outside the continental limits of the United States" and insert in lieu thereof the words "in a foreign country."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. JONES of Texas. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas is recognized for five minutes.

Mr. JONES of Texas. Mr. Chairman and gentlemen of the committee, I do this for the purpose of discussing very briefly a matter that was brought into this discussion and which probably is indirectly involved, and that is the policy in reference to the handling of our commerce generally.

The discussion was brought into the situation here largely by the remarks of gentlemen who have discussed these questions from time to time. They justify a tariff measure in connection with our commerce because of the competition which we have with cheap foreign labor. I am not going into a discussion of the merits of the tariff bill or the merits of the tariff policy. For the present at least it is the established program of our country—the system of protection—and if we undertook to tear it down all at once it might produce havoc, or, at least, partial wreckage.

Practically the whole theory of the tariff policy as now applied is that it is necessary to protect American labor and American business from competition with cheap foreign labor and cheap foreign-made goods. Granting for the purposes of the argument that that is correct, that it is absolutely correct, the fact remains, and no one can dispute it, that on some of our major farm crops, such as wheat and cotton, it is impossible to secure any appreciable benefits from the tariff. Everybody who thinks will agree to that.

The suggestion was made here, and it was flaunted at one or two of the Members, that they favored the debenture. As an original proposition, as an independent proposition, I would not favor the debenture and I would not vote for the debenture. It would then be a subsidy, and I do not believe in the granting of subsidies. I make that statement flatly. But as a part of the tariff system no one can successfully deny its justice.

The cotton producer, the wheat producer, and the producer of American surplus crops must not only compete with cheap foreign labor but he must compete with that labor with the added handicap on his back of the increased price of tariff-laden articles. Nobody can gainsay that proposition. Therefore, as a link in the tariff system, to complete the circuit and to give equality and fair play to all the citizenship of America, no man who wants equality and who believes in fair play can deny to the cotton producer and the wheat producer the justice of restoring to him, through the debenture, a part of what the tariff system takes away from him. [Applause.]

The greatest fundamental in American economic life is equality. That is the very essence and the foundation of a republic such as we have. If we treat one group of citizens better than another group of citizens, we are sowing the seeds of discontent which will cause us to reap a harvest which we will regret.

Now, I would like some advocate of the protection system, I would like Doctor CROWTHER, my friend the gentleman from New York, recognized as a tariff expert, to tell me how, other than through the debenture, the cotton producer and the wheat producer could get on a basis of equality under the tariff system unless we give him the debenture or something similar to it.

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

The pro forma amendment was withdrawn.

Mr. PARKER. Mr. Chairman, I move that all debate on this section and all amendments thereto close in five minutes.

The motion was agreed to.

Mr. SPROUL of Kansas. Mr. Chairman, I move to strike out the last two words. I do not rise to oppose this bill, but merely to make some observations. I want to call attention to some oustanding and attractive features of this bill. They are attractive to the farmers of the Mid West, where the real agricultural problem for a number of years has been and now is. They can look at us here enacting legislation to pay the living expenses of 95 per cent of our foreign commercial attachés in finding markets for manufactured goods which are manufactured in this country under an effective protective tariff, and which are enabled to compete with foreign countries because our American manufacturers buy our wheat and our cotton at free-trade prices. I call your attention, gentlemen, to the fact, when you look down upon the Mississippi Valley agricultural section, that their great and their leading products are sold to your manufacturers at free-trade prices, whereby these manufactured goods from the manufacturing States may find a market in a foreign country, where there is competition with our country.

Are we making our country industrialized? I want to call your attention to the situation. We have asked you to make the protective tariff law effective in Kansas and the other Mississippi Valley States. We have asked for the McNary-Haugen bill, and every objection imaginable from the manufacturing States has been lodged against it.

We have asked you for the debenture plan, and now we are told that the foreign countries will not allow us to have the debenture system in this country; that retaliation will result. But our manufacturers say to Mr. Farmer who produces wheat, Mr. Farmer who produces cotton, we want to buy your product as cheaply as we may in order that we may manufacture an exportable surplus under a protective-tariff system and sell in a competitive foreign market; but you, Mr. Farmer, produce smaller quantities of wheat and cotton, and let us take this money that goes into the Treasury, amounting to $2,500,000, and devote 95 per cent of it to finding markets for manufactured products—our surplus manufactured goods.

Now, just look at this situation. I have been a protectionist all my life. I have been a Republican protectionist, and I am yet. I advocate it and I believe in it, but if it is worth while it should protect the products of all the different parts of the country.

The question is, does it? I challenge your attention and I ask you in the name of justice, in the name of equal rights, and of equal opportunities in behalf of a people who are jealous of those rights, to make the protective tariff laws of our country effective in all sections of the country.

Look at our section and see it as it is. Do not make an industrial nation of a great agricultural country. Do not subordinate agriculture. Think of these things, and when we come to vote let us be real Americans and mete out equal opportunity, by making the tariff laws effective in the Mississippi Valley country.

What did we say in our platforms, both Democratic and Republican? Are we going to repudiate these statements? I just call your attention to these things. We see what we are doing here to-day. It can not be smothered or kept under cover.

The CHAIRMAN. The time of the gentleman from Kansas has expired. [Applause.]

Mr. PARKER. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HOOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 10653) to amend an act entitled "An act to establish in the Bureau of Foreign and Domestic Commerce of the Department of Commerce a foreign commerce service of the United States, and for other purposes," approved March 3, 1927, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

Mr. PARKER. Mr. Speaker, I move the previous question on the bill and the amendment to final passage.

The previous question was ordered.

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

The amendment was agreed to.

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

On motion of Mr. PARKER, a motion to reconsider the vote by which the bill was passed was laid on the table.

INVALID PENSIONS

Mr. NELSON of Wisconsin. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7960) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, with Senate amendments, disagree to the Senate amendments, and ask for a conference with the Senate. This is the omnibus pension bill that has recently passed the Senate.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to take from the Speaker's table the bill (H. R. 7960), with Senate amendments, disagree to the Senate amendments, and ask for a conference. The Clerk will report the bill.

The Clerk read the title of the bill.

Mr. O'CONNOR of Louisiana. Mr. Speaker, reserving the right to object; and, of course, to use the customary phraseology, I will not object, it is largely for the purpose of getting information and getting in the RECORD that which I think the Members ought to become acquainted with. I want to ask the chairman of the Invalid Pensions Committee if it is not a fact that many bills introduced by Members in the House are rejected by his committee; and then the Members, if they are sagacious or astute, go to the Senate and have the same bills put in the pension bill over there?

Mr. NELSON of Wisconsin. Unfortunately, it is only too true.

Mr. O'CONNOR of Louisiana. If the bill goes to conference, what is to be the position of the House conferees with respect to the amendments adopted by the Senate, which Members of the House could not get in the bill here?

Mr. NELSON of Wisconsin. Speaking only of the practice under the present chairman, I beg to tell the gentleman that as soon as we saw that they had reported this omnibus bill we found they had added some 392 bills in the Senate. I had the experts carefully check up every one of them, and we found that 44 were in violation of our rules, just as the gentleman has suggested. I then prepared a letter to the chairman of the committee calling attention to the bills that were in violation of our rules, agreed upon by both the Senate and the House committees, and respectfully requested him to take them out of the bill. I received a letter, somewhat conciliatory, but they did not take all of them out of the bill; and therefore I am asking for a conference and we are going to resist the claims that are not in conformity with the rules.

Mr. O'CONNOR of Louisiana. In conclusion, I may say it is somewhat humiliating for a Member of the House to introduce a bill and have it rejected and then have it put on in the Senate, which, to the home folks, to use an ordinary and familiar expression, does not look well for the Representative.

Mr. NELSON of Wisconsin. I am pleased that the gentleman has called attention to this practice. Only a few days ago a gentleman here, who has very few bills, came before the Invalid Pensions Committee with a bill, and the experts found it was not in accordance with the rules; but as the gentleman is from the South and has very few bills, we did not like to reject the bill. I had a subcommittee meeting especially on that bill. The subcommittee went over it and said, "No; if we do this, the Sen-

ate will use it as a precedent," and they rejected the bill. At once that gentleman came to the committee and in my presence said: "I want the evidence. I am going right over and have my Senator put that bill through." This is what we have to contend with.

Mr. O'CONNOR of Louisiana. I do not want to deny any person entitled to a pension, remotely or otherwise, that which he or she ought to receive. I was only inviting attention to the rather disagreeable circumstances under which men in the House have to labor sometimes with respect to these pension bills.

I withdraw the reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin? [After a pause.] The Chair hears none, and appoints the following conferees on the part of the House: Messrs. NELSON of Wisconsin, ELLIOTT, BEERS, UNDERWOOD, and LOZIER.

AMEND SECTION 20, PARAGRAPH 11, INTERSTATE COMMERCE ACT, BILLS OF LADING

Mr. PARKER. Mr. Speaker, I call up the bill (H. R. 3141) to amend paragraph (11) of section 20 of the interstate commerce act, as amended.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

H. R. 3141

A bill to amend paragraph (11) of section 20 of the interstate commerce act, as amended

Be it enacted, etc., That paragraph (11) of section 20 of the interstate commerce act, as amended, is hereby amended to read as follows:

"(11) That any common carrier, railroad, or transportation company subject to the provisions of this act receiving property for transportation from a point in one State or Territory or the District of Columbia to a point in another State, Territory, District of Columbia, or from any point in the United States to a point in an adjacent foreign country shall issue a receipt or bill of lading therefor, and shall be liable to the lawful holder thereof for any loss, damage, or injury to such property caused by it or by any common carrier, railroad, or transportation company to which such property may be delivered or over whose line or lines such property may pass within the United States or within an adjacent foreign country when transported on a through bill of lading, and no contract, receipt, rule, regulation, or other limitation of any character whatsoever shall exempt such common carrier, railroad, or transportation company from the liability hereby imposed; and any such common carrier, railroad, or transportation company so receiving property for transportation from a point in one State, Territory, or the District of Columbia to a point in another State or Territory, or from a point in a State or Territory to a point in the District of Columbia, or from any point in the United States to a point in an adjacent foreign country, or for transportation wholly within a Territory, or any common carrier, railroad, or transportation company delivering said property so received and transported shall be liable to the lawful holder of said receipt or bill of lading or to any party entitled to recover thereon, whether such receipt or bill of lading has been issued or not, for the full actual loss, damage, or injury to such property caused by it or by any such common carrier, railroad, or transportation company to which such property may be delivered or over whose line or lines such property may pass within the United States or within an adjacent foreign country when transported on a through bill of lading, notwithstanding any limitation of liability or limitation of the amount of recovery or representation or agreement as to value in any such receipt or bill of lading, or in any contract, rule, regulation, or in any tariff filed with the Interstate Commerce Commission; and any such limitation, without respect to the manner or form in which it is sought to be made is hereby declared to be unlawful and void: *Provided*, That if the loss, damage, or injury occurs while the property is in the custody of a carrier by water the liability of such carrier shall be determined by and under the laws and regulations applicable to transportation by water, and the liability of the initial or delivering carrier shall be the same as that of such carrier by water: *Provided, however*, That the provisions hereof respecting liability for full actual loss, damage, or injury, notwithstanding any limitation of liability or recovery or representation or agreement or release as to value, and declaring any such limitation to be unlawful and void, shall not apply, first, to baggage carried on passenger trains or boats, or trains or boats carrying passengers; second, to property, except ordinary livestock, received for transportation concerning which the carrier shall have been or shall hereafter be expressly authorized or required by order of the Interstate Commerce Commission to establish and maintain rates dependent upon the value declared in writing by the shipper or agreed upon in writing as the released value of the property, in which case such declaration or agreement shall have no other effect than to limit liability and recovery to an amount not exceeding the value so declared or released, and shall not, so far as relates to values, be held to be a violation of section 10 of this act to regulate commerce, as amended; and any tariff schedule which may be filed with the commission pursuant to such order shall contain specific reference thereto and may establish rates varying with the values so declared and agreed upon; and the commission is hereby empowered to make such order in cases where rates dependent upon and varying with declared or agreed values would, in its opinion, be just and reasonable under the circumstances and conditions surrounding the transportation. The term 'ordinary livestock' shall include all cattle, swine, sheep, goats, horses, and mules, except such as are chiefly valuable for breeding, racing, show purposes, or other special uses: *Provided further*, That nothing in this section shall deprive any holder of such receipt or bill of lading of any remedy or right of action which he has under the existing law: *Provided further*, That all actions brought under and by virtue of this paragraph against the delivering carrier shall be brought, and may be maintained, if in a district court of the United States, only in a district, and if in a State court, only in a State through or into which the defendant carrier operates a line of railroad: *Provided further*, That it shall be unlawful for any such receiving or delivering common carrier to provide by rule, contract, regulation, or otherwise a shorter period for the filing of claims than nine months, and for the institution of suits than two years, such period for institution of suits to be computed from the day when notice in writing is given by the carrier to the claimant that the carrier has disallowed the claim or any part or parts thereof specified in the notice: *And provided further*, That for the purposes of this paragraph and of paragraph (12) the delivering carrier shall be construed to be the carrier performing the line-haul service nearest to the point of destination and not a carrier performing merely a switching service at the point of destination: *And provided further*, That the liability imposed by this paragraph shall also apply in the case of property reconsigned or diverted in accordance with the applicable tariffs filed as in this act provided."

Mr. PARKER. Mr. Speaker, this is the bill proposed by the shippers and agreed to by the railroads. The gentleman from North Dakota, who reported the bill, will make an explanation of it. I yield to the gentleman from North Dakota [Mr. BURTNESS].

Mr. BURTNESS. Mr. Speaker and gentlemen of the House, the only purpose of this bill is to simplify and harmonize the statutory provisions in so far as bills of lading are concerned, with reference to the time of filing the claims and bringing action thereon.

Under the present law we have a singular situation in this that the limiting provisions that may be put into a bill of lading may be different in reference to certain types of claims than to other types of claim.

The statute now provides generally that whenever a shipper feels that the carrier is liable to him under a contract of carriage, he must first present what amounts to a notice of intention to file a claim; such preliminary notice must be given within 90 days, and he must give specific notice of the claim within four months. Then, after the carrier has passed on it and denied the liability the shipper has two years within which to bring suit. That is the situation with reference to claims generally.

There is, however, another provision in the law, which is eliminated by this bill, which provides that if the loss, damage, or injury complained of was due to carelessness or negligence while the property was in transit or being loaded or unloaded, or due to unreasonable delay in transit, or in loading or unloading, then no preliminary notice of the claim whatever is required and no formal filing of the claim is required, but the shipper has three years in which to bring suit thereon. At any rate, those are the minimum conditions that can be legally inserted in the contract represented by the bill of lading.

Now, the proposed amendment simply does this: It does away with the distinction of the various types of claims that come within the two rules. It liberalizes generally the length of time that the shipper has to file his claim.

If this bill passes, instead of requiring the preliminary notice of a claim within 90 days and filing the claim within four months a shipper may file his claim within nine months, and then will have two years in which to bring suit on the claim if the claim is denied by the carrier. I mean two years after the shipper receives notice of the rejection of the claim.

Mr. STAFFORD. Will the gentleman yield?

Mr. BURTNESS. I yield.

Mr. STAFFORD. I rise to inquire whether the committee gave any consideration in the elimination of the 90 days' notice of filing of claim as to the protection of the carrier?

Years back when the original provision was incorporated in what is generally known as the Mann-Elkins law I was a member of the Interstate and Foreign Commerce Committee. I recall that we incorporated at that time the preliminary notice of 90 days, with the thought that it was fair to the railroad to be advised as to any claim, so that they might make a pre-

liminary investigation. I can see that if the shipper were to hold back for nine months before presenting his claim that when the railroad came to make a preliminary investigation the evidence might not be traceable.

Mr. BURTNESS. The gentleman is right as to the theory originally that the 90 days was for the protection of the carrier, but great abuse has arisen because of the other provision which was put into the act, possibly at a later date, which does not require any notice at all, and which permits the commencement of a suit three years after the loss has occurred without the interposition of a preliminary notice or a filing of a claim or any other action.

So this bill is really a compromise between the two present provisions. It lengthens the time in which the claim may be filed from four to nine months and wipes out the preliminary notice of 90 days entirely, so that to that extent this bill, as compared with the present law, might theoretically be claimed to operate against the interest of the carrier; but on the other hand, the bill will in other respects operate for the protection of the carrier, because it will reduce from three years to nine months the filing of a claim based on negligence of the various kinds to which I adverted. The bill is really more or less the result of a compromise and a general understanding between the shippers' organizations and the railroads.

Mr. STAFFORD. I have had some actual experience in the operation of this law in connection with a commercial house. I can see the need from a carrier's standpoint where a consignee receives a shipment of goods that is damaged, that the carrier should have the protection of some preliminary notice.

There are many unscrupulous shippers, and in my law practice I have had experience with a few, who seek to mulct the railroads out of unmerited damages. That character of shipper will be relieved from giving any preliminary notice whatsoever and will make a spurious claim, and yet the railroads will not be able to ferret out any evidence to the contrary.

Mr. BURTNESS. Of course, the practical situation is that people of that type now have three years instead of three months in which to try to make out a case.

Mr. STAFFORD. Does not the gentleman agree that that type must first file a preliminary notice of three months?

Mr. BURTNESS. No, I do not agree to that; that is not the law. If the gentleman will turn to the present law, as found in the report, he will find this proviso:

Provided, however, That if the loss, damage, or injury complained of was due to carelessness or negligence while the property was in transit, or while the property was being loaded or unloaded, or was due to unreasonable delay in transit or in loading or unloading, then no notice of claim or filing of claim shall be required as a condition precedent to recovery, but in no case under this proviso shall suit be instituted after three years from the time such cause of action accrued.

Of course, this bill, if approved in its present form, will, to a large extent, minimize the danger of the fraud the gentleman speaks about. No preliminary notice is required at all in certain cases at the present time. A preliminary notice of 90 days is required in other cases. All this bill does is to wipe out all provisions with reference to preliminary notice, but it requires actual notice or rather that the claim must be made within nine months instead of within four months in one of this type of cases and within three years in the other type.

Mr. JONES of Texas. Mr. Speaker, will the gentleman yield?

Mr. BURTNESS. Yes.

Mr. JONES of Texas. As a legal proposition the filing of a suit would constitute notice? The man would not have to file a notice?

Mr. BURTNESS. I presume that he could commence his action without the notice of claim within the 9-month period.

Mr. JONES of Texas. As a matter of fact, there is no preliminary notice of any kind required prior to the filing of suit, but he must file a suit within nine months.

Mr. BURTNESS. Yes. All this bill will do is this. No bill of lading will be legal which attempts to shorten the time below that designated in the statute, and that means that they can not shorten the time within which notice of claim may be made to less than nine months, and they can not shorten the time to bring action on that claim to a period of less than two years after the carrier has given notice to the shipper that the claim is denied.

Mr. JONES of Texas. I think that is a good provision because having had some experience along the same line I found that in some cases parties did not know the necessity for giving this preliminary notice, and perhaps would have talked it over and not given notice, and have then lost their rights.

Mr. BURTNESS. I think it is entirely fair to the shipper, because the shipper under this bill will have nine months before he needs to take any action. Many goods are sold on a 6-month credit period and there may be reasons why they can not obtain all of the facts and really know of their exact loss within a period much shorter than nine months.

Mr. JONES of Texas. That is the only provision of the contract between the shipper and the carrier that is affected or changed by this law?

Mr. BURTNESS. Yes. All of the balance of the statute is rewritten in the identical language of the present law.

Mr. JONES of Texas. On page 5 of the bill I notice it is provided that suit—

may be maintained, if in a district court of the United States, only in a district, and if in a State court, only in a State through or into which the defendant carrier operates a line of railroad.

Was a suggestion made to add to line 5 after the word "railroad" the words "or maintains an agent"? There are many cases arising where the parties practically all live within a State and the railway lies close to the State line and maintains a commercial or general agency within the State, and yet does not operate a line of railroad in the State. It seems to me that service of process might be had and suit maintained in any State or county where the railway maintains an agent.

Mr. BURTNESS. There may be something to the suggestion made by the gentleman from Texas. Of course, in the hearings on this particular bill we did not go into that question at all, because the only proposition involved with reference to the bill was the question relating to the provisions dealing with bills of lading.

Mr. JONES of Texas. I happen to live in a section of the country that is near several different States, in the northwest part of the panhandle section of Texas, and we had cases arise where the railways did not operate within the State, yet where all of the parties and all of the property, especially in livestock shipments, were located in the State, and the railways maintained a general agency there. We would have had to go over to another State and to have brought suits in courts with which we were not familiar. It seems to me that that provision should be changed. What applies in my State I think applies in many States.

Mr. BURTNESS. You could not make delivery to the carrier in the State where the agency was maintained?

Mr. JONES of Texas. You could not make delivery, but you had all of your transactions and the parties lived and were familiar with the courts and all of their interests were there, and in some instances, of course, the cattle were transported by other carriers, some times by neighbors and some times by truck.

Mr. BURTNESS. I am certain that if the gentleman will introduce a bill proposing that sort of an amendment the committee will give very careful consideration to it. I can not help but feel that an attempt to amend the bill on the floor without consideration, without considering it in all its aspects, would be unwise. While the provisions of the statute may not be liberal enough now, still they seem to be fairly liberal, and a suit is permitted in any State where a carrier has a line engaged in actual transportation.

Mr. JONES of Texas. I may say to the gentleman that I have had some trouble in handling damage claims for cattle and other products by virtue of the railroads trying to avoid service, where the contest has gone into the courts of Texas, and in some cases to the Supreme Court of the United States on that proposition.

Mr. BURTNESS. I think it does deserve consideration, but I do not think we should be hasty in doing that on the floor. Let us assume, for instance, the case of one of the railroads running from Chicago to the west coast that it wants to establish an agency here in Washington, a business-getting agency, as some of them have, particularly for promoting its passenger business, and when a loss occurs out in some Western State, where the road does not come within 800 or 900 miles of the city of Washington, should we provide that a suit based upon loss, destruction, or delay of property carried could be brought against that railroad in the District of Columbia here? It seems to me that to do so would simply prevent carriers from establishing agencies in other States for the convenience of the traveling public.

I say we should get the whole picture before us before approving changes.

Mr. JONES of Texas. If one of these men ran over a man in an automobile you could not get that case considered.

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

Mr. BURTNESS. Yes.

Mr. GLOVER. In my State all foreign corporations are required to name an agent in the State before they are permitted to do business in the State. Does not the gentleman think for that reason, the States having that provision, you should have an

amendment such as that suggested by the gentleman from Texas?

Mr. LOZIER. The proposition raised by the gentleman from Texas in reference to this particular paragraph is the same as the language of the existing law. This bill does not propose to rewrite paragraph 11 of section 20 in its entirety, but attempts to amend it in the specific manner to which the gentleman has called attention.

Mr. BURTNESS. The gentleman is correct. The amendment is limited to one specific feature.

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

Mr. BURTNESS. Yes.

Mr. STOBBS. I am not quite clear as to whether there is any change in the proposed bill making a distinction between cases where there is damage resulting other than by negligence of the carrier and a case where damage is done by reason of the negligence of the carrier in reference to notice of the time suit is brought. Does the gentleman get me?

Mr. BURTNESS. Yes. As I tried to explain, the present statute differentiates between those two classes of cases. The proposed bill wipes out that distinction and makes all claims subject to the same procedure.

Mr. STOBBS. So that under this bill any claim, a damage claim, can be filed at any time within nine months after the time the injury is received?

Mr. BURTNESS. Yes.

Mr. STOBBS. And suits must be tried within two years from the date the notice is filed within nine months?

Mr. BURTNESS. No; two years from the date when the carrier gives notice that it denies liability.

Mr. STOBBS. Is that the expression used in the present law, about the carrier denying liability?

Mr. BURTNESS. Yes. There is no change as to that. The bill provides for the institution of suit within two years. This is the language:

> Such period for institution of suits to be computed from the day when notice in writing is given by the carrier to the claimant that the carrier has disallowed the claim or any part or parts thereof specified in the notice.

There is no change in the statute with reference to this language in this bill.

Mr. PARKER. Mr. Speaker, I move the previous question on this bill and all amendments thereto.

The previous question was ordered.

The SPEAKER. The previous question has been ordered. The question is on the engrossment and third reading of the bill.

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

Mr. JONES of Texas. Mr. Speaker, I move to recommit the bill.

The SPEAKER. The Clerk will report the motion of the gentleman from Texas to recommit the bill.

The Clerk read as follows:

> Mr. JONES of Texas moves to recommit the bill to the Committee on Interstate and Foreign Commerce with instructions to that committee to report the same back forthwith, with the following amendment:
>
> On page 5, line 5, after the word "railroad," insert the words "or maintain an agent."

Mr. MAPES. Mr. Speaker, I make a point of order against the motion to recommit.

The SPEAKER. The gentleman will state his point of order.

Mr. MAPES. This bill relates purely to an amendment of the law relating to the filing of notices, and the commencement of suits for the loss or damage of freight. It does not attempt in any way to change the jurisdiction of the courts or the method of serving process on the carriers. The bill does not go into that subject at all. The amendment of the gentleman from Texas is a matter of importance and ought to be considered carefully by the committee before any action is taken, but it seems to me that it is not germane to this bill.

Mr. RAYBURN. I will state to the gentleman from Michigan that that is the law now.

Mr. JONES of Texas. If that is the law, it would not hurt to have it in again. I do not think it is in the law.

Mr. MAPES. Whether it is in the law or not, it is not in this bill. This bill does not propose to deal with that subject matter at all.

The SPEAKER. The Chair is not quite certain whether he understands the extent of the motion of the gentleman from Texas. Would the motion of the gentleman from Texas cover a case where a railroad maintained an agent, where the railroad had no line whatever?

Mr. BURTNESS. That is the way I understood the amendment of the gentleman from Texas. It would permit service upon a carrier which maintains an agency in a State, even though the line of the carrier does not come into that State in any shape, manner, or form.

Mr. JONES of Texas. Mr. Speaker, I would like to be heard.

The SPEAKER. The Chair will listen to the gentleman from Texas.

Mr. JONES of Texas. Mr. Speaker, I do not see how there can be any question but that this amendment is germane. There are several States that have such provision now where they maintain a commercial agency for the soliciting of business in the State. If they do any business in the State, they must maintain an agent on whom service can be had. This is a reenactment of this whole provision of the law. This proviso is a reenactment and is therefore before the House with the whole paragraph just the same as if it were an entirely new law. The paragraph starts off with the words "any common carrier, railroad, or transportation company." That covers the whole United States. This proviso reads:

> *Provided further*, That all actions brought under and by virtue of this paragraph against the delivering carrier shall be brought, and may be maintained, if in a district court of the United States, only in a district, and if in a State court, only in a State through or into which the defendant carrier operates a line of railroad.

It provides, in other words, not only one but two different places where a suit may be maintained. The amendment which I offered simply adds a third place.

It is the universal rule of construction that if two groups or two individual things are included in a bill, a third of similar character may be maintained. Whether it is wise to provide that a company may be sued in a State where it does not operate a line of railway may be an entirely different proposition, but when they are maintaining an agency there they are doing business there. The physical railway is not the whole railway. A railway system includes not only the steel rails, the dirt and the ballast out of which it is made, but it includes also the personnel of that railway, its organization, its place of doing business, and the law as here written would enable them, through a commercial agency, to do business in my State, but would not permit us to sue them in that State, if they did not have an actual or connecting line there.

The idea of putting that out on a point of order! It simply provides, and it is legitimate, for the United States Government to provide that a concern doing interstate business may be sued anywhere it has an agency.

Mr. BURTNESS. Will the gentleman yield?

Mr. JONES of Texas. I yield.

Mr. BURTNESS. Does not the gentleman admit that so far as this bill is concerned it only amends one proviso existing in the present law, and that particular proviso——

Mr. JONES of Texas. I do not know whether it is in the present law; but we are enacting a substitute law covering the whole thing as set out in this full paragraph. What the gentleman has here is a part of this law.

Mr. BURTNESS. Will the gentleman allow me to finish my question?

Mr. JONES of Texas. Yes.

Mr. BURTNESS. That the only provision of the present law in the entire section that is amended by this proposed bill is the proviso which relates to the limitation on the carriers with respect to the contracts pertaining to notice that they set out in their bills of lading.

Mr. JONES of Texas. I say that makes no difference whatever, because this is the enactment of this entire provision. It supersedes the entire paragraph 11 of section 20 of the old law, and here is an entirely new law before the House, and everything that is covered in the subsection is being enacted into law by this provision. It is as if there were no such law in so far as that part of section 20 is concerned, because in order to get it complete you have repeated the entire subsection. I do not care whether you change one word, two words, or three words, or all the words, it is a new law that we are enacting, and it is all before the House, because it is written out and reenacted, as you will note by reading the enacting clause of the bill.

Mr. BURTNESS. Will the gentleman yield?

Mr. JONES of Texas. I yield.

Mr. BURTNESS. The enacting clause is to amend paragraph 11 of section 20 of the interstate commerce act as amended.

Mr. JONES of Texas. "Amended to read as follows."

Mr. BURTNESS. I read first the title. Now, immediately following the enacting clause, it reads that—

> Paragraph 11, section 20, of the interstate commerce act, as amended, is hereby amended to read as follows—

And the point is——

Mr. JONES of Texas. So the entire new subsection constitutes the amendment. The entire subsection is before the House, and not merely the proviso.

Mr. BURTNESS. Oh, no. The gentleman misunderstands the situation.

Mr. JONES of Texas. I mean from a parliamentary viewpoint. It may not make changes. Does the gentleman mean if we reenact the whole bill without making any changes that that would not be before the House?

Mr. BURTNESS. I can not conceive of such a situation ever arising.

Mr. JONES of Texas. Suppose we reenacted another section in order to have this one properly explained, without making any change, does the gentleman mean that I could not offer an amendment to that new section?

Mr. BURTNESS. I contend that the only amendments which are germane are those which affect in any way the amendment before the House.

Mr. JONES of Texas. That is a different story. A measure might repeat the whole interstate commerce act and that would bring it all before the House, and even though you made no changes except in this paragraph, I submit that this amendment is before the House in toto and covers all the provisions that are set out in the proposed bill. It provides two places for bringing suit, where the railway not only maintains an agency but has its steel rails. I provide an additional place. I provide that a suit may be brought in any State where a railway does business or maintains an agency and utilizes the industry of the people of the particular State.

The SPEAKER. As the Chair understands this provision it is intended to apply only to States in which a railway line is actually operated. It might be wise to provide that where a railroad runs between the States of Texas and Oklahoma there should be the right to serve an agent who resides in Maine, but that is not what this bill provides.

In the opinion of the Chair the instructions embodied in the motion to recommit are not germane to the provisions of the bill and, therefore, the Chair sustains the point of order.

The question is on the passage of the bill.

The bill was passed.

On motion of Mr. PARKER, a motion to reconsider the vote by which the bill was passed was laid on the table.

TEXTILE ALLIANCE FOUNDATION

Mr. PARKER. Mr. Speaker, I call up the bill (H. R. 9557) to create a body corporate by the name of the "Textile Alliance Foundation."

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

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Commerce, the president of the National Academy of Sciences, and three directors first appointed as provided in section 2, and their successors, are hereby created a body corporate of the District of Columbia by the name of the "Textile Alliance Foundation" (hereinafter referred to as the corporation). The incorporation shall be held effective upon the date of the first meeting of the board of directors. The corporation shall maintain its principal office in the District of Columbia and may establish such agencies or branch offices at such places as it deems advisable.

SEC. 2. (a) The board of directors of the corporation (hereinafter referred to as the board) shall be constituted as follows:

(1) The Secretary of Commerce;

(2) The president of the National Academy of Sciences; and

(3) Three individuals, familiar with the textile industry or its allied branches, and their successors, to be appointed by the President, one for a term of two years, one for a term of three years, and one for a term of four years, from the date the incorporation is effected.

(b) Each successor shall be appointed for a term of four years from the date of the expiration of the term of the member whom he succeeds, except that any successor appointed to fill a vacancy occurring prior to the expiration of the term shall be appointed only for the unexpired term of the member whom he succeeds. A vacancy in the office of a director shall not impair the power of the remaining directors to execute the functions of the board. A majority of the directors shall constitute a quorum for the transaction of the business of the board.

(c) The members of the board shall serve without compensation for their services as such members, but they shall be reimbursed from the corporation for actual expenses incurred by them while in the performance of the functions vested in the board by this act.

(d) Any officer or employee of the United States, or of any corporation acting as a governmental agent of the United States, may, in addition to his present office, hold the office of director of the Textile Alliance Foundation without regard to any provision of law prohibiting the holding of more than one office.

(e) The board at its first meeting and at each annual meeting thereafter shall elect a chairman.

(f) The board shall direct the exercise of all the powers of the corporation.

(g) The board may appoint and fix the salary of an executive vice chairman and such other assistants as it may from time to time deem necessary.

SEC. 3. (a) The purposes of the corporation shall be to administer and expend its funds and other property for scientific and economic research for the benefit and development of the textile industry and its allied branches.

(b) The Textile Alliance (Inc.), is hereby authorized to pay to the corporation the amounts payable in accordance with the agreement between the Textile Alliance (Inc.), and the Department of State, in lieu of paying such amounts into the United States Treasury. Upon the receipt by the corporation of such amounts the liability of the Textile Alliance (Inc.), under such agreement shall be extinguished.

SEC. 4. The corporation—

(a) Shall have perpetual succession;

(b) May sue and be sued;

(c) May adopt a corporate seal and alter it at pleasure;

(d) May adopt and alter by-laws;

(e) May appoint officers and agents;

(f) May acquire by purchase, devise, bequest, gift or otherwise, and hold, encumber, convey, or otherwise dispose of, such real and personal property as may be necessary or appropriate for its corporate purposes;

(g) May invest and reinvest the principal and interest of its funds; and

(h) Generally, may do any and all lawful acts necessary or appropriate to carry out the purposes for which the corporation is created.

SEC. 5. The corporation shall, on or before the 1st day of December in each year, transmit to Congress and to the President a report of its proceedings and activities for the preceding calendar year, including a detailed statement of its receipts and expenditures. Such reports shall not be printed as public documents.

SEC. 6. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

Page 1, line 3, strike out the words "president of the National Academy of Sciences" and insert in lieu thereof the words "Secretary of Agriculture."

In line 7, after the word "textile," strike out the word "Alliance."

On page 2, in line 8, strike out the words "president of the National Academy of Sciences" and insert in lieu thereof the words "Secretary of Agriculture."

In line 11, after the word "branches," insert the words "including that of production of raw materials."

On page 3, strike out all of subsection (g), beginning in line 16 and ending in line 18.

In line 25, strike out the word "agreement" and insert the word "arrangement."

Page 4, in line 3, after the word "Treasury," insert a semicolon and the following: "except that any amounts payable in accordance with such arrangement, and paid into the United States Treasury before the enactment of this act, are authorized to be appropriated to the credit of the corporation."

Page 4, line 8, strike out the word "agreement" and insert the word "arrangement."

Amend the title.

Mr. PARKER. Mr. Speaker, I yield to the gentleman from Connecticut [Mr. MERRITT] such time as he may desire. [Applause.]

Mr. MERRITT. Mr. Speaker, this bill, I think, is interesting as an incident to the Great War and one of the incidents, fortunately, which will be of lasting benefit to the country in general.

It will be remembered that at the close of the war there was a great shortage of dyes. The textile manufacturers of this country during all of the war were increasingly troubled because they could not get the dyes to which they were accustomed. After the War the Allies, under the treaty of Versailles, took possession of the stock of dyes in Germany, which was, in fact, the world stock of dyes and which were essential for manufacturing purposes. These dyes were allotted, through the Reparations Commission, to the various Allies. As the United States declined to take any reparations it, therefore, could not as a Nation take any of these dyes, but it arranged through its representatives in Europe with the Reparations Commission that it should have the right, and its citizens should have the right, to purchase 1,500 tons of German dyes. The United States then gave notice to the people in this country who wanted dyes that they could purchase them at a price settled by the commission. After a number of months, although the manufacturers of this country needed the dyes, they had only ordered, in fact, about 300 tons, and the reason for that, I think, is interesting. The reason was this: That previous to the war a textile manufacturer, when he wanted a particular dye, had an agent who sold him that dye under a designating letter, and we will say it was letter A.

The dye marked "A" was made up in a combination of various other dyes which the manufacturer did not know about. So, as a matter of fact, the manufacturer, although he wanted the dyes, did not have sufficient technical knowledge to buy them intelligently. The matter ran along until April, 1920, when the State Department found that the manufacturers had not, in fact, gotten these dyes, although option for their purchase was about to expire. Therefore they looked for experts skilled both in the purchase and composition of dyes.

During the war there had been an association of textile manufacturers known as the Textile Alliance, which had bought certain materials which they needed, like wool, hemp, and so forth, which they needed for textiles, and they were experts in dyes. So the Acting Secretary of State, Mr. Polk, under the Wilson administration, wrote to this Textile Alliance asking them if they would act for the Government in the purchase of these 1,200 tons of dyes for the benefit of the manufacturers of the United States. The Textile Alliance was willing to do this and they did it under the orders of the State Department throughout.

The Textile Alliance was a corporation founded under the laws of the State of New York. It was a corporation which could make no profit; it had no paid officers and it had no capital. Therefore they were obliged to get credit to buy these dyes and pay for them on arrival. So they told the United States that if it would furnish the credit they would buy the dyes. To this the State Department replied, "We have no means either of buying the dyes or of furnishing the credit. Therefore, if you wish to carry out the commission which we are willing to put in your hands, you must furnish all the skill and all the credit."

So you will see that this alliance was not going into it except as a favor to the United States and for the benefit of the textile trade in general. However, they did this, and they purchased during the succeeding four years or so all the dyes that were required for the manufacturers of this country.

When they got the option from the Reparation Commission the price of these dyes was agreed upon, which was to be a continuing price, based on the German paper mark.

At this time the mark was worth about one-twelfth of a dollar, and all the succeeding purchases were made on this basis, but meanwhile the mark decreased very much in value. Just to show you what effect this had the Textile Alliance purchased dyes which if the market had continued at the same price would have cost some $8,000,000 for a price under $1,000,000. They were thus able to sell the dyes to the American manufacturers at a decreasing price and at a price much less than the price they would have paid if they had gone into the market to buy them. After a while the Germans began to decrease their price at home, and after three or four years the Textile Alliance was not able to meet the then market price, and this brought the business to a close. They had not intended to make any profit, but the State Department fixed selling prices, so that the home market should not be demoralized, and the mark fell so fast that when they finally balanced accounts they had left about $1,800,000.

Part of the agreement with the alliance was that any so-called profits which resulted should be paid, 75 per cent to the United States and 25 per cent to the Textile Alliance, with the understanding—the Government could not make an agreement, but there was an understanding in writing, and I have a copy of the letter here—that the United States, so far as its 75 per cent was concerned, would request the Congress to appropriate that for a research council on behalf of the textile industry, because it was that industry which furnished the money, and the Textile Alliance agreed that so far as their 25 per cent was concerned, they would also put that into this research fund.

This, in brief, is the story of this transaction, and this bill is simply to carry out this agreement, so far as it was an agreement, between the United States and the Textile Alliance. It differs from most bills coming before the Congress in connection with money in that the United States has never furnished a dollar, the United States is not asked to appropriate a dollar or expected to spend a dollar in the future. All the bill does is to carry out this arrangement and provide that the corporation shall consist of the Secretary of Commerce, the Secretary of Agriculture, and three individuals familiar with the textile industry or its allied branches, including the production of raw materials.

Then, as you heard the bill read, the object of the corporation is to conduct research and get information which is to be for the benefit of the textile industry and its allied branches, including the producers.

Mr. LEA of California. Will the gentleman yield?

Mr. MERRITT. I yield.

Mr. LEA of California. I understand the financing of the importation of these dyes was entirely by private funds.

Mr. MERRITT. It was; yes.

Mr. LEA of California. And there is no law that required the payment of any of the profits into the Treasury of the United States?

Mr. MERRITT. None.

Mr. LEA of California. But there was a private understanding with the Secretary of State that 75 per cent of the funds would be paid into the Treasury, and the Secretary of State agreed he would recommend that these funds be given back to the corporation as is proposed in this bill.

Mr. MERRITT. That is correct.

Mr. LEA of California. In other words, no private individuals have a right to this money to-day, the Treasury has not a right to it, so we propose by this bill to create a scientific investigation for the benefit of the textile industry.

Mr. MERRITT. That is correct.

I may say, incidentally, and I think this is not without interest, when this Textile Alliance Foundation imported these dyes, the full duties were paid on them, so that the United States in the course of the proceedings, received about $800,000 in duties.

Mr. JONES of Texas. Will the gentleman yield?

Mr. MERRITT. Yes.

Mr. JONES of Texas. I want to congratulate the gentleman and his committee upon this bill. I think it affords opportunity for a very wonderful work, and I am sure this foundation will continue under this measure to do a work which will be of tremendous importance.

Mr. MERRITT. I may say also, as the gentleman has risen, he will note we followed his suggestion of including the Secretary of Agriculture. We thought that was a very wise provision and we included it with pleasure.

Mr. STOBBS. Will the gentleman yield?

Mr. MERRITT. Yes.

Mr. STOBBS. I thought in the gentleman's preliminary remarks he spoke about the Textile Alliance being incorporated under the laws of New York, and stated that this bill creates a new foundation to take over the work of the other.

Mr. MERRITT. No; it has no connection with the other.

Mr. STOBBS. It is simply to hold the funds that remain in the hands of the other organization?

Mr. MERRITT. Yes; the Textile Alliance will pay over to the Textile Foundation, as authorized by this bill, all the funds it has in its hands. [Applause.]

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. RAYBURN. Mr. Speaker, I offer an amendment, at the end of line 22, on page 3, strike out the word "and," insert a comma after the word "industry," and strike out the period after the word "branches" and insert the words "and production of raw materials."

I thought this was agreed to in committee. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 3, line 22, after the word "industry," strike out the word "and," and after the word "branches," in line 22, strike out the period, insert a comma, and the following: "and products of raw materials."

The amendment was agreed to.

Mr. RAYBURN. Will the gentleman from New York yield me five minutes?

Mr. PARKER. I yield the gentleman from Texas five minutes.

Mr. RAYBURN. Mr. Speaker, I join with the gentleman from Connecticut in what he has said about the Textile Alliance. I know that they risked their money and did a great service to industry throughout the country. I realize that they had a contract with the State Department. I am, however, of the opinion that they should carry out their contract with the State Department, and instead of using this as a vehicle for the formation of another Federal incorporation, granting of another Federal charter, to another set of men, it should follow its course into the Treasury and it should be appropriated out of the Treasury in the general channels of legislation.

I have had looked up under the Department of Commerce, and I find that Congress has been making liberal appropriations to do the very thing that this Alliance or Textile Foundation will do in the future. Being so very fearful at all times and so slow, as I hope I have always been, in voting for bills that will create further Federal incorporations, I am not able to follow the committee in the adoption of this bill.

Mr. LEA of California. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. LEA of California. I would like to ask the gentleman if he will not confine his amendment to the same language carried on page 2, line 11, of the bill. The language on line 11, page 2, is:

Including the productions of raw material.

In other words, confine it to raw materials directly relating to the textile industry. Would it not be satisfactory to make his amendment correspond to the preceding part of the bill?

Mr. RAYBURN. I think it would.

Mr. LEA of California. I hope the gentleman will modify his amendment.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the proceedings by which my amendment was adopted be vacated.

The SPEAKER. The gentleman from Texas asks unanimous consent that the proceedings by which the amendment was adopted be vacated. Is there objection?

There was no objection.

Mr. RAYBURN. I now offer the amendment to include that of the production of raw material.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 3, line 22, after the word "industry," insert a comma, strike out the word "and," and at the end of the line, after the word "branches," insert "including that of the production of raw material."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

Mr. MERRITT. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 3, line 9, strike out the word "Alliance."

The amendment was agreed to.

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

The previous question was ordered.

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

The title was amended.

A motion to reconsider by Mr. PARKER was laid on the table.

BRIDGE OVER LOUISIANA AND TEXAS INTRACOASTAL WATERWAY

Mr. PARKER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3621) granting a right of way across the land of the United States for bridge purposes over the Louisiana and Texas Intracoastal Waterway. The gentleman from Louisiana [Mr. O'CONNOR] assures me that this is an emergency proposition.

Mr. O'CONNOR of Louisiana. Yes; it is.

The SPEAKER. The gentleman from New York asks unanimous consent for the present consideration of the bill S. 3621, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That whenever the Secretary of War shall approve plans for a bridge authorized by law to be built across the Louisiana and Texas Intracoastal Waterway he may, in his discretion and subject to such terms as in his judgment are equitable, expedient, and just to the public, grant to the person or corporation, municipal or private, building and owning such bridge a right of way across the lands owned in fee simple by the United States on either side of and adjacent to the said waterway; also the privilege of occupying so much of said lands as may be necessary for the piers, abutments, and other portions of the bridge structure and approaches.

With the following committee amendment:

Page 2, after line 4, insert:

"SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to; and the bill as amended was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

THE LAETARE MEDAL OF NOTRE DAME UNIVERSITY

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, for the third time since its inception the Laetare medal awarded annually by Notre Dame University has been conferred upon a St. Louisian. This year Frederick P. Kenkel, journalist, at present director of the central bureau of the Central Verein and editor of the magazine Social Justice, was recognized.

According to the officials of the university, the medal awarded as a recognition of merit and as an inspiration to greater achievement is conferred annually upon some leader from the ranks of the Catholic laity of the United States, the inspiration for the custom coming from the papal practice of awarding the Golden Rose on the same day of the year for a similar purpose.

In 1887 the medal was awarded to Mr. Edward Preuss, of St. Louis, but due to a vow he had taken he declined the honor. In 1904 the late Hon. Richard C. Kerens, sr., former ambassador to Austria, also a St. Louisian, received the medal.

This is not the first time Mr. Kenkel has been honored. In 1912 he was awarded the cross of the Knighthood of St. Gregory the Great by Pius X for his services to the Catholic press and in the domain of social action through the central verein and the central bureau.

In 1906 Mr. Kenkel was awarded the Knighthood of the Holy Sepulchre, by the Patriarch Bariassina, in recognition of his and the bureau's services in behalf of the German Society of the Holy Land.

Since 1883, on Laetare Sunday, occurring in the season of Lent, is annually witnessed the conferring of the medal upon some American Catholic man or woman who has over a period of years distinguished himself or herself in literature, science, art, commerce, or charity, and who has served meritoriously both country and church. The medal takes its name from the Sunday on which it is awarded. It bears on one side the recipient's name, on the other the motto in Latin:

Truth is mighty and shall prevail.

Established in 1883 by Rev. Father Sorin, it has since been awarded regularly. The first recipient was the historian John Gilmary Shea, of Philadelphia. Among the other recipients were: 1886, Gen. John Newton, military engineer; 1894, Augustin Daly, theatrical manager; 1896, Gen. William S. Rosecrans, leader of the Army of the Cumberland in the Civil War; 1901, William Bourke Cockran, lawyer; 1902, Dr. John B. Murphy, famous surgeon; 1903, Charles J. Bonaparte, Attorney General under President Roosevelt; 1910, Maurice Francis Egan, teacher, author, former minister to Denmark; 1916, Dr. James J. Walsh, physician and author; 1917, William Shepherd Benson, Chief of Naval Operations during the World War; 1925, Albert F. Zahm, Director Aerodynamic Laboratory, United States Navy; 1927, Margaret Anglin, actress; 1929, Gov. Alfred E. Smith, of New York.

Mr. Kenkel receives the medal this year in consideration of 35 years of service as an active, energetic journalist, and for his constant espousal of sound social and economic teachings. Since 1895 Mr. Kenkel has fought, in the papers he edited and from the lecture platform, as well as through the medium of societies with which he has been affiliated and their resolutions, the dangers of socialism on the one hand and of unscrupulous misuse of wealth and privilege on the other.

Mr. Kenkel is essentially an exponent of a wholesome middle-class policy. He wants this class preserved, and, where it has vanished, restored. The farmer, the worker, the craftsman, the independent merchant and manufacturer, the white-collar man, and the man in overalls alike, from his point of view, are to be provided with opportunity to attain and retain independence, and to foster among themselves a sense of social responsibility. While the middle class, which is to be kept open to all, is, to his mind, the backbone of society and the State; he feels cooperation among socially and economically related individuals and groups filled with a sense of duty toward their families and society and the State is an essential demand for social harmony and true economic progress.

It is interesting to note that in the nineties Mr. Kenkel was as deeply interested in the farmers and the workers as he is to-day. Had his teachings been heeded earlier we would not to-day be facing the farmers' problem, the problem of widespread unemployment, the problem of far-flung interlocking directorates, and control of vast financial interests in the hands of a few.

An inveterate enemy of materialistic socialism, bolshevism, and communism, Mr. Kenkel is likewise a foe to unscrupulous, materialistically minded capitalism. Politically he champions State rights and the rights of the communities as against the tendency toward State socialism.

Mr. Kenkel was born in Chicago, October 16, 1863, the son of Henry Kenkel, veteran of the Civil War, and Albertine Voll Kenkel, parents endowed with rare intellectual and moral qualities. Reared in exceptional comfort, he later voluntarily pushed aside opportunities to acquire wealth, in order to devote himself to journalism, in two tongues, to obtain an outlet for his convictions. Ten years of journalistic work in Chicago and 25 in St. Louis have not been without effect. In St. Louis his paper, the Amerika, was known as a fountain of wholesome, economic, social, and political teachings of sound citizenship, while it remained politically independent with an essentially Democratic tendency. Since 1908, Mr. Kenkel has been associated with the Catholic Central Verein of America and is the director of its social service bureau in St. Louis and editor of its magazine, Social Justice.

In 1915, he founded St. Elizabeth settlement and day nursery of the central verein in St. Louis, which he still directs and which serves 90 children of the poor daily. Social service groups and organizations in various parts of the country, Catholic and non-Catholic, enjoy his counsel and cooperation. Study courses held in a number of States and instructing attendants in sane, social, and economic policy have been inaugurated and sponsored by him.

Immediately upon the United States' entry into the World War Mr. Kenkel organized an American soldiers' and sailors' relief fund. He raised some $70,000 in small sums from Americans—Catholics of German extraction, mostly plain people. The money was spent to aid the chaplains and to purchase books and athletic supplies which were sent to training camps at home and abroad. He published a series of original booklets for boys in the camps and field, all being donated.

Moreover, since 1921, on Mr. Kenkel's initiative, the members of his organization and other benefactors contribute $600 annually to the maintenance of a chaplain at Base Hospital, Fort Sam Houston, San Antonio, Tex. This is done for the benefit of the numerous patients and also as an incentive to induce affiliated branches to cooperate in what will make for a wholesome moral influence at Army camps and hospitals.

Another phase of endeavor, originated in his organization by Mr. Kenkel, is the founding and development of libraries in several Federal and other prisons.

Mr. Kenkel's family life is typical of his social mind. Of his four daughters, three have joined religious orders, while the fourth is the wife of a physician, another benefactor of humanity. Of the sons one is a substantial, progressive farmer, one is in the commercial world, a third an expert in the United States Tariff Commission in Washington, rendering excellent service there and also teaching at the school of foreign service at Georgetown University.

Mr. Kenkel is a whole-souled American, the son of a veteran of the Civil War, the father of two sons who saw service during the World War, both as volunteers in the marines; himself the champion of the principles and policies that made America great and an enemy of those which threaten to undermine its health and strength.

POTOMAC PARKWAY

The SPEAKER. The Chair recognizes the gentleman from Michigan [Mr. CRAMTON] for five minutes.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and in doing so to set forth the statements I am going to discuss in the five minutes allotted me, and also some newspaper comments.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CRAMTON. Mr. Speaker and ladies and gentlemen, recently the House passed the bill H. R. 26, which proposes the acquisition of lands for park, parkway, and playground purposes in the National Capital and it environs. That bill passed the House by a vote of 8 to 1.

Up until the time it passed the House there had been no definite and open opposition to it. There had been, as I stated at that time in the House, a quiet, not very effective, opposition on the part of certain power interests whose plans for power development were in conflict with the park program. The House adopted an amendment to that bill known as the Dempsey amendment, which was submitted to Mr. DEMPSEY by the Federal Power Commission in a letter signed by Secretary Hurley, Secretary of War, and the Secretary of Agriculture, Mr. Hyde. That amendment provided expressly what the proponents of the bill contended was already the effect of the bill. It provided explicitly that it would be in the power of any Congress in the future to take such action as that Congress might deem wise as to power, navigation, or irrigation development of that region—the gorge of the Potomac. That amendment was suggested by the Power Commission, and, on the motion of the gentleman from New York [Mr. DEMPSEY], became a part of the bill, being accepted by the proponents of the bill.

The bill went to the Senate where hearings have been held. In the course of those hearings opposition has been expressed to the passage of the bill. Both in those hearings and in the press of Washington there have been statements hostile to the passage of the bill, that have come from two persons, from one Elisha Hanson, the lobbyist or legal representative of the company that is seeking a private power permit, and from Major Somervell, the district engineer of the Corps of Engineers of the Potomac area. The statement of Major Somervell is to the same effect, but enlarges upon, his letter to the gentleman from Illinois [Mr. HULL], which I inserted in the RECORD at the time the bill was before the House, and has attracted some attention. It has been a little difficult to understand the situation, because the Secretary of War stated that when Major Somervell went before the Senate committee he went at their invitation, which came, of course, at the public request of the power company, and that he was before the committee to give facts and not opinions. The one statement of Major Somervell which has attracted most attention and which he insists is a statement of fact, is highly controversial. It appears to me as at best an opinion. That is the statement that the passage of H. R. 26 involves a waste of $100,000,000 in resources. That, at best, as I have said, is only an opinion, and an opinion not supported by facts.

In the press have appeared partial reports of opinions of two experts who have made a study of this problem, each of whom is entitled to a great deal of respect and consideration.

One is that of Miss Harlean James, the secretary of the American Civic Association, and the other is that of Col. U. S. Grant, 3d, vice chairman and executive officer of the National Capital Park and Planning Commission. I append to my remarks as a part thereof under the consent granted, the statements of those two authorities. Those statements are directly in point and demonstrate fully that the opinion of Major Somervell as to that great economic waste are not supported by the facts.

Following that have been expressions of the Evening Star of last night and the Washington Post of this morning, editorially, and bearing in mind that the passage of H. R. 26 does impose some burden financially upon the people of the District, and that if there is to be this great waste by reason of the passage of that bill it does fall in part at least on the people of the District, these expressions from these two great newspapers of Washington also are entitled to a good deal of weight. I insert also as a part of my remarks those expressions of those newspapers, and emphasize in concluding a sentence from each. The Evening Star of last night says:

> The Potomac is a birthright and the $100,000,000 "savings" a mess of pottage.

The Washington Post says this morning:

> The Nation's Capital must go forward in growth and beauty. The destruction of the Potomac Valley would be a crime against posterity. The Government should acquire it without delay.

[Applause.]

The statements and comments referred to follow:

THE HUNDRED MILLION DOLLAR FALLACY AND THE ISSUES IN THE POTOMAC CONTROVERSY

By Miss Harlean James, secretary American Civic Association

Members of the Senate Committee on the District of Columbia and the readers of Washington newspapers have been told that if a natural park is created along the banks of the Potomac River they will lose $100,000,000—that $100,000,000 will be the price of their park. This statement was made by Major Brehon Somervell before the Senate Committee on the District of Columbia at the hearings on the Cramton-Capper bill which provides for the purchase, among other areas, of the shores of the Potomac River from Mount Vernon and Fort Washington to a point above Great Falls. Major Somervell was presented to the committee as a star witness by Elisha Hanson, attorney for the Potomac River Corporation. The organizations advocating the preservation of the shores of the Potomac in a natural park, as provided in the pending legislation, remembered Major Somervell as the district engineer who had presided over the hearings on the original application of the Potomac River Corporation to the Federal Power Commission for a preliminary permit.

What is this $100,000,000? In less than a year, merely by the use of pencil and paper, it has grown from a more modest $48,000,000. In

August of 1929 Major General Jadwin, Chief of Engineers, and at that time chairman of the National Capital Park and Planning Commission, in a letter to Mr. F. E. Bonner, executive secretary of the Federal Power Commission, transmitted the conclusions of the National Capital Park and Planning Commission favoring the acquisition of the Potomac Valley from Chain Bridge to Great Falls and the development of this area for park purposes, leaving it open for Congress at any future time to authorize the development of navigation, flood control, and power potentialities, should they become of greater importance and be justified in the public interest, and at the same time expressed his minority opinion of one in favor of power development. General Jadwin claimed a saving of $48,000,000, representing in the main the capitalization at 6 per cent of estimated yearly savings, dividing these hypothetical amounts—$10,000,000 to the District of Columbia and $38,000,000 to the two States and the country at large. The $48,000,000 savings were estimated on five counts:

1. Savings on cost of hydro less than cost of steam, capitalized at 6 per cent	$15,000,000
2. Savings by eliminating 2 bridges	3,000,000
3. Savings in the form of income taxes at rate of 2 per cent, capitalized at	14,000,000
4. Savings which power structures would produce, if navigation should be extended up the Potomac	14,000,000
5. Savings on preliminary treatment Washington water supply and value of flood protection	2,000,000
Total	48,000,000

1. Estimated savings on the differential in cost between the production of water power and steam power are extremely problematical. The Southern California Edison Co., which has long been a leading exponent of water power and which developed the San Joaquin River-Big Creek plant as a model of water-power economy, has announced the erection of a steam plant with oil and natural gas as fuel, and has stated that its future concentration will be on steam power. There is ample engineering opinion to show that the economic cost of water power on the Potomac is extremely doubtful when compared to present and possible future steam costs.

If, however, there should develop a slight saving, will that saving be sure to find its way into the pockets of consumers? In answer to questions at the Harpers Ferry hearings before Major Somervell, representatives of the Potomac River Corporation stated that they expected to wholesale their power to large users wherever they could find them, but they could make no promise of reduced rates.

This particular $15,000,000 seems rather nebulous as a figure and not destined to be a saving to this or other communities.

2. We might with equal impunity claim that the cost of the free bridges would be the sacrifice of the Potomac Valley to the dams, wires, and power houses of the power company. If this equipment should become obsolete due to greater economy of steam power, which is not without the bounds of possibility, the futile sacrifice of the beauty of the natural shores of the Potomac would prove a rather high price for two free bridges across the river—free at the expense of consumers of electricity instead of the public.

3. If there is need or use for power development, there is no reason to suppose that water-power plants would return more to the Federal Government in income taxes than steam plants, unless indeed the water-power plants cost more. The $14,000,000 capitalization at 2 per cent is not very convincing.

4. If navigation is ever extended up the Potomac, a good many years will elapse before the saving on dams and reservoirs could be taken into account. Unless water power can be developed cheaper than steam power there is no justification for building the dams and reservoirs in the first place.

5. The item of $2,000,000 in preliminary treatment of Washington water supply and the value of flood protection seems rather far-fetched.

Is it not too much to expect that the Chain Bridge Reservoir will act as a complete settling basin and at the same time serve as a reservoir to be drawn off for power purposes? As for the value of the reservoirs for flood control, in so far as they are involved at all, they would seem to offer a danger rather than security in case of breakage of the dam in years to come.

The computations by which the $48,000,000 have been raised to $100,000,000 only add to the skepticism with which really careful inquirers must meet these claims.

THE ISSUES

But there are certain fundamental issues involved. If city planning has taught us anything, it has demonstrated the importance of the public ownership of water fronts by cities and regions. The Cramton-Capper bill provides for bringing both shores of the Potomac into public ownership and control of the Federal Government. The increased taxable land values in Virginia and Maryland will repay these States for their joint half of the total expenditure to purchase and preserve the unspoiled shores of the Potomac in a natural park. The taxable value of property in Westchester County between the years of 1923 and 1928 increased from $788,029,026 to $1,500,498,473, undoubtedly closely related to the development in those years of the Westchester County Parkway system, the protection of residential property and the preservation of natural beauty.

If the shores of the Potomac are brought into public ownership and preserved, it will be within the control of Congress to authorize any other kind of water development it may believe in the public good and the Cramton bill, as it passed the House, safeguards the future by providing that the park shall not be a bar to navigation, power, or other water use authorized by Congress. But to turn the river and its shores over to a power company, just at the time when many experienced power experts believe that steam power will supersede water power under similar conditions, and allow the natural beauty of the valley to be impaired, does not seem good business, when it is realized that the damages brought about by dams, reservoirs, power houses, and high-tension transmission lines are such that essential park values are permanently destroyed.

There seems to be a good deal of misunderstanding about the kind of a park which the National Capital Park and Planning Commission has in mind. Mr. Hanson, the attorney for the power company, evidently has in mind some sort of "jazz" park which will involve the expenditure of large sums of money. The conservation organizations are interested in "preservation" of existing beauty with the development of woodland roads as a part of the outer parkway system. The handsome park promised by Major Somervell and Mr. Hanson does not meet with the specifications of Mr. Frederick Law Olmsted and Mr. J. C. Nichols, who have spent their lives in learning how to make the most of natural beauty. The park offered by the power sponsors falls far short of the park authorized by the Cramton-Capper bill now being considered by the Senate committee.

We can not have the advantages of a marvelously beautiful capital city, adorned with stately buildings of architectural excellence and surrounded by ever growing residential environs attracting home owners because of their unmarred beauty and natural parks and parkways, and at the same time develop power reservoirs with their artificial and changing shore lines and the inevitable industrialism following the availability of great volumes of power which must be sold in the open market. We must choose the character of our Federal city and hew to the line of a consistent development.

[From the Evening Star]

A HUNDRED MILLION DOLLARS

One hundred million dollars is a good, round sum. Sock the average citizen between the eyes with the mention of $100,000,000 and he becomes dazed, his head goes into the clouds, and he experiences some difficulty in seeing because of the fog. For those who write their income tax in two figures and a decimal point $100,000,000 becomes one of those things that people know exists because they have been told it exists, like the Einstein theory or the new planet. They reverence it accordingly.

The power interests, therefore, have disclosed their ace in the hole in the testimony from the United States engineer for this district, Maj. Brehon Somervell, that by permitting power development of the Potomac at and below Great Falls the more or less downtrodden taxpayers will save themselves $100,000,000. The sum is staggering, and the Engineer Corps of the Army is accurate and impartial.

This saving has been mentioned before in a report from a former Chief of Engineers of the Army, in this case the minority member of the National Capital Park and Planning Commission. In a minority report dissenting from the majority view of the 10 other members of the commission, General Jadwin favored power development as against park development of the upper Potomac, setting forth, with other reasons for favoring the former, the immense savings that would result to the people.

The American Civic Association, of which Frederic A. Delano—who also is chairman of the National Capital Park and Planning Commission—is president, takes issue with the $100,000,000 savings figure submitted by Major Somervell. The association points out, first, that the total figure is the capitalization of annual hypothetical savings from such items as the cost of hydro power compared to steam power; return in taxes; savings in construction work that the dams, etc., would represent if navigation were extended up the Potomac; savings on the preliminary treatment of Washington's water supply; and the savings that would be represented by bridges across the dams instead of the bridges that otherwise would have to be built.

The association points out that it is not certain that all these savings would represent savings to the taxpayers. Public-utility corporations do not always seek to pass on their savings to the people. And the association finds that there is room for argument as to the manner in which the figures themselves are computed.

But this dispute over the $100,000,000 is beside the point. Let us keep it. One hundred million dollars is a nice thing to have around.

The issue that divides opponents and proponents of the Cramton bill, which seeks to save Great Falls and the Potomac for park development, is whether the river should be given over now to private power development by private interests or whether it should be held by the people

against the time that they may see fit to undertake this development of a great source of power and profit themselves.

The Cramton bill does not shut out the possibility of future development of the river for power and navigation purposes. It proposes the purchase of the river shores for a natural park and the retention of river rights until necessity demands their commercialization.

If the power interests are willing to present the people of the United States with a park, bridges, roads, and other embellishments in return for the use of the Potomac, it is obvious that their own "savings" from such use will far outweigh the mere bauble that will consist of the artificial park.

The Potomac is a birthright and the $100,000,000 "savings" a mess of pottage.

NATIONAL CAPITAL PARK AND PLANNING COMMISSION,
April 1, 1930.

Memorandum for the press: Subject, Potomac power project.

In his statement before the Senate Committee on the District of Columbia, Major Somervell, the United States district engineer, appearing at the request of the power company which has applied for a permit to exploit the Potomac River Valley above Chain Bridge, stated that "the adoption of such a park involves a waste of over $100,000,000 of the public's resources."

Just what this had to do with the bill then before the committee for consideration (H. R. 26) he was not able to make clear, as the bill explicitly reserves the right of Congress at any time to adopt any power, navigation, flood control, or irrigation project it may at any time find to be in the public interest; indeed, the only justification he and the attorney for the power company could urge was the fear that, once the upper Potomac Valley shall have been acquired by the Government and made accessible to the public, its well-known scenic value and its possibilities as a playground for the public would be recognized and create such a strong public demand for its continuance as a park as to prevent power development from ever being permitted. However, $100,000,000 is a large sum, large enough to appeal to the imagination, and the fact that his statement in regard to this sum has been prominently featured in some of the important local papers, seems to demand a denial of the conclusion, or at least a critical examination of it, lest there appear to be in this case an example of one of the most harsh criticisms made of us by a British traveler many years ago, "In America nothing succeeds like excess."

The basis for the $100,000,000 is difficult to find. I have added together the headings in Major Somervell's report of December 20, 1928, enumerated just after he mentions this sum, and find they total $77,000,000, although elsewhere in the body of the report he mentions an item of taxes which he works by recourse to compound interest up into the sum of $150,000,000! On the other hand, the amount was first given to the National Capital Park and Planning Commission as $61,000,000; while in his opinion, dissenting from the views of all the other members of the National Capital Park and Planning Commission, General Jadwin puts the possible value of the power project at $48,000,000, and this was understood to be based on Major Somervell's report. So evidently the amount is somewhat elusive, somewhat like the arithmetic of the hurried husband who spoke crossly to his wife about the delay in breakfast: "I want my breakfast now. I have had nothing to eat since yesterday, and to-morrow will be the third day."

But there is no need to be so precise, and since the same elements must enter into any such calculation let us take the $48,000,000 which is itemized in General Jadwin's so often-published statement. The same remarks as to these individual items will apply to them, however large the amounts, with the application of a suitable multiple. General Jadwin enumerates "the various potential values which would inure to the financial benefit of the people," and about which an honest difference of opinion exists, as follows:

(a) Savings on production of hydro power instead of steam power, capitalized on a 6 per cent basis at	$15,000,000
(b) Savings by elimination of 2 bridges	3,000,000
(c) Savings in the form of income from taxes at the rate of 2 per cent, capitalized at	14,000,000
(d) Savings which the power structures would produce if navigation should be extended up the Potomac River, amounting to	14,000,000
(e) Savings on the preliminary treatment of the Washington water supply, and estimated value of flood protection	2,000,000
Total	48,000,000

Item (a) is evidently based, and can only be based, on the computed differential between the cost of steam and water power. Major Somervell's own figures for the cost of water power vary for different methods of treatment between 5.57 and 6.12 mills per kilowatt-hour, assuming full development and sufficient market to utilize the completed final installation; pending such full development and using a combination of water and steam power he finds the unit cost would be 8.03 to 8.14 mills; but he uses 5.65 mills per kilowatt-hour for the comparison.

With this amount he compares 6.95 mills as the unit cost for steam-generated power, although he believes it must be costing more than 8 mills, in spite of the Potomac Electric Power Co.'s figures indicating a cost of 6.51 mills for 1929 and an anticipated 5.915 mills in 1933. The table of steam-plant costs used in the report shows several below 6.78 mills and one down to 5.12 mills per kilowatt-hour, while there is good reason to believe that some particularly favorably and recently built steam plants are producing power on a large scale at as low a cost as 4.5 mills, or even less. There has been a tremendous improvement in steam-plant machinery within the last few years, and the differential between hydro and steam, on which he bases his conclusions, even if it were acceptable to-day, will no longer be correct by the time any such extensive power project can be built. Indeed, this differential is so small in any case as to be within the margin of error of the basic figures.

Moreover, a careful reading of the above figures will show to what extent there being any saving at all depends upon the assumptions made, not only as to operating costs but also as to market, character of load, etc. His own figures show that during the development by successive steps the cost of hydro and steam will likely be greater than the present cost of steam alone. It seems hardly necessary to question any of the assumptions on which the unit costs are based, they themselves do not justify any such conclusion as he has reached.

Finally, the Potomac River is a very flashy stream, with a flow varying between wide limits. Consequently, a disproportionately large reservoir capacity must be developed to equalize the flow for large-scale power development, so that the proposed power project has a disproportionately large first cost, $280 to $322 per kilowatt installed, whereas a good average would be $175 to $200. This alone justifies the belief that, unless unusually favorable conditions for generating and distributing the power exist, and no one has found that they do exist, the water-power project will not be profitable.

(b) Justification for counting any saving for eliminating two bridges is doubtful. There is already evidence that these bridges can be built without cost to the Government, as toll bridges, if permitted. If the cost of providing the crossings is included in the power-project development, it will be paid by the power consumers. It is hard to see any special benefit in shifting the burden to the latter. And then, if the bridges are built by the Government or by private toll-bridge companies, they will be placed so as to meet the best interests of traffic. If built as part of the power project, they will be located to meet the best interests of the latter and ignore traffic convenience as far as necessary.

(c) As to taxes, if the project is not fully developed or the market is insufficient to make the project pay, there will be no such large amount of taxes paid. On the other hand, if the power is needed and is developed by new steam plants, the taxes will be paid anyway.

(d) Navigation can be developed on the Potomac when needed irrespective of power and should stand on its own feet—float on its own keel. As the principal freight for which a navigable channel would be advantageous is coal, and as one of the arguments for the hydropower development is that it will largely eliminate the use of coal, there will be little value in navigation when the power project gives this help.

(e) The saving in treatment of the Washington water supply is very doubtful. In fact, it would appear that the proposed power project actually will set up water rights inconsistent with the future needs of the region about the National Capital. If the population and the per capita consumption continue to increase as in recent years, the water requirements of the area will exceed the total supply of the readily available sources, including the Potomac River, before the expiration of the power company's permit. Verbal conditions inserted in the permit may be found not to help much to satisfy the water supply needs, because past experience shows clearly that water rights once established and put to beneficial use are hard to recover, and the people will be put to the great expense of constructing and operating pumping plants to lift the water from the river below Chain Bridge. If, as suggested by the counsel for the power company, large industrial communities develop in the meantime above the District line to utilize the power, they will probably increase the cost of purifying the water so pumped. The assumption that the water demand will continue to increase at the present rate is not sound, but it is the only measure we can apply to estimate the probable future needs and is the very same used by Major Somervell to justify his probable power use.

The value of flood protection is problematical and probably more than equalized by the added risk of storing such large quantities of water so close to the city.

Some other considerations make it difficult to accept Major Somervell's figures. His capital investment is based on the same land values used for the upper valley by Major Tyler's estimate in 1923—the land will undoubtedly cost more now, especially since some of the owners may be convinced by his statements as to the great value of this land for power purposes. Then the differential between water and steam power is based on his assumptions and computations for costs in Washington, D. C. If the market for the power is not found here but must be sought elsewhere, then the cost of water power must be materially increased by the cost of distribution at a considerable distance, including heavy lines expensive to build and maintain and inevitably increasing leakage losses, whereas steam plants can be built where the market is and this added cost saved.

From the foregoing it should be evident that the $100,000,000, or $48,000,000, or whatever the sum may be, is not as sure as the spokesmen for the power company would make it appear. While it is not desired to suggest any doubt of the applicant's altruism and patriotic motives in seeking this permit, the question naturally arises why does this company want to put its money into such a doubtful venture? The answer is perhaps in the search for new worlds to conquer or in some condition that makes this last missing link in the eastern superpower not particularly tempting to a western firm. Certainly there is no great economic advantage per se, since the Potomac Electric Power Co., a very progressive company furnishing excellent service at a very reasonable cost to the consumer, has owned some critical property at Great Falls for a long period of years with the desire to be in a favorable position when water power should prove worth while. To its officials this time does not yet seem to have arrived.

The foregoing considerations have forced me to conclude that Major Somervell is mistaken in his estimate of the value of the power development, even though he is as sincere and as convinced himself as a prospector with a newly discovered gold mine; but whatever weight may be given by individual opinion to his estimates on power values, he is certainly not an authority on parks, and on this subject the Government has the matured opinion of the Nation's most experienced minds, backed up and indorsed by an array of educated opinion and public-spirited organizations that have never before been unanimously back of any measure relating to the National Capital. The way of true conservation would evidently be for the Government to secure the land in the public interest and then use it in whatever way may be found best.

After attending the hearing on the Capper-Cramton bill, H. R. 26, on Friday afternoon, March 21, 1930, the National Capital Park and Planning Commission decided upon the following statement which it is hoped will be considered by the Committee on the District of Columbia in connection with the statements of the applicants for a power permit and the United States district engineer office:

The effect on the status of the Potomac gorge region of passing the Capper-Cramton bill with the Dempsey amendment would be to make possible the acquirement by the Government of complete control of the land, postponing until Congress acts on the matter further any decision as to the precise combination of uses, in addition to park uses, to be provided for therein and the precise method of combining those uses.

Wide differences of opinion have been expressed in various quarters as to what will be the most expedient combination and manner of combination of such uses, including improvement of water supply, development of navigation, development of power, development of highway crossings, and development of park uses. But whatever combination may be decided on, it is obvious that the aggregate values can not be attained from any combination unless the intricate details of the combination are worked out by some one consolidated agency so constituted that it will not be under temptation to sacrifice values of one kind for the sake of values of another kind. To intrust the details of such a complex combination to a private power company, even subject to a measure of supervision by Government bureaus, would obviously put a premium on sacrificing park values and navigation values to power values.

The power company, naturally enough, would much prefer to have a decision made now by Congress that the area is to be devoted primarily to power development, that the power company may acquire the land and that it shall decide, subject to some measure of approval of details of its plans by governmental agencies, what concessions it shall make toward providing for incidental use of the area for water supply, for park purposes, and for future improvements of navigation. Fear has been expressed both by the representatives of the power company and by the officer who has investigated the matter for the Federal Power Commission that if the Capper-Cramton bill is passed and the land is acquired under that bill and made available initially for park purposes, insuperable obstacles may arise to the development of power there.

These fears appear to be based in part on the possibility that Congress might decide, after the Government acquires the land, to authorize extensive and costly park improvements planned in disregard of the possibilities of power development; in part on the possibility that Congress might authorize a combined development for navigation, power, and park use under governmental control instead of under the control of a private power company; and in part, perhaps, on the general possibility that if the public once gets full control of this area, in the absence of a preexisting power development, public opinion and the opinion of Congress will become more adverse than at present to the sacrifice of its park values to its power possibilities and more adverse to making a power company the controlling factor in determining its development.

It appears to this commission that the one safe course is for the Government to attain complete unified control of the land in question, and during or after the acquirement of such control to work out a plan and policy for its development satisfactory to Congress. That course the Capper-Cramton bill, as amended, provides for, and for that reason has the approval both of the Federal Power Commission and of the National Capital Park and Planning Commission.

U. S. GRANT, 3d,
Director National Capital Park and Planning Commission.

[The Washington Post, Thursday, April 3, 1930]

POTOMAC VALLEY

Congress is asked to decide at this session whether or not it will enact the Capper-Cramton bill, providing for the acquisition by the Government of lands along the Potomac River, including Great Falls, to be developed as a part of the park system of the National Capital.

An effort is made to induce the Federal Power Commission to permit a private corporation to explore the possibilities of Great Falls region for power development. The Army Engineer in charge of the Washington area has suggested that the failure to utilize the power resources of the Potomac River would involve a waste of $100,000,000.

Obviously it is assumed by the power interests that if the Government should acquire the lands in question and should proceed with park development it would be difficult, if not impossible, to obtain a franchise for private power development.

Col. U. S. Grant, 3d, vice chairman and executive officer of the National Capital Park and Planning Commission, combats the arguments made by Major Somervell, Army Engineer officer of this district, in behalf of the corporation which seeks to obtain a permit to explore the power possibilities of the Potomac.

Colonel Grant points out that the Park and Planning Commsision is not opposed to the development of power, if Congress should decide later to approve such a project. He insists, however, that the Government should acquire the lands in question, so that it may go forward with the development of the National Capital, and be in a position to decide the power question later, in the light of the public interest.

The preservation of the Potomac Valley, primarily as a park adorning the National Capital, is a national duty. No other capital in the world possesses a natural park comparable with the gorge and Great Falls of the Potomac. It is a priceless heirloom of the public, and merely needs preservation to constitute a matchless setting for the city that is destined to be the pearl of cities. Congress would be foolish, indeed, to involve the Government with a private corporation in a controversy over power rights in the Potomac, to the detriment or destruction of the area as a national park.

The Government should not lose any further time in acquiring complete control of the entire Potomac Valley and Great Falls. It will then be in a position to determine both park and power questions. But if it fails to acquire the lands now the cost of acquisition later will be enormous, and there will be risk of losing a public heritage.

The taxpayers of Washington cherish the hope that Congress will provide a more equitable arrangement for financing the District government, but it is better and cheaper for the District to assume its share of the present cost of the park lands than to postpone the project. The Nation's Capital must go forward, in growth and beauty. The destruction of the Potomac Valley would be a crime against posterity. The Government should acquire it without delay.

SAMUEL ROBINSON

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to proceed out of order for three minutes.

The SPEAKER. The gentleman from Alabama asks unanimous consent to proceed out of order for three minutes. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Speaker and Members of the House, I sometimes think we are justified in pausing in our actual deliberations on this floor to pay a short tribute of respect and admiration to some faithful and capable subordinate of the House of Representatives employed in the Government service. It has been casually brought to my attention that to-day is the fiftieth anniversary of the beginning of the service under the Government of the United States of Mr. Samuel Robinson, the CONGRESSIONAL RECORD messenger of the Government Printing Office to this House. [Applause.]

Fifty years ago he entered the service of the Government in the Government Printing Office, and for the last 49 years has been cooperating with the Members of the House of Representatives in securing proper delivery and correction of the manuscript of speeches made on the floor of the House. All of you have had occasion to observe his capable, diligent, and faithful service.

It is no small thing for any man for a period of half a century to have devoted his service, his time, his talents, and his ingenuity to the faithful discharge of the very responsible duties of his position, and I am sure that I voice in these sentiments the feeling of the entire membership of the House of Representatives in paying a tribute of respect and admiration for our old friend Sam for his faithful and efficient service, and in praying that he may be spared for many years to continue in that responsible trust.

This is not said as a valedictory, because I am sure you will agree with me that Old Sam has still a pair of the most gallant and capable legs of anybody in the service of the Government. He is still going strong. My friend JACK GARNER referred to him as the "Old War Horse" of the House. [Applause.]

I am pleased to have the privilege of making this short statement of our appreciation of the valuable services that this gallant old gentleman has rendered to the House of Representatives and to the Government. [Applause.]

THE CAPPER-KELLY BILL

Mr. MICHENER. Mr. Speaker, this is Calendar Wednesday, is it not?

The SPEAKER. Yes.

Mr. MICHENER. There is a bill on the calendar, H. R. 11, known as the Capper-Kelly bill, favorably reported by the Committee on Interstate and Foreign Commerce. As I understand it, the Committee on Interstate and Foreign Commerce has the call to-day. That committee called up its last bill to-day at 3.30 o'clock, and last Wednesday it adjourned at about the same hour.

I want to ask the members of that committee why it does not call up this bill when it has an opportunity, inasmuch as the bill is on the calendar?

Mr. MAPES. Mr. Speaker, as one member of the committee I am personally very much in favor of the legislation to which the gentleman refers. I notice the chairman of the committee, probably thinking that the work of the committee is over for the afternoon, is temporarily out of the Chamber. I wonder if my colleague who has asked the question desires the bill to be brought up and passed. Personally I would be glad to see it brought up and passed.

Mr. MICHENER. I will say to the gentleman that this is a bill about which there has been more propaganda than perhaps any other bill this session. Everybody has been receiving letters of inquiry concerning it, and the Committee on Interstate and Foreign Commerce, which is a very careful committee, has had it under consideration for a number of years. Every day men come to my office because I am a member of the Committee on Rules and insist that the Committee on Interstate and Foreign Commerce is ready to bring this bill up at the first opportunity, but that they must have a rule. I have been telling those gentlemen that the Committee on Interstate and Foreign Commerce would have two days to consider bills. That committee has had two days. They adjourned last Wednesday and did not call up the bill, and they have left off this afternoon at 3.30 o'clock without calling it up. I would like to know if the committee wants a special rule for the consideration of the bill, in order that the bill might be considered.

Mr. MAPES. Has the gentleman told those people who called at his office that he is in favor of a rule to make the consideration of the bill referred to in order?

Mr. MICHENER. I told them that if this was such important legislation as to receive special consideration, I would favor the bringing in of a rule, but that the committee evidently did not intend to call it up and did not consider it important; otherwise they would not give a whole day away when they had an opportunity to call it up. Is it simply a question of "passing the buck"?

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

Mr. MICHENER. Certainly.

Mr. MAPES. Of course, the gentleman, as a member of the Commitee on Rules and one very familiar with the rules of the House, knows that legislation that is brought up on Calendar Wednesday by any one committee can not have more than two days for consideration; that is, that the committee can not use more than two Calendar Wednesdays for legislation on those days. The Committee on Interstate and Foreign Commerce has had two days, and during those two days I think it has called up 6 or 7 or possibly 8 very important pieces of legislation.

The gentleman has called attention to the fact that the business of the committee to-day was completed at 3.30, but the gentleman knows that it would be a farce to call up the Capper-Kelly legislation at this hour on the last Calendar Wednesday at the disposal of the committee. The gentleman also knows that no bill can be called up on Calendar Wednesday by anyone unless the committee reporting the bill specifically instructs either the chairman or some member of the committee to call it up.

My understanding is that no such action has ever been taken by the Committee on Interstate and Foreign Commerce in regard to this bill, it being the thought, I think, of those in favor of the legislation that it was of such importance and of such character that it should be given more time for consideration than the Calendar Wednesday rule provides. The Calendar Wednesday rule limits general debate on a bill to one hour for the legislation and one hour against it. This legislation is important. It involves a new principle in the law, and I am glad to know, and I take it from the gentleman's interrogatory of the Speaker that as a member of the Committee on Rules he is going to be a very ardent advocate of a rule to bring the bill on the floor and have it considered by the House of Representatives, now that we are not particularly busy and crowded with other legislation.

Mr. MICHENER. Answering my colleague, let me say that we appreciate the information. This is the first time I ever knew that a committee considered the number of bills passed the standard by which it judged its accomplishments on its two Calendar Wednesdays. When an important piece of legislation is reported by a committee and placed on the calendar and the committee does not consider it of enough importance to even take action in the committee with reference to bringing it up, and then adjourns on two consecutive Wednesdays in the middle of the afternoon, it seems to me the committee will be in a poor position to ask for a rule.

Mr. CRISP. Will the gentleman yield?

Mr. MICHENER. I yield.

Mr. CRISP. Simply for the purpose of keeping the RECORD straight, I desire to supplement the statement of my friend from Michigan [Mr. MAPES] as to the committee on Calendar Wednesday only having two Wednesdays. That is true. But the rule goes further and says if a committee calls up a bill and has had two Calendar Wednesdays and the bill is not concluded by a vote of the House they can have an additional Calendar Wednesday to consider that particular bill, if it was unfinished during two Calendar Wednesdays.

The SPEAKER. The Chair does not know whether he is justified in permitting this academic discussion or not in face of the order of the House giving the floor to the gentleman from Texas [Mr. PATMAN] for 30 minutes. The Chair will not object, but will state that this discussion is entirely out of order.

Mr. BANKHEAD. Mr. Speaker, in order to relieve the Chair of any embarrassment I demand the regular order.

Mr. MICHENER. Mr. Speaker, I desire to submit a unanimous-consent request.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. I ask unanimous consent that if agreeable to the Committee on Interstate and Foreign Commerce the Capper-Kelly bill may be the order of business on Saturday next.

The SPEAKER. The gentleman from Michigan asks unanimous consent that the order of business on Saturday next shall be to consider the so-called Capper-Kelly bill. Is there objection?

Mr. MAPES. Mr. Speaker, reserving the right to object, and I do not intend to object, I am for the legislation. I thank the gentleman from Georgia [Mr. CRISP] for the statement which he made, and I may say further that it is the duty of the Committee on Rules to determine the relative importance of legislation on the calendar.

The Committee on Interstate and Foreign Commerce performed its duty when it reported this legislation to the House. It is on the calendar and it is the province of the Committee on Rules to determine whether it considers this particular piece of legislation of enough importance to report a rule and have it considered by the House.

Individually, as I say, I am in favor of the legislation, and I shall be glad to have the request of my colleague agreed to.

Mr. BURTNESS. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Michigan [Mr. MICHENER], in the event consent is granted, under what rule would the bill be brought up for consideration on next Saturday?

Mr. MICHENER. Under the general rules of the House.

Mr. BURTNESS. How much debate would be permitted on behalf of the proponents and on behalf of the opponents?

Mr. MICHENER. That matter would be controlled entirely by the general rules of the House.

Mr. BURTNESS. The gentleman from Michigan is an expert on the rules of the House and I am not. I would like to know how much time would be allowed?

Mr. MICHENER. Mr. Speaker, in view of the fact that our colleague from Texas has some time this afternoon, under a special order, I do not want to take more time, and I will withdraw my request for the present.

THE FEDERAL POWER COMMISSION

Mr. ARENTZ. Mr. Speaker, I ask unanimous consent to proceed out of order for two minutes.

The SPEAKER. The gentleman from Nevada [Mr. ARENTZ] asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. ARENTZ. Mr. Speaker and Members of the House, in view of the fact that this is legislative day for the Committee on Interstate and Foreign Commerce, and in view of the fact that Mr. CRAMTON mentioned the fact that Major Somervell estimates that the development of power at the Potomac River is worth one hundred million to the public in and adjacent to

Washington, I think it is important to bring to the attention of the Committee on Interstate and Foreign Commerce the fact that the President of the United States in his message suggested to the Congress that it consider a bill for the reorganization of the Federal Power Commission.

The Federal Power Commission, as the gentlemen understand, has consideration of all power licenses throughout the United States. If the Potomac River is valued at $100,000,000 to the people of the District of Columbia, what is the power throughout the United States worth? I think, my friends, it is well worth while that the Committee on Interstate and Foreign Commerce, in this session of Congress, report out a bill for the reorganization of the Federal Power Commission, so that we can have strictly up-to-date cost sheets of the different licensees as to the construction of their plants.

Mr. MAPES. Will the gentleman yield?

Mr. ARENTZ. I yield.

Mr. MAPES. I do not speak for the Committee on Interstate and Foreign Commerce, and I do not want to assume to do so, but I happen to know that a bill is under preparation to accomplish the purpose which the gentleman has in mind, and will be considered by the Committee on Interstate and Foreign Commerce and, I think, reported to the House before this session of Congress adjourns.

Mr. ARENTZ. I am glad to know that.

Mr. MAPES. As the gentleman knows, the Committee on Interstate and Foreign Commerce has before it a great deal of important legislation. It meets practically every day in the consideration of important legislation, and all of these things can not be attended to at once.

Mr. TILSON. Mr. Speaker, in fairness to the gentleman from Texas, who so graciously yielded in order that yesterday might be used for the tariff bill rule, I shall insist upon the regular order until the gentleman from Texas has had his opportunity. [Applause.]

PAYMENT OF VETERANS' ADJUSTED COMPENSATION

The SPEAKER. The Chair recognizes the gentleman from Texas [Mr. PATMAN] for 30 minutes. [Applause.]

Mr. PATMAN. Mr. Speaker and gentlemen of the House, I want to talk a few minutes this afternoon on paying the adjusted-service certificates that are now held by ex-soldiers throughout the United States. I have prepared some extracts from petitions and letters. The names are not given except possibly in some few cases. I ask unanimous consent that I may insert those in the RECORD without being required to read them, in order to shorten the time.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, I did not understand about these petitions.

Mr. PATMAN. I have some short extracts obtained from petitions relating to this legislation. They do not contain the names of the petitioners.

Mr. SNELL. I do not think it has been the general practice of the House to insert these petitions in the RECORD. There is a place for filing them, in the Appendix of the RECORD. I have no objection to that but I do object to printing them in the gentleman's speech.

Mr. PATMAN. It will shorten the time. I can read them, because it will not take long.

Mr. SNELL. The gentleman could not read them if some Member objected, but I shall not object.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, the main points of my speech may be summarized as follows:

First. The ex-soldiers' adjusted-service certificates do not represent a bonus; they represent a debt the Government has confessed is due the ex-soldiers for adjusted pay based upon service rendered.

Second. The Government admitted the soldiers were not paid a sufficient amount for their work—not patriotism—in proportion to what others received not in the service. Therefore, the adjusted-service certificates were authorized granting each soldier additional pay amounting to $1 a day for home service and $1.25 per day for service oversea.

Third. The adjusted pay was due during the service, or June 5, 1918—a date which represents about halfway of the beginning to the end of the emergency period.

Fourth. According to the present arrangement 90 per cent of the ex-soldiers who have certificates of value are borrowing on their certificates from the Government. They are paying 6 per cent interest for their own money for which they are receiving 4 per cent interest. The difference in interest rate will practically destroy the value of the policy after the first and subsequent small loans.

Fifth. It is not right for the Government to require a needy soldier to pay $2 for every $1 he receives from the Government.

Sixth. Only about 100,000 ex-soldiers have connected their physical disability with the service and are drawing compensation. The payment of these certificates would benefit more than half a million ex-soldiers who are disabled and who can not connect their disabilities with the service

Seventh. Congress adjusted the pay of the railroads to the amount of $1,600,000,000, also adjusted the pay of war contractors to the extent of more than $2,000,000,000. These amounts were paid in cash; the parties were not asked to take a post-dated check or a due bill marked nonnegotiable.

Eighth. Congress has an opportunity now to equalize the burdens of the last war by placing a tax on multi-millionnaires who are in possession of these enormous war profits and cause the payment of these certificates. If the United States will place the same tax on the fortunes of the multi-millionaires that is now levied by England, this debt can be paid in two or three years' time from that source. That will be carrying out the policy of making the war contractors who profited from the country's misery and misfortune pay this just debt due the ex-soldiers.

Ninth. The Secretary of the Treasury, Andrew W. Mellon, opposes the payment of this debt. His personal fortune has become so enhanced in recent years that it will not be long if it continues to increase that he will look upon every request for an appropriation from the Government as a personal matter. His income is estimated to be from his private fortune, $100,000 a day or $30,000,000 a year. He offers to employ men in his principal industry at 38 cents an hour with the requirement that they must be in good physical condition, between 21 and 45 years of age, and work 10 hours a day.

Tenth. The payment of these certificates will bring immediate prosperity to the Nation. It will be carrying out a policy of the Government taking care of an obligation in a satisfactory way.

Eleventh. Income-tax returns disclose that the number of individuals in the United States making net incomes of $5,000,000 or more a year increased more than 100 per cent the past year. The number making less than $5,000 decreased by a large percentage.

Twelfth. Many Members of Congress claim that the ex-soldiers will squander the money. I believe that 99 per cent of them will use it for a good purpose. I hope the ex-soldiers of this Nation will write their Congressmen and Senators their views on this matter regardless of what they are.

Thirteenth. Many Members of Congress claim that the ex-soldiers do not want these certificates paid; that they prefer the certificates in their present form to be payable upon death or 20 years after their issuance. I hope the ex-soldiers will write their Congressmen and Senators their views on this matter regardless of what they are.

Fourteenth. Our Government is paying shipping companies at the rate of $7,000 to transport a pound of letters in order that these companies may use the money to build transports to carry our young men across the seas to fight in the event of war.

Fifteenth. Our Government has given foreign countries $10,000,000,000 the past few years; one-fifth that amount will pay the adjusted-service certificates.

Sixteenth. Millions of dollars will be saved annually in administration expenses if the certificates are paid now.

Mr. Speaker, contrary to the opinions of many people, Congress has never passed a soldier bonus bill for World War veterans and issued a certificate for its payment. Congress did, during the year 1924, pass a bill which had for its purpose adjusting the pay of veterans of the World War. Congress decided that the soldiers of this war did not receive compensation for their services in proportion to the amount received by people in civilian life. Therefore in 1924 a bill was enacted into a law which confessed for the Government a debt due to each ex-service man equal to $1 additional pay for each day of home service and $1.25 per day for oversea service. Congress, however, contrary to the policy of the Government in such cases, did not provide for the immediate payment of this debt that was so confessed but did provide for the issuance of what is known as adjusted-service certificates to all ex-service men and women who were entitled to receive them. Each certificate represents the amount due the veteran on the basis of pay above mentioned plus 25 per cent and 4 per cent interest from January 1, 1925, the total amount payable at death or January 1, 1945.

Congress had, in February, 1919, passed a law which gave to each ex-service man $60 additional pay upon discharge, considered to be an amount sufficient to purchase a civilian suit of clothes, the soldier having given his civilian clothing to the Red Cross when he entered the service. This $60 was paid soon after the armistice was signed and was authorized to be given

to the major general, who received $8,000 a year with additional allowances as well as the soldiers who served in the rear rank.

When the adjusted-service certificate law was passed the ex-soldiers receiving these certificates were required to account for the $60. In other words, to pay it back. The officer who drew $8,000 a year was permitted to keep his $60 and make no return to the Government, although such an officer did not receive an adjusted-service certificate, Congress not feeling that such an officer was entitled to have his pay adjusted.

Two of the objects of the adjusted compensation bill, as stated in the committee's reports, were as follows:

That it should represent an amount approximately equal to the difference between what the soldier received and what he should have received.

That it should confer substantial benefits upon the soldiers.

I submit that the adjusted compensation law in actual operation is not conferring substantial benefits upon those who are greatest in need or to a majority of the holders of said certificates. The benefits of such a measure should be based upon its service to the largest number.

Practically 100 per cent of the ex-soldiers in need of money have borrowed on their policies and will continue to do so. The Government is giving the ex-soldier 4 per cent interest for his money, but is charging him 6 per cent interest compounded annually for every dollar of his own money loaned to him, never giving to him a sufficient amount in a lump sum to be of real assistance. After the initial small loan is granted the holder of a thousand-dollar certificate can not average getting more than $2 a month thereafter on a loan or otherwise—the average certificate is for the sum of $1,014.11.

Let us see what the average ex-soldier gets in the way of actual money from one of these certificates. We will assume a case where the soldier borrows the maximum amount each year and repays none of the principal. This is a typical case. We will assume that the certificate was based upon the age of 35 years. The soldier received his certificate January 1, 1925. He could not borrow anything on it until the 1st of January, 1927. The certificate was for $1,000, and on January 1, 1927, he borrowed the limit allowed by law—$88.15. Many ex-soldiers are now paying 7 per cent interest or more on amounts borrowed on the certificates. No other loan was permitted on this certificate until January 1, 1928, at which time the soldier was allowed to borrow $32.09 additional, $5.29 was required to pay interest on the old loan at 6 per cent, which would make the net amount in cash received by the veteran $26.80.

On January 1 of each year the ex-soldier is allowed to borrow an amount, and, after paying the interest on the old loan, presuming that it does not amount to more than 6 per cent, and in no case will it be less, he will receive each year in cash from $26.80 on January 1, 1928, to $19.28 on January 1, 1944. At the expiration of the 20 years the ex-soldier, presuming that he will not be required to pay more than 6 per cent interest, will have actually paid out in interest on the certificate $478.28, but will have received in cash at different times the total sum of $475.72. The Government will then give him $46 in cash and he will be fully paid and his certificate canceled. There can be no mistake about this information, as it has been verified by figures furnished by the United States Veterans' Bureau.

It will be noticed that the ex-soldier will not at any time receive a sufficient amount in a lump sum to be of any assistance to him or to his family. The Government even makes it a violation of the law for him to sell the certificate to some one who would be willing to give a lump sum for the certificate based upon proper deductions for interest.

The Government is spending money each year, paying compensation to ex-service men, about 100,000, who have been able to connect their disability with their military service.

I believe that there are in the United States one-half million ex-service men in needy circumstances and who are disabled, who are not drawing one penny of compensation from the United States Government because of their inability to connect their disability with their military service. When one suggests that the Government has been very liberal with the ex-soldiers it should be remembered that such liberality has been confined to those who could directly connect their disability with their military service. The ex-soldier who is 100 per cent disabled, with a wife and children to support, who can not show by medical testimony that his disability is connected with his military service does not draw one penny from the Government as compensation or otherwise. Certainly it is right that such a soldier should be paid the amount that the Government of the United States has confessed that it owes him.

There are hundreds of thousands of ex-soldiers in the United States to-day who are out of employment or not making a sufficient salary or wage to comfortably provide for themselves and family. They are going without the necessaries of life, and their loved ones are suffering from the want of proper food and sufficient clothes. The Government owes these soldiers what is to them a large sum of money. Since the Government has confessed the debt, I see no reason why payment should be withheld.

There are hundreds of thousands of ex-soldiers of this Nation who are neither poverty stricken nor disabled, but who are barely getting by, so to speak. The Government owes these soldiers what is to them a large sum of money. If this debt were paid like all other Government obligations have been paid and like an individual is required to pay his debts, these men would have a sufficient amount to go into business for themselves, to make the first payment on a home, to pay their debts, to pay the outstanding mortgages on their homes and household goods upon which they are paying 10 per cent interest or more, or they would be in a position to spend this money for various and sundry purposes. None of it would be hoarded. All of it would be placed in immediate circulation. There would be an immediate demand for necessaries, comforts, and even a few luxuries of life. Business would therefore be helped and the public welfare promoted.

I have talked to many Members of Congress about the passage of a bill to pay these certificates. Three main reasons are assigned by a large number of the Members for not being enthusiastically in favor of such a measure. One reason is that the soldiers themselves do not desire the payment to be made, that they prefer the insurance form represented by the certificate. The second reason is that the soldiers will squander the money, which they say should not be permitted. The third reason is that the Government is not able financially to take care of these obligations, at this time.

I believe that the soldiers of the Nation want the Government to pay them what it owes. Since I introduced a bill providing for this payment, several months ago, I have received hundreds and thousands of letters from all over the United States from people, many of them not ex-soldiers, commending its passage. It causes one to be sad to read the many appeals from destitute and disabled soldiers from all over the Nation, pleading that their Government pay to them what it has confessed is due. I hope that every ex-soldier in this Nation who would like for the Government to pay the certificates will communicate with his Congressman and Senators and let them know their wishes and, if they desire to do so, to tell their Representatives whether they will squander the money or use it for a good purpose.

In answer to the claim that the ex-soldiers will squander their money if paid to them, I have only this to say: The money belongs to them. It is for a service rendered. It is just as much due, as so confessed, as the laborer is entitled to his daily wage at the end of the day or week. If the ex-soldiers squander this money, there is no more reason for one to complain than if the ex-soldiers squander the money that they earn in civilian life.

Why should the Government insist on being the guardian for all the ex-soldiers and thereby prevent them from spending their money and not insist upon being the guardian for anyone else? By withholding payment the Government is making millions of dollars annually loaning the ex-soldiers their own money. Never before in the history of our Government has Congress withheld a payment because it was claimed that the recipient might not use the money for a good purpose.

With reference to the Government's ability to pay these certificates, in the first place, I would recommend the passage of a bill that would give to each certificate holder a payment in cash in full satisfaction of his certificate or a lump-sum payment. I would recommend that the lump-sum payment be based upon what the Government has confessed is due the soldiers in 1918 with 6 per cent interest from that time, compounded annually, and a small sum for delayed payment. All who desire to keep their certificates in the present form would be permitted to do so, and evidently a large number would prefer to keep them. This would not be asking for the soldiers any more than the Government has required of the soldiers.

Under the present law the Government is paying the soldier 4 per cent for his money and permitting him to borrow certain small amounts of his own money by paying the Government 6 per cent interest. If it is right for the ex-soldiers to pay the Government 6 per cent it is right for the Government to pay the soldiers 6 per cent. If such a bill should become a law the soldiers would be able to receive in cash in the immediate future about 75 per cent or 80 per cent of the face value of their certificates or be permitted to keep them in their present form.

Much has been said about Congress equalizing the burdens of war and causing property to serve as well as men during a

war. We now have the opportunity of equalizing a burden for the benefit of those who served and at the expense of those who profited.

The Government during the war took over the railroads. It guaranteed to the railroad owners a return on their investments equal to what they had earned during the three years preceding Government control. During these three years the railroads had made more money than they had ever made before for a similar period. Not only were the railroads guaranteed a return equal to what they had received during a prosperous time but after the war the Government guaranteed them a handsome return for the next six months after their release from Government operation.

The private soldier was given $60 on his release with no guarantee of a job or compensation during the next six months and later required to pay the $60 back to the Government. Not only that, the Government had set up a commission, known as the Interstate Commerce Commission, whose duty it is to permit the railroads to charge sufficient rates to guarantee them a fair return upon their investment at all times in the future. In addition to all these benefits the Government adjusted the pay of the railroads during the war to the extent of $1,600,000,000. The same principle invoked for the railroads in adjusted pay that was invoked for the soldiers. Were the railroads asked to take a due bill or a post-dated check payable in 20 years stamped nonnegotiable and providing for a heavy penalty for a transfer except under limited provisions? No; they were paid in cash a sum of money almost equal to what it would now take to pay the adjusted-service certificates of the soldiers in the manner proposed.

After the war 7,000 war contractors came to the door of Congress and demanded that their pay be adjusted because the war had stopped and they were, therefore, not making and had not made the money they should make.

Congress passed a law adjusting the pay of these 7,000 contractors invoking the same principle that was invoked for the soldiers of adjusted pay. The Secretary of War was authorized to adjust the pay of these contractors without even a commission's investigation. In fact, doubtless most of them were paid upon reports made by these dollar-a-year men who were directly interested in the industries. These industries were paid more than $2,000,000,000 of adjusted pay by the Government. Were they asked to take a due bill or a post-dated check payable in 20 years? No; they were paid in cash, and no one suggested that the Government was not able to pay the bill, although its burdens at that time were in excess by billions of dollars to what the burdens of the Government are at this time.

If the Government continues to refuse to pay these adjusted certificates, it is violating a principle that no Government or no individual should violate. That principle is that when a debt is confessed and due it should be paid or taken care of in a manner satisfactory to the payees.

The national debt at this time is seven or eight billion dollars less than it was when the war contractors and railroads were paid adjusted compensation. There is an opportunity at this time to make the war profiteers pay this debt. The income-tax returns for the past few years disclose that the huge fortunes that were made on war contracts during the war are becoming so large that 24 individuals in the United States during the year 1928 reported a net income of more than $5,000,000 each, an increase of 100 per cent over the preceding year.

These 24 individuals acquired an average of more than $10,000,000 each during that year. The incomes of some of them were slightly in excess of five million, while the incomes of a few amounted to probably thirty million or forty million dollars. These fortunes have become so huge and beyond the imagination of men that the powerful interests persuaded Congress a few years ago to pass a law to make their income-tax returns secret in order that the people might not know how much wealth was accumulated in the hands of so few people or who possessed it. It is now a violation of the law for anyone to see the tax returns of these rich individuals or corporations except the President, Secretary of the Treasury, or some one under his direction.

What would you think about a system of allowing your city or county tax collector to secretly collect tax money for the benefit of your municipality or county and not tell you the amount he collected from each one? Or what would you think about a system that would permit your State revenue agent to secretly make collections from the people and not permit the people to know what any one person paid in taxes? The Secretary of the Treasury is one of the richest individuals in the world. His salary as a Government official is $15,000 a year. His net income from his private fortune, a large part of it being accumulated during the war from war contracts, amounts to probably $30,000,000 a year.

I have asked a number of different people personally acquainted with the Secretary of the Treasury and who seemed to know something about his assets what they thought his annual income was, and I believe the average of the answers was about $30,000,000 a year. That is equal to $100,000 for each working day during the year. He is a gentleman who is opposing these sick and disabled soldiers collecting from the Government the money the Government has confessed is due them. May 21, 1929, I read an extract from a daily paper, as follows:

PITTSBURGH, PA., May 21, 1929 (N. Y. W. N. S.).—Financial circles here calculated to-day that the fortune of the Mellon family has been increased by nearly $300,000,000 as a result of recent spectacular rises in the stock of the Aluminum Co. of America and the Gulf Oil Corporation of Pennsylvania.

Mr. CONNERY. Will the gentleman yield?

Mr. PATMAN. For a short question.

Mr. CONNERY. The gentleman is talking about the Secretary of the Treasury, Mr. Mellon?

Mr. PATMAN. Andrew W. Mellon.

Mr. CONNERY. He is the gentleman who made the billion-dollar error when the soldiers' bonus was before the Congress. He said if we passed that bill there would be a deficit in the Treasury of $300,000,000, yet when the income taxes were collected, after the passage of that bill, there was a surplus of $500,000,000. Now, the gentleman was either very much in error or grossly misrepresented the facts.

Mr. PATMAN. I will not yield further now but will yield after I have concluded my statement.

Mr. Mellon would probably have to take quite a large sum of his war profits and pay in the form of taxes toward the payment of these certificates. He examines his own tax return. It is a secret to everybody else. Last year about the time I noticed that the Mellon family's assets increased $300,000,000 almost overnight, I noticed the following statement in Labor, a national weekly published here in Washington, D. C.:

MR. MELLON INSERTS AN "AD"—THIRD RICHEST MAN IN THE WORLD OFFERS WORKERS 38 CENTS AN HOUR FOR A 10-HOUR DAY

The Utica (N. Y.) Daily Press of April 6 carried the following "ad," prominently displayed in the help-wanted column:

"Wanted—100 laborers for outside construction work; 38 cents per hour—10 hours a day. Men must be 21 to 45 years of age and in good physical condition. Apply at employment office, Aluminum Co. of America, Massena, N. Y."

The Aluminum Co. of America is the world-wide Aluminum Trust. It is also the Mellon family of Pittsburgh, and the head of the Mellon family of Pittsburgh is Andrew W. Mellon, Secretary of the Treasury.

Here we have what comes close to a Treasury estimate of the worth of American labor—38 cents per hour for 10 hours a day.

The 10 hours, of course, are purely philanthropy on the part of the Aluminum Trust—if a man worked only eight hours a day at those wages he would find it just that much more difficult to keep body and soul together. The pious, philanthropic nature of Mr. Mellon will make itself felt!

Three dollars and eighty cents a day, $22.40 per week. If a man works 300 days in the year—which not one outside construction worker in 300 ever does—he will get the princely income of $1,140 per year—as long as he remains in "good physical condition," and does not commit the fault of growing old.

Sickness will disqualify him from a share in such riches and if he is so wicked as to remain alive after reaching the age of 45 he goes to the human scrap heap, of course. Business is business!

Thirty-eight cents per hour, 10 hours a day, for men in the pink of physical condition! This is the offer of a trust whose industry is protected by an embargo tariff, and whose real though not active head is chief financial officer of the United States!

Mr. Mellon has been eulogized for years by writers whom one hopes were well paid, since it must be even more nauseating to write such stuff than to read it.

And after all this flood of perfumed ink, the truth, nothing but the truth, and a pretty good chunk of the whole trust was left to be told by a want ad:

Wanted—100 laborers, 38 cents per hour, 10 hours a day.

Hundreds of thousands of disabled soldiers who have adjusted-service certificates, or the Government's acknowledgement to them of a debt, amounting to more than $1,000 each, could not even qualify for a job offered by Mr. Mellon's company. They are not men of sufficiently strong backs and have already had too many of their nerves and muscles of their

bodies destroyed. Although they hold the Government's due-bill and are poverty stricken, some with wives and children, hungry and in distress, can not collect a sufficient sum of their money to be of real assistance by reason of the opposition of the Secretary of the Treasury.

The raising of the money to pay the certificates will be the easiest task that has confronted Congress in many years. A small tax—a tax much less than is levied on similar incomes in England, France and Germany—upon the net incomes of multimillionaires in the United States, would pay the soldiers' adjusted service certificates in two or three years time. It will not be injurious to those paying the tax. It will merely be taking from them some of their war profits and carrying out the principle often proclaimed that the war profiteers should be compelled to pay the adjusted service certificates.

During the year 1928, 15,780 people with incomes of over $100,000 each had a net income for that year of $4,570,660,218. An amount almost twice as large as the preceding year and more than ever before for a similar period. These same people own tax-exempt securities of the value of $2,487,513,102 or $1,660,000 each upon which no tax was paid for the support of their Government.

During the year 1928, 3,114,489 individuals made incomes under $5,000 and a sufficient amount to be required to make a tax return. The net income of these individuals was $8,286,237,581.

During the preceding year, 1927, this class of individuals numbered 3,234,877 and made a net income of $8,480,897,914 or the number of this class decreasing 120,000 in one year while the number making $1,000,000 or more increased almost 100 per cent.

The 1927 returns filed in 1928 show a decrease of 36,545 persons in the income tax paying class as compared with 1926.

The 1928 income-tax returns filed in 1929 and the latest returns available show a decrease of 50,588 in the income-tax paying class as compared with 1927. Shortly after the Treasury Department announced the statistics of income for 1928, which showed beyond a doubt that the wealth of the Nation was being rapidly concentrated into the hands of a few people, a number of newspapers carried an editorial in which it was stated that although the number of incomes of a million dollars or over had increased from 290 to 496; an increase from 11 to 24 in the number of persons whose annual incomes exceed $5,000,000, there was an increase of nearly a million of the number of men and women reporting incomes from $3,000 to $5,000 a year.

The information that nearly a million increase in the number of men and women reporting incomes from three to five thousand dollars a year was, of course, a very satisfactory answer or an answer partly satisfactory at least to an argument that wealth was being concentrated. I understand these newspapers received their information from the Treasury Department. The statement that the number of people making from three to five thousand a year increased nearly a million in 1928 is absolutely false and misleading. In fact, instead of there being an increase of nearly a million from the three to five thousand dollar class, there was no increase in that class, but there was a decrease in the number reporting incomes of $5,000 and less of more than 120,000 under the preceding year.

The United States Veterans' Bureau has on hand at this time approximately $700,000,000 that could be used to pay a large part of what is due on these adjusted-service certificates. Instead of that, the bureau is using that money to loan to soldiers at 6 per cent interest. The system adopted by the Government means that each ex-soldier who borrows on his certificate, like all of them in need are doing, will pay $2 to the Government for every $1 he receives in cash on his certificate.

The money to pay these certificates can be easily raised by a bond issue at a low rate of interest. However, if the Ways and Means Committee desires a method of payment to be incorporated in the bill which will meet with my approval, I suggest that a tax be levied that will cause the war profiteers to make the payment.

England takes half of the incomes of her multimillionaires away from them in the way of taxes. The United States because of the great reduction in taxes on incomes brought about by the Mellon plan takes only one-sixth of her multimillionaires' incomes for Federal purposes. If we levy the same tax on the incomes of multimillionaires as England levies, we can cause those who benefited the most financially from the war to pay the adjusted service certificates in a very short time.

The adjusted-compensation theory is carried out by our Government for the benefit of shipowners in time of peace in order that more ships might be built for our merchant marine to be used in the event of another war to transport our boys across the sea, a proposition we should not consider.

The Government under the guise of requiring some service for these large bounties which will amount eventually to billions of dollars from the United States Treasury is paying shipowners $7,000 for carrying a pound of letters from one of our ports to a port in South America. A service that is worth less than $1. These shipowners are not asked to take a post-dated check or a due bill marked on its face "nonnegotiable," but are paid in cash.

Our Government has given to foreign nations more than $10,000,000,000 the past few years—an amount equal to five times the amount that will be required to pay the soldiers.

The passage of this legislation will not interfere in any way with the passage of legislation to liberalize the World War Veterans' act for the benefit of the disabled. [Applause.]

Net incomes over $1,000,000, over $100,000, and under $5,000

Year	Net incomes over $1,000,000 (number reporting)	Net income
1923	74	$152,071,881
1924	75	155,974,475
1925	207	422,456,852
1926	231	494,393,917
1927	290	600,640,846
1928	496	1,073,706,325

Year	Incomes over $100,000 (number reporting)	Net income
1923	4,182	$912,988,509
1924	5,715	1,237,939,530
1925	9,560	2,317,758,231
1926	9,582	2,384,090,745
1927	11,067	2,808,594,767
1928	15,780	4,370,660,218

Year	Incomes under $5,000 (number reporting)	Net income
1923	7,083,918	$16,488,793,136
1924	6,672,650	15,904,997,202
1925	3,340,381	9,116,880,212
1926	3,243,224	8,730,846,703
1927	3,234,877	8,480,897,914
1928	3,114,489	8,286,237,581

STATEMENTS OF VETERANS ON PAYMENT OF COMPENSATION DUE THEM

If I could get the value of my certificate now it would enable me to carry out some plans that I am afraid that I can never do unless I do get it. It will help me to make more than I could draw when it becomes due, and besides that I might be gone then. Then I know it would do me no good whatever.

LONNIE A. VERMILLION, *Bonham, Tex.*

Since the war, I have been making my living for myself and family of five small children by doing public work. Every winter there are long stretches of unemployment and it takes all my summer's earnings to get square with the world again. For years it has been my goal to get enough money together to start on a farm, but it seems further away each year. I am now in the prime of life and capable of making a paying business of farming, but by the time the bonus falls due I will be growing old and will probably have it all used up by the small loans which I can not pay back.

IRA C. TABLER, *Port Neches, Tex.*

I am an ex-soldier and served my country faithfully, was on the battle field when the Armistice was signed, but I am now down and out and not able to work, and the Veterans' Bureau will not pay me any compensation, please get me a job or get my certificate paid off.

DUDLEY TROUT,
San Antonio.

This step will be enthusiastically received by ex-service men the country over, and would result in immediate and widespread prosperity. Not only in my behalf, but in behalf of the large number of veterans who will be benefited. I hope your suggestion meets with unanimous approval.

LISLE O. WAGNER,
Post Commander, American Legion, Ossining, N. Y.

I have a family and am ambitious to own my own home, but I am financially unable to proceed, the amount of my adjusted service

certificate would go a long way toward the payment of a home now, and I with many other ex-service men feel that we did not get a square deal from our Government. Every other country that took part in the World War paid a cash bonus to their soldiers except the United States, and still Congress canceled war debts amounting to millions of dollars.

ACHEY,
Secretary N. A. L. C., Chaska, Minn.

It is a curse to the veterans and a blot on this great Nation that we men who fought to make the country safe must barely exist, while there are millions of dollars in the Treasury. Our wives and children are in need of clothes, food, and the bare necessities of life. I know several men who are ex-service men who are in jail for stealing, because they could not find work with which to make money and buy food for their families. What good is a piece of paper like the adjusted service certificate except for the loan sharks. Is this justice to the men who saved the Nation? We gave our all in time of need to the Nation and have not been recompensed. Remember, we are not young to-day—the war has been over many years now—but we can not say that our Nation "stood by its soldiers."

WORLD WAR VETERAN, *New York City.*

The bonus certificate given us by our Government only to permit them to charge us a high rate of interest when a loan is made upon it.

VETERAN, *Chicago, Ill.*

Resolution American Legion at Troy, Ill.:

"Whereas practically all other allied nations have paid their veterans sums from $400 to $4,700 in compensation for their service, and the United States of America being the richest Nation among nations, has merely made a promise to pay a debt which they have acknowledged;

"Whereas this money if paid now would be of great help to thousands and would be more appreciated at this time than some time in the far future, when many will be far beyond the use of money or any other values; and

"Whereas the idea that such money would be squandered is false in 90 per cent of cases:

"*Resolved, etc.,* Favoring * * *."

Have taken the matter of the cash payment of our bonus up with our post commander of American Legion, and State commander, who in turn have taken it up with the national vice commander at Washington. A storekeeper at Malden, Mass., told me of a case where a veteran read about this bill in the newspaper and bought a radio on the strength of the cash payment of his bonus. He possibly notices all those who were not in service having one and thought he would cheer his home with a radio which I think he has a right to.

VETERAN, *Medford, Mass.*

If Congress would give this bill the right of way, instead of wrangling with the wets and drys, some progress would be made and a real prosperity would prevail.

———— ————,
Medford, Mass.

The old argument is, I suppose, that the boys wouldn't know what to do with it; they might get drunk, etc., a very foolish argument; they were old enough and knew what to do when they were drafted and sent to war all right. I am not speaking as a drafted man, I served as a volunteer in the Navy for 21 years. I know Senator JONES, of Washington, have played in his church for services in the West, I know you have the majority of the boys with you.

———— ————,
Hotel Mecca, Cleveland, Ohio.

To my mind, this will be the greatest service that could have been rendered, not only to the ex-service men but to all of the people in America, from a standpoint of helping conditions, which all Americans would enjoy the benefit of. I have written our national commander of the American Legion, suggesting that he put out an order to all post commanders that they bring this bill to the attention of the membership of their respective posts.

FRANK BRYANT, *Jacksonville, Fla.*

I could use my bonus very nicely, as it would come within $260 of lifting the mortgage on our home.

Pasadena, Calif.

I could set myself up in a business at this time if I could receive the face value in cash of my certificate. As it is, I borrow the limit every January and it lasts a short time and is soon forgotten.

LARKIN, *Miami Beach, Fla.*

These certificates as issued mean nothing more than a tombstone for the men who hold them, as by the time they mature many of the men will have passed on and received no benefit from them whatever.

———— ————,
1724 SIXTEENTH STREET SE., *City.*

As I am 34 years old, I believe I shall know how to spend my money if the Government sees fit to pay it to me now.

MOFFETT, *Mt. Vernon, Tex.*

Petition of United States Veterans' Hospital, Waukesha, Wis., 200 veterans' signatures, asking for cash payment adjusted compensation.

Of course, we ex-service men know that we are living in and fought for an ungrateful Nation.

143 SIXTEENTH STREET, *Milwaukee, Wis.*

We poor soldiers need the money now, not 15 years from now.

POWELL, *Waterloo, S. C.*

As an ex-service man I think some of the things I went through entitle me to that money while living, and that in 1946 a large number of the boys will be dead and their relatives in a great many cases will squander the money recklessly, never thinking of the self-sacrificing way it was earned. We do not want to commercialize our patriotism, but as we are justly entitled to the money, why should we have to wait until 1945?

———— ————,
Washington, D. C.

The chapter commander of National Capital Chapter, No. 2, Disabled American Veterans of the World War, desires to thank you for the introduction of a bill to authorize cash payment of adjusted-compensation certificates in behalf of the disabled veterans.

D. A. V., CHAPTER NO. 2,
Washington, D. C.

Those who think the veterans will squander the money don't know what they are talking about; and I will venture a guess that, if they do, those who are opposed to it are of the class who have benefited from it or will benefit from the veterans' loss.

VETERANS, *Columbia, S. C.*

Our local chapter, made up entirely of disabled ex-service men of the World War, is heartily in favor of the cash payment of adjusted service certificates and wishes to go on record in urging you to do your utmost in an endeavor to bring about the passage of this bill. We know, if such legislation were passed, it would be a blessing and life-saver to many ex-service men.

Adj. D. A. V. OF W. W., *North Carolina.*

There are hundreds of our boys in the soldiers' homes this winter who are not there from choice but on account of their financial condition.

———— ————,
Danville, Ill.

In my case the money would be put into very tangible investments beneficial to my wife and myself, our home, and our future stability. The banks and bankers have stubbornly obstructed efforts to liquidate these certificates.

———— ————,
New York City.

I am 42 years old and have never been in such dire circumstances in my life, in debt and owe five months' rent. I am not living, I am just barely existing. In 1917 the slogan was "Give until it hurts," and I was one of them that did, and was forced to give up my means of a livelihood.

———— ————,
New York City.

I am out of work, in poor health, and without money; some people think we would squander the money. I am living in a cellar, and upstairs is a Polock, who boasts of refusing to serve the colors. He has two jobs and is not a citizen. I can not find work, and I was born in this New York City.

EGAN, *New York City.*

Telegram. Members this post unanimously urge whole-hearted support of bills reference redemption adjusted service certificates.

COMMANDER POST, NO. 97,
AMERICAN LEGION, *High Springs, Fla.*

Arthur A. Peabody, veteran, at Lynn, Mass., has secured 7,000 signatures to petitions urging favorable action on this matter. There are many other letters which I have received just as urgent from veterans of the World War, many of whom are in needy circumstances, some with mortgages against their homes, and some of whom are losing their homes because of their inability to meet the loans.

Mr. ABERNETHY. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. ABERNETHY. I want to say to the gentleman that I think he has struck a proposition here which, if he could get it into law, would bring prosperity back to this country. If we can turn loose all of this money—and it looks to me as though it might be possible—it will bring about something that is very much needed. I hope the gentleman can make some substantial headway, although I am fearful he can not.

Mr. PATMAN. I have written to the Members of the House, and I have heard from about 30. I am receiving replies in every mail, stating that they will be very glad to cooperate and see if we can get a hearing before the Ways and Means Committee.

Mr. ABERNETHY. If we could get the leadership to give us a chance we might make some headway, and I see a number of them sitting here now. I hope the gentleman has made some dent upon these gentlemen, because if we can turn all this money loose in this country at this particular time we will have some real Hoover prosperity.

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

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. SCHAFER of Wisconsin. During the hearings before the Ways and Means Committee on the bill to extend the time limit for filing adjusted compensation claims, the proposition of making immediate payment on these certificates was presented to the committee.

Did the gentleman ascertain whether or not the members of his party on the Ways and Means Committee at that time favored his proposition and made a motion to amend that specific legislation in order to accomplish this purpose?

Mr. PATMAN. That question was not brought up when I was before the committee.

Mr. SCHAFER of Wisconsin. The question was brought up by several Members of the House, including myself.

Mr. PATMAN. We were asking at that time for a hearing and are still asking for it.

Mr. SCHAFER of Wisconsin. I wish to state to the gentleman that I appeared before the Ways and Means Committee and several other Members of Congress appeared——

Mr. PATMAN. I appeared, too, on extending the time in which to make application for these certificates.

Mr. SCHAFER of Wisconsin. And offered the same suggestion the gentleman is offering. The gentleman from Massachusetts [Mr. CONNERY] also appeared, and from some of the questions propounded by Democratic members of the Ways and Means Committee, I did not reach the conclusion that they were so very sympathetic to the gentleman's proposition.

Mr. PATMAN. I think we would get better results if the Republican members on the Ways and Means Committee would favor this legislation at this time, and I hope the gentleman will talk to the Republican members of the committee and see if he can not get their support.

Mr. SCHAFER of Wisconsin. The gentleman has been condemning the Secretary of the Treasury, Mr. Mellon, for not having proper adjustments in pay made for the soldiers. What has the gentleman to say about the Democratic Secretary of the Treasury, Mr. McAdoo, and the Democratic administration? The Democratic administration had full authority during the war to levy taxes on the profiteers so that they could raise the money to pay adjusted compensation.

Mr. PATMAN. I did not yield to the gentleman for an argument.

The SPEAKER pro tempore (Mr. MARTIN). The time of the gentleman from Texas has expired.

THE CAPPER-KELLY BILL

Mr. PARKER. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. PARKER. Mr. Speaker, I understand the question was asked in my absence why the Interstate and Foreign Commerce Committee did not call up the so-called Capper-Kelly bill during its two Calendar Wednesdays.

I want to frankly answer the question. This is a bill that revolutionizes, to a great extent, the practice of merchandising in this country. It was very carefully considered by the Interstate and Foreign Commerce Committee and the committee reported it favorably to the House and have reported the same legislation before.

Now, in the judgment of the committee, the legislation should be considered, but, as I have said, it revolutionizes the procedure of conducting retail stores all over the country, and the feeling in the Interstate and Foreign Commerce Committee is that this is a question of sufficient importance and of sufficient magnitude to be passed upon by the responsible organization of the House and by the Rules Committee, which is the committee that determines the legislative policy of the House of Representatives, and not by any of the standing committees of the House. Fundamentally this is the reason, but there is another question involved.

It was not practical to bring it up on Calendar Wednesday. There was enough opposition to it so we never could have gotten to a vote on it. This is aside from the matter of principle involved.

I have forgotten what the vote was in the committee, but it was very close, and if we had brought it up on the first Wednesday there would have been sufficient opposition to have taken all the time on our two Wednesdays and to have reached a final vote the Rules Committee would have had to extend the time. My argument to the advocates of the bill was that they had better start with the Rules Committee than end with it, because that was where they were going to get before they finished.

Mr. MICHENER. Will the gentleman yield?

Mr. PARKER. I yield to the gentleman.

Mr. MICHENER. My thought in raising the question was that these bills which the committee has brought up for disposition during these two Calendar Wednesday days, were short bills and, to a large extent, uncontested bills. The gentleman had this knowledge for some time, and yet we adjourned in the middle of the afternoon on the first day with these short, popgun bills pending. If the gentleman had desired to use the time that was given his committee he could have easily disposed on last Wednesday of all the bills that had been disposed of in the two days, and then we could have considered the bill referred to to-day.

Mr. PARKER. The gentleman has made a statement which I do not think the record will quite bear out. If my memory serves me correctly, last Wednesday we adjourned at 3.45 and to-day it was about 25 minutes past 3, which shows that what the gentleman has suggested could not have been done, because we could not have done after 3.45 what it took us until 3.25 to-day to do, and we started immediately upon the convening of the House.

Mr. MICHENER. The gentleman states he feels this is a question that should be disposed of by the Rules Committee and not by the legislative committee; does not the gentleman appreciate that the Rules Committee should only function in case of emergency; that, primarily, it is the duty of the legislative committee to bring its most important legislation before the House at the first opportunity.

Mr. PARKER. In answer to the gentleman, I wish to state that I think a question of this magnitude, involving such a radical departure from the established methods of merchandising, if it is going to be taken up, should be taken up with the consent and with the approval of the organization of the House, and by that I mean the steering committee and the Rules Committee.

This is too important a proposition and too revolutionary for any standing committee to assume the responsibility, without the approval of the House organization.

Mr. MICHENER. That is a very fair and broad statement, and we are glad to have it.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DENISON, for 10 days, on account of important business.

To Mr. TAYLOR of Tennessee, for 10 days, on account of official business.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate insists upon its amendments to the bill (H. R. 7960) entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," 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. ROBINSON of Indiana, Mr. NORBECK, Mr. SCHALL, Mr. WHEELER, and Mr. BRATTON to be the conferees on the part of the Senate.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 90. An act relating to pardons; to the Committee on the Judiciary.

S. 118. An act for the relief of Lyn Lundquist; to the Committee on the Public Lands.

S. 119. An act for the relief of Nellie Kildee; to the Committee on the Public Lands.

S. 180. An act to legalize a bridge across St. Johns River 2½ miles southerly of Green Cove Springs, Fla.; to the Committee on Interstate and Foreign Commerce.

S. 286. An act for the relief of Thelma Phelps Lester; to the Committee on Claims.

S. 320. An act authorizing reconstruction and improvement of a public road in Wind River Indian Reservation, Wyo.; to the Committee on Indian Affairs.

S. 471. An act providing for a 44-hour week for certain Government employees; to the Committee on the Civil Service.

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

S. 498. An act granting certain public land to the State of New Mexico for the use and benefit of the Eastern New Mexico Normal School and for other purposes; to the Committee on the Public Lands.

S. 571. An act to amend section 204 of the act entitled "An act to provide for the termination of Federal control of railroads and systems of transportation; to provide for the settlement of disputes between carriers and their employees; to further amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, as amended, and for other purposes," approved February 28, 1920; to the Committee on Interstate and Foreign Commerce.

S. 941. An act to amend the act entitled "An act to regulate interstate transportation of black bass, and for other purposes," approved May 20, 1926; to the Committee on Interstate and Foreign Commerce.

S. 958. An act granting increase of pensions under the general law to soldiers and sailors of the Regular Army and Navy and their dependents for disability incurred in service in line of duty, and authorizing that the records of the War and Navy Departments be accepted as to incurrence of a disability in service in line of duty; to the Committee on Pensions.

S. 1171. An act to establish and operate a National Institute of Health, to create a system of fellowships in said institute, and to authorize the Government to accept donations for use in ascertaining the cause, prevention, and cure of disease affecting human beings, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 1203. An act authorizing the Secretary of the Interior to convey certain lands to the county of Douglas, Oreg., for park purposes; to the Committee on the Public Lands.

S. 1268. An act authorizing the States of Illinois and Indiana to construct, maintain, and operate a free highway bridge across the Wabash River, at or near Vincennes, Ind.; to the Committee on Interstate and Foreign Commerce.

S. 1413. An act to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes," approved August 24, 1912, as amended; to the Committee on the Post Office and Post Roads.

S. 1578. An act to extend the times for commencing and completing the construction of a bridge across the Illinois River, at or near Peoria, Ill.; to the Committee on Interstate and Foreign Commerce.

S. 1760. An act for the relief of St. Paul's Episcopal Church, Selma, Ala.; to the Committee on War Claims.

S. 2114. An act granting the consent of Congress to the board of county commissioners of Georgetown County, S. C., to construct, maintain, and operate a free highway bridge across the Peedee River, and a free highway bridge across the Waccamaw River, both at or near Georgetown, S. C.; to the Committee on Interstate and Foreign Commerce.

S. 2719. An act granting the consent of Congress to the superintendent of public works of the State of New York to construct, maintain, and operate a free highway bridge across the Hudson River at the southerly extremity of the city of Troy; to the Committee on Interstate and Foreign Commerce.

S. 4027. An act to legalize a bridge across the American Channel of the Detroit River leading from the mainland to Grosse Isle, Mich., and about 16 miles below the city of Detroit, Mich.; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS SIGNED

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 238. An act granting the consent of Congress to the State of North Dakota to construct, maintain, and operate a free highway bridge across the Missouri River at or near Fort Yates, N. Dak.;

H. R. 563. An act for the relief of Frank Yarlott;

H. R. 4604. An act to provide for the recording of the Indian sign language through the instrumentality of Maj. Gen. Hugh L. Scott, retired, and for other purposes;

H. R. 6337. An act granting the consent of Congress to George H. Glover to construct a private highway bridge across Flanders Bay, Hancock County, Me., from the mainland at Sorrento to Soward Island;

H. R. 6844. An act to grant the consent of Congress to the Highway Department of the State of Tennessee to construct a bridge across the Hatchie River on the Bolivar-Jackson Road near the town of Bolivar, in Hardeman County, Tenn.;

H. R. 7007. An act granting the consent of Congress to the State of Massachusetts to construct, maintain, and operate a free highway bridge across the Merrimack River at or near Tyngsboro, Mass.;

H. R. 7566. An act granting the consent of Congress to the Highway Department of the State of Tennessee to construct a bridge across the Holston River on projected Tennessee Highway No. 9, in Knox County, Tenn.;

H. R. 7580. An act authorizing the county of Lee, in the State of Iowa, and Wayland special road district in the county of Clark and State of Missouri, to construct, maintain, and operate a free highway bridge across the Des Moines River at or near St. Francisville, Mo.;

H. R. 7829. An act granting the consent of Congress to the Great Southern Lumber Co., of Bogalusa, La., to construct, maintain, and operate a railroad bridge across the Bogue Chitto River, in or near township 3 south, range 11 east, in the parish of Washington, State of Louisiana;

H. R. 8807. An act to provide for the coordination of the public-health activities of the Government, and for other purposes;

H. R. 9038. An act granting the consent of Congress to the State of New York to reconstruct, maintain, and operate a free highway bridge across the West Branch of the Delaware River at or near Beerston, N. Y.; and

H. J. Res. 283. Joint resolution making additional appropriations for certain expenses under the Department of Justice for the remainder of the fiscal year 1930.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2515. An act allowing the rank, pay, and allowances of a colonel, Medical Corps, United States Army, or of a captain, Medical Corps, United States Navy, to any medical officer below such rank assigned to duty as physician to the White House.

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 joint resolutions of the House of the following titles:

H. R. 2673. An act granting the consent of Congress to the Arkansas State Highway Commission to construct, maintain, and operate a highway bridge across the Arkansas River at or near the city of Ozark, Franklin County, Ark.;

H. R. 5672. An act to abolish the Papago Saguaro National Monument, Ariz., to provide for the disposition of certain lands therein for park and recreational uses, and for other purposes;

H. R. 6123. An act to allow credit to homestead settlers and entrymen for military service in certain Indian wars;

H. R. 6133. An act granting the consent of Congress to the township of Aurora, Ill., to construct, maintain, and operate a free highway bridge across the Fox River at or near the village of North Aurora, Ill.;

H. R. 8156. An act to change the limit of cost for the construction of the Coast Guard Academy;

H. J. Res. 274. Joint resolution making an appropriation for participation by the United States in the International Conference for the Codification of International Law to be held at The Hague in 1930; and

H. J. Res. 278. Joint resolution making an appropriation for participation by the United States in the International Fur Trade Exhibition and Congress to be held in Leipzig, Germany, 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 28 minutes p. m.) the House adjourned until to-morrow, Friday, April 4, 1930, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Friday, April 4, 1930, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Legislative appropriation bill.

COMMITTEE ON THE POST OFFICE AND POST ROADS—SUBCOMMITTEE NO. 9

(10 a. m.)

To increase the balance to the credit of any one person in a postal-savings depository from $2,500 to $5,000 (H. R. 7407).

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE—SUBCOMMITTEE ON LIGHTHOUSES

(10.30 a. m.)

To consider proposed legislation concerning lighthouses.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION—SUBCOMMITTEE ON HOSPITALS

(10.30 a. m.)

To consider proposals for the establishment of veterans' hospitals in Virginia and West Virginia.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

388. A letter from the Secretary of War, transmitting a draft of a bill to authorize the sale of a certain tract of land located at Battery Cove, near the city of Alexandria, Va.; to the Committee on Military Affairs.

389. A letter from the Secretary of War, transmitting a draft of a bill to amend the act approved February 25, 1929, entitled "An act to authorize appropriations for construction at military posts"; to the Committee on Military Affairs.

390. A letter from the Acting Secretary of State, transmitting a copy of a letter from the secretary general of the International Parliamentary Conference of Commerce, extending an invitation to the Congress to be represented at the sixteenth plenary assembly of the conference, to be held at Madrid beginning the 6th of October, 1930; to the Committee on Foreign Affairs.

391. A letter from the Secretary of War, transmitting report from the Chief of Engineers on preliminary examination and survey of Bradfords Bay, Accomac County, Va.; to the Committee on Rivers and Harbors.

392. A letter from the Secretary of War, transmitting report from the Chief of Engineers on preliminary examination of Colorado River, Tex., with a view to the control of its floods; to the Committee on Flood Control and ordered to be printed with illustrations.

393. A letter from the Secretary of War, transmitting report of the Chief of Engineers on preliminary examination of James River, Va., with a view to the control of the floods; to the Committee on Flood Control.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. McLEOD: Committee on the District of Columbia. H. R. 10554. A bill to establish a national Lincoln museum and veterans' headquarters in the building known as Ford's Theater; without amendment (Rept. No. 1056). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. H. R. 11094. A bill to authorize the extension of the natural history building of the United States National Museum; without amendment (Rept. No. 1057). Referred to the Committee of the Whole House on the state of the Union.

Mrs. KAHN: Committee on Military Affairs. H. R. 2755. A bill to increase the efficiency of the Veterinary Corps of the Regular Army; without amendment (Rept. No. 1061). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOOPER: Committee on the Library. H. R. 9412. A bill to provide for a memorial to Theodore Roosevelt for his leadership in the cause of forest conservation; with amendment (Rept. No. 1064). 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. SPEAKS: Committee on Military Affairs. H. R. 474. A bill for the relief of Samuel B. Faulkner; with amendment (Rept. No. 1058). Referred to the Committee of the Whole House.

Mr. WAINWRIGHT: Committee on Military Affairs. H. R. 849. A bill for the relief of Edward H. Cotcher; without amendment (Rept. No. 1059). Referred to the Committee of the Whole House.

Mr. SPEAKS: Committee on Military Affairs. H. R. 8723. A bill for the relief of Rachel Levy; without amendment (Rept. No. 1060). Referred to the Committee of the Whole House.

Mr. SINCLAIR: Committee on War Claims. H. R. 5982. A bill for the relief of Guy Goodin; without amendment (Rept No. 1063). Referred to the Committee of the Whole House.

ADVERSE REPORTS

Under clause 2 of Rule XIII,

Mr. SINCLAIR: Committee on War Claims. H. R. 5194. A bill for the relief of Ephraim A. Schwarzenberg (Rept. No. 1062). Laid on the table.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 7547) for the relief of Mrs. J. H. Greene, Anna Harvey, and Mrs. S. E. Elmore; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 9254) granting a pension to Sarah A. Linnehan; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PARKER: A bill (H. R. 11363) amending section 17 of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 11364) to amend paragraph (4) of section 15 of the interstate commerce act as amended; to the Committee on Interstate and Foreign Commerce.

By Mrs. RUTH PRATT: A bill (H. R. 11365) to provide books for the adult blind; to the Committee on the Library.

By Mr. ROMJUE: A bill (H. R. 11366) to provide for the establishment of a school for the training of policemen and policewomen within the District of Columbia; to the Committee on the District of Columbia.

By Mr. HARE: A bill (H. R. 11367) to provide for certain public works at Parris Island, S. C.; to the Committee on Naval Affairs.

By Mr. MAAS: A bill (H. R. 11368) to fix the annual compensation of the secretary of the Territory of Alaska; to the Committee on the Territories.

By Mr. GLOVER: A bill (H. R. 11369) to amend the agricultural act approved June 15, 1929; to the Committee on Agriculture.

By Mr. LEAVITT (by departmental request): A bill (H. R. 11370) to authorize the use of a right of way by the United States Indian Service through the Casa Grande Ruins National Monument in connection with the San Carlos irrigation project; to the Committee on Indian Affairs.

By Mr. EATON of New Jersey: A bill (H. R. 11371) to provide living quarters, including heat, fuel, and light, for civilian officers and employees of the Government stationed in foreign countries; to the Committee on Foreign Affairs.

By Mr. PURNELL: A bill (H. R. 11372) to provide for plant patents; to the Committee on Patents.

By Mr. BOYLAN: A bill (H. R. 11373) to amend the civil service retirement act of July 3, 1926, as amended, to permit continuation in the Government service in certain cases; to the Committee on the Civil Service.

By Mr. ZIHLMAN: A bill (H. R. 11374) to provide for special assessments for the paving of roadways, laying curbs, and gutters; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 11375) granting an increase of pension to Martha Williamson; to the Committee on Invalid Pensions.

By Mr. COLLINS: A bill (H. R. 11376) for the relief of N. D. Brookshire; to the Committee on Claims.

By Mr. CRADDOCK: A bill (H. R. 11377) granting an increase of pension to Harlen P. Shrader; to the Committee on Pensions.

By Mr. CRAIL: A bill (H. R. 11378) granting a pension to Lena O. Catlin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11379) granting a pension to Elfreda McComb; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11380) granting a pension to Edward Gire; to the Committee on Pensions.

By Mr. DALLINGER: A bill (H. R. 11381) granting a pension to Marcia M. Luther; to the Committee on Invalid Pensions.

By Mr. FINLEY: A bill (H. R. 11382) granting an increase of pension to Sarah E. Henson; to the Committee on Invalid Pensions.

By Mr. HESS: A bill (H. R. 11383) granting a pension to Anthony A. Kuhn; to the Committee on Pensions.

By Mr. HUDSON: A bill (H. R. 11384) granting a pension to Lewis Richards, jr.; to the Committee on Invalid Pensions.

By Mr. JONAS of North Carolina: A bill (H. R. 11385) granting an increase of pension to William E. Norton; to the Committee on Pensions.

Also, a bill (H. R. 11386) granting an increase of pension to Guss Hughes; to the Committee on Pensions.

Also, a bill (H. R. 11387) granting a pension to Ben F. Shelton; to the Committee on Pensions.

By Mr. JOHNSON of Illinois: A bill (H. R. 11388) granting an increase of pension to Sarah C. Gordon; to the Committee on Invalid Pensions.

By Mr. KIESS: A bill (H. R. 11389) granting an increase of pension to Sarah E. Randall; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 11390) for the relief of Col. William L. Keller, Medical Corps, United States Army; to the Committee on Military Affairs.

By Mr. LOZIER: A bill (H. R. 11391) granting an increase of pension to Nancy M. Curtis; to the Committee on Invalid Pensions.

By Mr. McLEOD: A bill (H. R. 11392) for the relief of Ella C. Bader; to the Committee on War Claims.

By Mr. REECE: A bill (H. R. 11393) for the relief of Thomas F. Gibbons; to the Committee on Military Affairs.

Also, a bill (H. R. 11394) for the relief of Bynum H. Weaver; to the Committee on Military Affairs.

By Mr. SIMMS: A bill (H. R. 11395) granting a pension to Carrie Belle Luther; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 11396) granting an increase of pension to Phebe M. Bothick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11397) granting an increase of pension to Lucina Ketchin; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 11398) granting a pension to Leona J. Strickland; to the Committee on Invalid Pensions.

By Mr. WILLIAMSON: A bill (H. R. 11399) granting a pension to Margaret Brown; to the Committee on Invalid Pensions.

By Mr. McREYNOLDS: A joint resolution (H. J. Res. 288) providing for the relief of landowners along the Tennessee River whose farms were damaged by the United States constructing the Widows Bar Dam in the Tennessee River at Widows Bar, in Jackson County, Ala.; to the Committee on Claims.

PETITIONS, ETC.

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

6254. Petition of the United Roumanian Jews of America, protesting against the voluntary alien registration bill; to the Committee on Immigration and Naturalization.

6255. Petition of citizens of Veterans' Home, California, in support of House bill 9146, granting relief to World War veterans; to the Committee on Pensions.

6256. By Mr. BARBOUR: Petition of citizens of Fresno County, Calif., urging passage of House bill 2562, increasing pensions of Spanish War veterans; to the Committee on Pensions.

6257. By Mr. BOHN: Petition of citizens of Readmond Township, Emmet County, Mich., earnestly requesting immediate consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6258. By Mr. CHASE: Petition of members of Washington Camp 891, P. O. S. of A., Spring Mills, Pa., in the second congressional district of the State of Pennsylvania, urging passage of the Robsion-Capper educational bill; to the Committee on Education.

6259. By Mr. COOPER of Wisconsin: Petition of patients of the United States veterans' hospital, Waukesha, Wis., urging passage of a bill to increase pensions of Spanish War veterans; to the Committee on Pensions.

6260. By Mr. CRAIL: Petition of many citizens of Los Angeles County, Calif., favoring increased pensions for Spanish War veterans; to the Committee on Pensions.

6261. By Mr. DENISON: Petition of various citizens of Randolph County, Ill., urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6262. Also, petition of various citizens of Jackson County, Ill., urging that immediate steps be taken to bring to a vote a Civil War pension bill carrying the rates proposed by the National Tribune; to the Committee on Invalid Pensions.

6263. Also, petition of citizens of Franklin County, Ill., urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6264. By Mr. DOUGLAS of Arizona: Petition of 16 citizens of Cibola, Ariz., in support of legislation 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.

6265. By Mr. DOUGLASS of Massachusetts: Petition of a number of citizens of the State of Massachusetts, submitted by James J. Cassidy, of 32 Berkshire Street, Cambridge, Mass., earnestly requesting early enactment of House bill 2562 and Senate bill 476, providing for certain increases in pensions for Spanish War veterans; to the Committee on Pensions.

6266. By Mr. FREE: Petition of Ralph F. Baumgarten and 36 other residents of Pescadero and San Francisco, urging the enactment of House bill 2562 and Senate bill 476, providing for increased rates of pension to veterans of the Spanish War; to the Committee on Pensions.

6267. By Mr. GLOVER: Petition of citizens of Vimy Ridge, Saline County, Ark., urging the passage of House bill 2562, granting an increase of pension to Spanish-American War veterans; to the Committee on Pensions.

6268. By Mr. GUEVARA: Petition signed by Maximiano Castor and 14 others, from Zamboanga, all citizens of the Philippine Islands, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6269. Also, petition signed by Evaristo Hernandez and 52 others, from Albay, all citizens of the Philippine Islands, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6270. Also, petition signed by Romualdo Dino, Plicarpio Casador, Telesforo, Sabar, Evaristo Ero, Domiciano Rueda, Alberto Cajorao, Eutiquo Parzo, Jose Masnol, Norberto Lacay, Mariano Diunagay, Rufino Biso, Serapio Dabuman, Flavio Quiño, Gaudencio D. Camilon, Rufino Baldomaro, Vasillano Magbutay, Pio Acopio, Roberto Singson, and Alfonso Sivayan, of Calbayog, Samar, all citizens of the Philippine Islands, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6271. Also, petition signed by Sabas N. Perges, Clemente Alfajardo, Maximiano Mutio, Panio Doroja, Macario Olivar, and Pio Taan, of Misamis Occidental; Basilio Parel Ponciano, of Bantay, Ilocos Sur; Juan Bayona, of Dagami, Leyte; Victorio Cabacugan, of Urdaneta, Pangasinan; Vidal Pedraza, Pedro Alegro, Leoncio Brasil, Rufino Cadiz, Petronilo Toba, Urbano Ordinado, Francisco Tuason, and Restituto Singzon, of Catbalogan, Samar; all citizens of the Philippine Islands, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6272. Also, petition signed by Abrosio Bulan, Raymundo L. Lasam, Juan Bayuga, Segundo Tugal, and Fructuoso Molano, of Bayombong, Nueva Vizcaya; Ignacio Cerna, of Carigara, Leyte; Leocadio Magbanua, of Balamban, Cebu; Servando Marcos, of Laoag, Ilocos Norte; Bruno Culanag, of Paco, Manila; Fernando Juncalivan, of Bayombong, Nueva Vizcaya; Nicolas Vallejo, of Nueva Ecija; Gregorio Neugui, of San Gabriel, Macabebe, Pampanga; Hilario Manuit, Dionicio Sunga, and Francisco Baluyut, of Macabebe, Pampanga; Mateo Macarizo, of Tolosa, Leyte; Catalino Bohol, of Abuyog, Leyte; Tomas Pareño, of Wright, Samar; Raymundo Ferrer, of Bagabag, Nueva Vizcaya; Celestino D. Tiongson, of Baliuag, Bulacan, all

citizens of the Philippine Islands, urging passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6273. Also, petition signed by Domiciano Rwoa, Alfonso Sivayan, Epipanio Romano, Selberio Daguman, Jose Mancol, Policario Casador, Rufino Natomaro, Evaristo Ero, Telesforo Saba, Mariano Dismaigay, Gaudencia D. Camilon, Eutiquio Panso, Romualdo Diro, Urbano Cabanatan, Roque Baldomero, Roberto Cuyson, Filomeno Rebortora, Pio Acopio, Alberto Cajorao, Cenon Docong, Gaudencio Macabidang, Modesto Cacay, Rufino Biso, and Flavio Quiño, citizens of the Philippine Islands from Calbayog, Samar, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6274. Also, petition signed by Juan Malinao and Mariano Pigoroa, citizens of the Philippine Islands from Bogo, Occidental Negros, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6275. Also, petition signed by Zacarias Salido, Benito Asuncion, Gabino Aggabao, Bartolome Alviar, Tomas Zipagan, Quirino Clemente, Santiago Clavita, Mariano Blanco, Fausto Jolo, Pedro Yabut, citizens of the Philippine Islands from Apari, Cagayan, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6276. Also, petition signed by Bernardo Escardo and Urbano Garcia, citizens of the Philippine Islands from Manapla, Occidental Negros, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6277. Also, petition signed by Roman Rodrigo and Pantaleon Sarabia, citizens of the Philippine Islands from the Province of Cavite, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6278. Also, petition signed by Enrique Gulla and Juan Nimes, citizens of the Philippine Islands from the Province of Nueva Ecija, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6279. Also, petition signed by Santiago de la Cruz, Garciano de Luna, Gregorio Udasco, Eugenio Villamena, Mariano Quegguegan, and Froctoso Glanoso, citizens of the Philippine Islands, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6280. Also, petition signed by Nicolas C. Borromeo and others, citizens of the Philippine Islands, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6281. Also, petition signed by Domingo Cadatal and others, citizens of the Philippine Islands, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6282. Also, petition signed by Serapio Daguman and others, citizens of the Philippine Islands, urging speedy consideration and passage of the Senate bill 476 and House bill 2562; to the Committee on Pensions.

6283. Also, petition signed by Menemito Ramirez, a citizen of the Philippine Islands, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6284. Also, petition signed by Telesforo Tabios and others, citizens of the Philippine Islands, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6285. Also, petition signed by Claudio Merinio and others, citizens of the Philippine Islands, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6286. Also, petition signed by José Mancol and others, citizens of the Philippine Islands from Province of Samar, urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6287. By Mr. HOGG: Petition of Spanish War veterans and other public-spirited citizens of Larwill, Whitley County, Ind., urging early enactment of adequate pension legislation for Spanish War veterans and their dependents; to the Committee on Pensions.

6288. By Mr. HOWARD: Petition signed by Hon. Walter R. Raecke and 34 others of Central City and Merrick County, Nebr., praying for the passage of House bill 2562, providing for increased rates of pension to those who served during the Spanish-American War; to the Committee on Pensions.

6289. By Mr. HUDDLESTON: Petition of numerous residents of Jefferson County, Ala., in behalf of more liberal pensions for Spanish War veterans; to the Committee on Pensions.

6290. By Mr. LEAVITT: Petition of Henry Clay Clyde and other citizens of Baylor, Mont., and vicinity, favoring increased rates of pension for veterans of the war with Spain and widows and orphans of veterans; to the Committee on Pensions.

6291. By Mr. LINDSAY: Petition of the Industrial Home for the Blind, Brooklyn, N. Y., praying for the enactment of House bill 9042, providing for an appropriation of $75,000 for the purchase of raised-type books for the Library of Congress; to the Committee on the Library.

6292. Also, petition of Floyd Beverage Co., Brooklyn, N. Y., praying that the tariff rate on sugar and dried egg albumen be kept down to 2 cents a pound and 18 cents a pound, respectively; to the Committee on Ways and Means.

6293. Also, petition of Greenpoint People's Regular Democratic Organization of the fifteenth assembly district, Brooklyn, N. Y., praying that the United States Government name the new battleship now completed U. S. S. Brooklyn, in consideration of the fact that Brooklyn has approximately 3,000,000 population and that to date no vessel of our Navy has been named after Brooklyn; to the Committee on Naval Affairs.

6294. By Mr. McREYNOLDS: Petition of 34 voters of Chattanooga, Hamilton County, Tenn., requesting immediate action on House bill 2562 and Senate bill 476, for increase in pension to veterans of the Spanish-American War; to the Committee on Pensions.

6295. By Mr. MAPES: Petition of 20 residents of Holland, Mich., and vicinity requesting the early enactment of Senate bill 476 and House bill 2562, providing for increased rates of pension to veterans of the war with Spain; to the Committee on Pensions.

6296. By Mr. MURPHY: Petition signed by W. G. Hackworth, Wellsville, Ohio, and 70 other residents of Columbiana County, Ohio, urging the speedy consideration and passage of House bill 2562 and Senate bill 476, providing for an increase in pensions of Spanish-American War veterans; to the Committee on Pensions.

6297. By Mr. NEWHALL: Petition of citizens of Newport, Ky., urging the speedy consideration and 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 Spanish war period; to the Committee on Pensions.

6298. By Mr. O'CONNELL of New York: Petition of the Disabled American Veterans, Tupper Lake Chapter, Sunmount, N. Y., with reference to the presumption clause of tubercular veterans; to the Committee on World War Veterans' Legislation.

6299. By Mr. PALMER: Petition of Mrs. Damaris G. Rose and other citizens, of Springfield, Mo., praying for more favorable legislation for veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6300. By Mr. PEAVEY: Petition of citizens of Ogema, Wis., urging early action on House bill 2562; to the Committee on Pensions.

6301. Also, petition from numerous citizens of Webster, Wis., urging passage of House bill 2562, for the relief of veterans of the Spanish War; to the Committee on Pensions.

6302. By Mr. FRANK M. RAMEY: Petition of W. H. Muttera, 134 North Walnut Street, Springfield, Ill., and 69 other residents of Springfield, Ill., in behalf of a Civil War pension bill carrying the rates proposed by the National Tribune; to the Committee on Invalid Pensions.

6303. By Mr. SIMMS: Petition of New Mexico Cattle Growers' Association, urging New Mexico Senators and Congressman to support the Senate tariff rates for free hides, leather, and shoes, rather than the House rates considered by this organization to be inadequate; to the Committee on Ways and Means.

6304. By Mr. SMITH of Idaho: Petition signed by citizens of Pocatello, Idaho, urging the enactment of House bill 10; to the Committee on Education.

6305. By Mr. SNOW: Petition of John B. Rediker, of Presque Isle, Me., and many others, urging the passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

6306. By Mr. STONE: Petition of 23 names of residents of the town of Durant, Okla., asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

6307. Also, petition of 17 names of residents of Enid, Okla., asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

6308. By Mr. TAYLOR of Colorado: Petition of citizens of Olathe, Colo., advocating increase of pensions for Spanish-American War veterans; to the Committee on Pensions.

6309. By Mr. WAINWRIGHT: Petition of 40 constituents of Peekskill, urging 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.