By Mr. JOHNSON of South Dakota: Resolution (H. Res. 227) to pay James W. Boyer, jr., for extra and expert services to the Committee on World War Veterans' Legislation; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7390. By Mr. TAYLOR of Colorado: Petition of citizens of Breckenridge, Colo., urging congressional action for national vote on the repeal of the eighteenth amendment; to the Committee on the Judiciary.

7391. By Mr. YATES: Petition of Max Levy & Co., 845-865 Rees Street, Chicago, Ill., protesting and opposing the passage of House bill 9232; to the Committee on Labor.

7392. Also, petition of Miehle Printing Press & Manufacturing Co., Chicago, Ill., protesting the passage of the Sproul bill, H. R. 9232; to the Committee on Labor.

7393. Also, petition of Acme Steel Co., 2840 Archer Avenue, Chicago, protesting against House bill 11096; to the Committee on the Post Office and Post Roads.

7394. Also, petition of Bessie Bragg Pierson, president Illinois Woman's Athletic Club, Chicago, Ill., urging the passage of House bill 10344 but protesting the passage of House bill 11096; to the Committee on the Post Office and Post Roads.

SENATE

WEDNESDAY, *May 28, 1930*

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Thou who but yesternight didst enfold the slumbering world in rayless majesty that again Thou mightest bring forth the day in which Thou hast decked Thyself with light as with a garment, we thank Thee for the hours of rest after toilsome labor and the joy of doing with all our might whatsoever Thou commandest, divinely surprised by the beautiful thoughts Thou thinkest in us. Refresh us with the precious things of earth and the fullness thereof—the lengthening daylight, the pulsings of spring, the new robe of verdure with which nature is clothed—that we may be happy as children while striving as men, knowing that we're armed without if innocent within.

Keep our hearts pure, our thinking straight, our spirits humble, that from all seeming evil we may still educe the good and find on duty's highway that holy shrine where buds the promise of celestial worth. Through Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative day of Monday last, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Farrell, its enrolling clerk, announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 5258. An act to repeal section 144, title 2, of the act of March 3, 1899, chapter 429 (sec. 2253 of the Compiled Laws of Alaska); and

H. R. 5261. An act to authorize the destruction of duplicate accounts and other papers filed in the offices of clerks of the United States district courts.

The message also announced that the House had agreed to Concurrent Resolutions 35 and 36, in which it requested the concurrence of the Senate.

CORRECTION OF MISSTATEMENT OF VIEWS ON PROHIBITION

Mr. JONES. Mr. President, I do not very often refer to items in newspapers relating to myself. I think, however, that once in a while it may be justified. I gave out a statement on yesterday to the newspapers in regard to prohibition and certain action taken in my State. I did not suppose it would create any furor or hubbub as is indicated in the papers. It was simply a statement of the attitude which I have had for a great many years. But apparently some of our papers are disposed to grasp at straws and try to get hold of anything which they may use to impress the people with the idea that prohibition is losing and men are changing their opinions about it, and so on.

I am satisfied that the newspaper reporters gave accurate statements to their papers. They are honorable men and do not seek to misrepresent anyone. I have no doubt about that, but they do not control the columns of their papers, nor do they control the policies of their papers. I assume they do not control the headlines either.

I want to call attention to one or two real misrepresentations; they may not be intended as misrepresentations, but they have that effect.

In the morning Washington Post there is a headline to which I wish to call attention. Headlines are a very effective means by which impressions are made upon the people. Many people get their impressions from the headlines without giving very careful, if any, consideration to the body of the article. I find in the morning Washington Post this headline:

Referendum urged on liquor by JONES.

There is absolutely no basis whatever for that headline. I have not urged and did not urge in the statement which I issued a referendum on liquor. I suggested to those who are opposed to prohibition that in my State there is a provision in the laws by which a referendum could be had, and suggested that that was the method they should follow. I would not urge a referendum on the liquor question at all. I am very well satisfied with the conditions set out in the eighteenth amendment and would not change it till we can get something better. Those who want to change our legislation or the Constitution are the ones who can try, if they desire, to take advantage of the referendum laws of my State.

At the beginning of the article it is said:

Senator WESLEY L. JONES (Republican), Washington, hurled a bombshell—

I did it all inadvertently if that was the result. I never supposed there was any bombshell about it. It was a simple statement of the views I have held for a long time—

into the wet-dry controversy yesterday in announcing that "the proper and courageous thing to do" would be to submit prohibition to a referendum in his State and that he would abide by its dictum in voting in the Senate for repeal, modification, or enforcement of the eighteenth amendment.

Mr. President, I said nothing of the kind. What I did say was, and I think the statement is perfectly clear, that if those opposed to prohibition would take advantage of the law to call for a referendum and have a referendum vote and the people of my State should vote to ask Congress to submit to the people the question of a modification of the eighteenth amendment or its repeal, I would vote in the Senate to submit—mark that, submit—that question to the people.

That is entirely different from the statement as it was made in the paper. I would gladly do that. If the people want to have the question submitted to them in the regular way provided by the Constitution, I am perfectly willing to give my people an opportunity to pass upon it; but I would not vote for repeal and I would not vote for modification. After the proposition to repeal or modify the eighteenth amendment would be submitted to the people of my State, I would vote against it myself and I would use all my power to induce the people of my State to vote against it; but I will vote, at the request duly made of the people of my State, for a proposition in the Senate to submit the question to them. That is an entirely different proposition than one to repeal the eighteenth amendment.

I find in the New York Times the following headline:

JONES will go wet if State so directs.

[Laughter.]

If anybody can find any justification for a headline like that in anything I have said they are welcome to it. If the wets are so anxious to find something consoling, if my statements bring them consolation, they are welcome to it. My views and attitude on prohibition have not changed one iota.

Mr. President, I ask that my statement which I gave out may be printed as a part of my remarks.

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

The statement is as follows:

STATEMENT BY SENATOR JONES REGARDING THE ACTION OF THE STATE CONVENTION AT BELLINGHAM

In my judgment the action of our State Republican convention at Bellingham on prohibition represents the sentiment of a small fraction of the people of the State of Washington so far as it looks to the sale of liquor. It binds no one.

Prohibition is not a partisan question. It should not be made one, at least until this absolutely appears necessary and there becomes a definite division between prohibitionists and antiprohibitionists regardless of old political partisan lines.

There is only one way the legal sale of liquor for beverage purposes can be brought about; the people have prescribed the way to do this. Those apparently in control of the convention did not seem to have the courage to follow the course laid out by the people themselves. The Constitution of the United States lays down the way by which

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that Constitution or any amendments to it may be modified or amended. Our State has provided a referendum system by which questions may be submitted to the people. Why not ask for a referendum on the repeal or modification of the eighteenth amendment? That is the proper and courageous thing to do. Give the people the chance to express themselves on a provision looking to legalizing the sale of liquor, and I have no doubt of the result.

I have no hesitation in saying to the people of my State that, while adhering to my personal conscientious views on prohibition, if they, in the duly constituted way, ask Congress to submit an amendment to the eighteenth amendment repealing or modifying it, I will vote for such submission if a Member of the Senate at the time such request is submitted. Is not that fair?

The opponents of prohibition, however, seem to want to follow every method against prohibition but the lawful one. They seem to want to undermine or evade the law rather than to openly and courageously attack it. I may not agree with many who oppose prohibition, but I have the greatest respect for those who have the courage to uphold their conscientious convictions by advocating the course prescribed by the fundamental law to correct what they believe to be unwise and wrong.

TELEGRAM FROM SENATOR BLEASE—CAUSE OF ABSENCE

The VICE PRESIDENT. The clerk will read the following telegram, which has been received by the Vice President.

The Chief Clerk read as follows:

COLUMBIA, S. C., *May 27, 1930.*

Hon. CHARLES CURTIS,
Vice President:

Please have clerk put in RECORD statement that I am absent on account of serious illness of Mrs. Blease.

COLE. L. BLEASE.

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:

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

The PRESIDING OFFICER (Mr. FESS in the chair). Eighty-four Senators have answered to their names. There is a quorum present.

AMENDMENT OF SECTION 180, TITLE 28, UNITED STATES CODE

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 35, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the action of the Speaker of the House of Representatives and of the Vice President in signing the bill (H. R. 185) entitled "An act to amend section 180, title 28, United States Code, as amended," be rescinded, and that in the reenrollment of said bill the word "Richmond" be stricken out and the word "Richland" be inserted in lieu thereof.

Mr. McNARY. I move that the Senate agree to the concurrent resolution.

The motion was agreed to.

AMENDMENT OF SECTIONS 726 AND 727, TITLE 18, UNITED STATES CODE

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 36, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the action of the Speaker of the House of Representatives and of the Vice President in signing the bill H. R. 3975, entitled "An act to amend sections 726 and 727 of title 18, United States Code, with reference to Federal probation officers, and to add a new section thereto," be rescinded, and that in the reenrollment of said bill the following changes shall be made:

Page 1, line 3 of the engrossed bill, strike out all of line 3 and insert in lieu thereof the following:

"That sections 3 and 4 of the act of March 4, 1925, chapter 521, Forty-third Statutes at Large, 1260, 1261 (secs. 726 and 727, title 18, U. S. C.), entitled 'An act to provide for the establishment of a probation system in the United States courts, except in the District of Columbia.'"

Page 1, line 5 of the engrossed bill, strike out the figures "726" and insert the figure "3."

Page 2, line 21 of the engrossed bill, strike out the figures "727" and insert the figure "4."

Page 3, line 20 of the engrossed bill, strike out all of line 20 after the word "section" and all of line 21 and insert in lieu thereof the following: "4 of the act of March 4, 1925, chapter 521, Forty-third Statutes at Large, 1261 (sec. 727, title 18, U. S. C.), entitled 'An act to provide for the establishment of a probation system in the United States courts, except in the District of Columbia,' as follows."

Page 3, line 22 of the engrossed bill, strike out the figures "726" and insert the figure "4 (a)."

Page 1 of the engrossed bill, strike out all of the title and insert in lieu thereof the following:

"To amend the act of March 4, 1925, chapter 521, and for other purposes."

Mr. McNARY. I move that the Senate agree to the concurrent resolution.

The motion was agreed to.

MUSCLE SHOALS

Mr. BROCK. Mr. President, some of my colleagues seem to think that we are rather impatient about action on Muscle Shoals. As proof that we are not, I asked the Chattanooga Times to furnish me a statement as to Muscle Shoals, which appeared on the front page of that newspaper in 1882. I ask to have read into the RECORD the telegram which I send to the desk containing that statement.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

CHATTANOOGA, TENN., *May 25, 1930.*

Senator W. E. BROCK,
Carlton Hotel, Washington, D. C.:

August 9, 1882, Major King, in charge of the Muscle Shoals improvement, is highly elated over the appropriation. The prolonged session of Congress and the delay in allowing the appropriation has been favorable in that the sum allowed is sufficient to keep a very large force employed on the work until March, when the next appropriation will be made. He states that fully 1,000 men will be put to work there as soon as possible; with one more appropriation the shoals can be made navigable and Chattanooga can enjoy the advantage she has been seeking for many years.

ADOLPH S. OCHS, Jr.,
Chattanooga Times.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution of the citizens' committee, National Patriotic Association, at Chicago, Ill., urgently soliciting the Senate "to give full thought and consideration to the so-called naval pact (treaty for the limitation and reduction of naval armament, signed at London on April 22, 1930) before any ratification thereof involves the whole future of our country," which was referred to the Committee on Foreign Relations.

He also laid before the Senate approximately 2,200 petitions of the Women's League of Voters, the various churches and civic clubs, and sundry citizens, all of Joplin, Mo., praying for the entrance of the United States into the World Court of International Justice at The Hague, which were referred to the Committee on Foreign Relations.

Mr. DILL presented a petition of sundry citizens of Aberdeen, Wash., praying for the passage of the so-called Rankin bill, being the bill (H. R. 10381) to amend the World War veterans' act, 1924, as amended, which was referred to the Committee on Finance.

Mr. WALCOTT presented resolutions adopted by the court of common council of the city of Hartford, Conn., urging the Congress to cause the question of national prohibition to be submitted to the people by proposing an amendment to the Constitution providing for the repeal of the eighteenth amendment and also by providing that the method of ratification be by conventions in the several States, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Yalesville, Conn., being members of the Home and Foreign Missionary Societies, praying for the passage of legislation for the Federal regulation of the trade practices and supervision of the standards of production of the motion-picture industry, which was referred to the Committee on Interstate Commerce.

He also presented a telegram in the nature of a petition from the Disabled American Veterans of the World War, of Hartford, Conn., praying for the passage of the so-called Johnson bill, for the relief of disabled World War veterans, with the Rankin amendments, which was referred to the Committee on Finance.

He also presented a paper in the nature of a petition from Stiles D. Woodruff Post, No. 1684, Veterans of Foreign Wars, of West Haven, Conn., praying for the passage of legislation granting increased pensions to veterans of the war with Spain, which was ordered to lie on the table.

He also presented a telegram in the nature of a petition from the old Lyme League of Women Voters, of Lyme, Conn., praying for the passage of the so-called Jones bill, being the bill (S. 255) for the promotion of the health and welfare of mothers and infants, and for other purposes, which was ordered to lie on the table.

He also presented a resolution of Court Reina Christina, No. 51, Catholic Daughters of America, of Bridgeport, Conn., protesting against the passage of legislation providing for the creation of a Federal department of education, which was referred to the Committee on Education and Labor.

He also presented a communication in the nature of a petition from the Bricklayers, Masons, and Plasterers' Union, of Middletown, Conn., praying for the passage of the bill (H. R. 9232) to regulate the rates of wages to be paid to laborers and mechanics employed by contractors and subcontractors on public works of the United States and of the District of Columbia, which was referred to the Committee on Education and Labor.

REPORTS OF COMMITTEES

Mr. WATERMAN, from the Committee on Claims, to which was referred the bill (S. 2035) for the relief of the Public Service Coordinated Transport of Newark, N. J., reported it with amendments and submitted a report (No. 745) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (H. R. 9996) to amend the act entitled "An act authorizing the Commissioners of the District of Columbia to settle claims and suits against the District of Columbia," approved February 11, 1929, reported it without amendment and submitted a report (No. 746) thereon.

Mr. FRAZIER (for Mr. SCHALL), from the Committee on Indian Affairs, to which was referred the bill (S. 4051) authorizing the Pillager Bands of Chippewa Indians, residing in the State of Minnesota, to submit claims to the Court of Claims, reported it with an amendment and submitted a report (No. 747) thereon.

Mr. BORAH, from the Committee on Foreign Relations, to which was referred the joint resolution (H. J. Res. 282) authorizing the appointment of an envoy extraordinary and minister plenipotentiary to the Union of South Africa, reported it without amendment.

He also, from the same committee, to which was referred the resolution (S. Res. 264) requesting the President to negotiate for and to enter into an agreement with the Government of Germany extending until March 10, 1931, the time within which American claimants may file claims with the Department of State for the consideration and determination of the Mixed Claims Commission, United States and Germany, and for other purposes, reported it without amendment.

REPORTS OF NOMINATIONS

As in executive session,

Mr. HALE, from the Committee on Naval Affairs, reported the nominations of sundry officers in the Navy, which were placed on the Executive Calendar.

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

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported the nomination of Emmett V. Foster to be postmaster at Culleoka, Tenn., in place of E. V. Foster, which was placed on the Executive Calendar.

REPORT OF NOMINATION OF RICHARD S. WHALEY

Mr. STEPHENS. Mr. President, as in open executive session, I report favorably from the Committee on the Judiciary the nomination of Richard S. Whaley, of South Carolina, to be judge of the Court of Claims. I may say in this connection that the Senator from South Carolina [Mr. BLEASE] has informed me that, while he has no disposition to oppose the confirmation of this nominee, he desires to make a statement before final action shall be taken. I make that announcement now, so that action shall not be taken in the absence of the Senator from South Carolina.

The PRESIDING OFFICER (Mr. FESS in the chair). The report will be received and 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. BINGHAM:

A bill (S. 4592) to provide for the filling of certain vacancies in the Senate and House of Representatives of Porto Rico; to the Committee on Territories and Insular Affairs.

By Mr. SHEPPARD:

A bill (S. 4593) to authorize an appropriation for the purchase of land adjoining Fort Bliss, Tex.; to the Committee on Military Affairs.

By Mr. METCALF:

A bill (S. 4594) granting an increase of pension to Sarah J. Hawkins (with accompanying papers); to the Committee on Pensions.

By Mr. WAGNER:

A bill (S. 4595) for the relief of Capt. Christian Damson; to the Committee on Claims.

(By request.) A bill (S. 4596) to ratify certain leases with the Seneca Nation of Indians; to the Committee on Indian Affairs.

By Mr. CAPPER:

A bill (S. 4597) to provide educational employees of the public schools of the District of Columbia with leave of absence with part pay for purposes of educational improvement, and for other purposes; to the Committee on the District of Columbia.

By Mr. BLACK:

A bill (S. 4598) for the relief of Lowela Hanlin; to the Committee on Claims.

By Mr. HAWES:

A bill (S. 4599) to require bonds of prohibition agents and inspectors; to the Committee on the Judiciary.

By Mr. JOHNSON:

A bill (S. 4600) for the relief of Fred C. Adams; to the Committee on Claims.

A bill (S. 4601) for the relief of Thomas C. Gatliff; to the Committee on Military Affairs.

CHANGE OF REFERENCE

On motion of Mr. HALE, the Committee on Naval Affairs was discharged from the further consideration of the bill (H. R. 2887) for the relief of Mildred L. Williams, and it was referred to the Committee on Military Affairs.

AMENDMENT TO RIVER AND HARBOR BILL—NEWTOWN CREEK, N. Y.

Mr. COPELAND submitted an amendment intended to be proposed by him to the bill (H. R. 11781) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was ordered to lie on the table and to be printed.

EMPLOYMENT OF AN ADDITIONAL ASSISTANT

Mr. NYE submitted the following resolution (S. Res. 280), which was referred to the Committee on the Library:

Resolved, That the committee on the two hundredth anniversary of the birth of George Washington be, and is hereby, authorized to employ one additional assistant for the purpose of historical research in connection with the origins, antecedents, and the history of the family from which George Washington derived his name, and such other objects as the commission may have in view, such assistant to receive compensation at the rate of $300 per month and to be paid out of the contingent fund of the Senate.

REPORTS ON NOYO RIVER, CALIF. (S. DOC. NO. 156) AND CLAIBORNE HARBOR, MD. (S. DOC. NO. 157)

Mr. JOHNSON. I submit two reports of the War Department on pending river and harbor projects, one a report on Noyo River, Calif., and the other a report on Claiborne Harbor, Md., to which I call the attention of the Senators from Maryland. I move that the reports be printed, with illustrations, as a Senate document and referred to the Committee on Commerce.

The motion was agreed to.

REIMBURSEMENT OF CALIFORNIA

Mr. JOHNSON. I ask unanimous consent to have passed a formal resolution that came over from yesterday in relation to the statement of the account of the State of California.

There being no objection, the resolution (S. Res. 277) was read, considered, and agreed to, as follows:

Resolved, That the Comptroller General of the United States be directed to reopen and restate the account of the State of California for moneys advanced and expended in aid of the Government of the United States during the War between the States, and on such restatement (1) to accept as a basis of calculation the grand total sum actually expended by and not repaid the State of California on July 1, 1889, stated in the account set forth in the report of the Secretary of

War made in pursuance of resolution of the Senate of February 27, 1889, printed in Senate Executive Document No. 11, Fifty-first Congress, first session, page 27; (2) to add to such sum the interest certified by the treasurer of the State of California as actually paid by said State on the sums so advanced and expended from July 1, 1889, to December 31, 1929; (3) to deduct from the total sum so stated the amounts repaid by the United States to the State of California since July 1, 1889, and certify to the Senate the balance found due the State of California.

LEGISLATIVE APPROPRIATIONS—CONFERENCE REPORT

Mr. JONES. I submit the conference report on the legislative appropriation bill and ask for its present consideration.

The PRESIDING OFFICER. The conference report will be read.

The Chief Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11965) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1931, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 11, 12, and 21.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 19, 20, and 23, and agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "maintenance, repair, and operation of passenger motor vehicle, and exchange, care, operation, and maintenance of motor trucks"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 17 and 18.

W. L. JONES,
REED SMOOT,
FRED HALE,
E. S. BROUSSARD,
ROYAL S. COPELAND,
Managers on the part of the Senate.

FRANK MURPHY,
GEO. A. WELSH,
WM. P. HOLADAY,
JOHN N. SANDLIN,
Managers on the part of the House.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

ERECTION OF STRUCTURES ON SHORES OF POTOMAC RIVER

Mr. GLASS. From the Committee on the District of Columbia I report back favorably, without amendment, the joint resolution (S. J. Res. 182) prohibiting location or erection of any wharf or dock or artificial fill or bulkhead or other structure on the shores or in the waters of the Potomac River within the District of Columbia without the approval of the Commissioners of the District of Columbia and the Director of Public Buildings and Public Parks of the National Capital, and I submit a report (No. 744) thereon. I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDING OFFICER. Is there objection?

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

Resolved, etc., That hereafter no wharf or dock or artificial fill or bulkhead or other structure shall be located or erected on the shores of the Potomac River and its tributaries, or in or over these rivers, within the District of Columbia without the approval of the Commissioners of the District of Columbia and of the Director of Public Buildings and Public Parks of the National Capital, both as to location and plans; nor without such permit therefor as may be required from the War Department in the exercise of its jurisdiction conferred by law over the navigable waters of the United States.

Mr. WALSH of Montana. Mr. President, I should like to address a brief inquiry to the Senator from Virginia. As I understand the Senator from Virginia, the joint resolution authorizes the Commissioners of the District of Columbia to regulate the erection of structures along the banks of the Potomac River?

Mr. GLASS. It authorizes them to regulate the erection of structures on the District side, and it is rather an admonition or appeal to the War Department to prevent the erection or the construction of unsightly wharves and other commercial enterprises on the Virginia side of the river that would immediately affect the park which has been authorized there by Congress.

Mr. WALSH of Montana. The joint resolution has, I presume, specific reference to the proposed erection of unsightly gas and oil tanks near the south end of the Key Bridge?

Mr. GLASS. It has.

Mr. WALSH of Montana. Let me inquire of the Senator, is the dividing line between the District and Virginia the medial line of the stream?

Mr. GLASS. No; I think the District line goes a little beyond the middle of the stream.

Mr. WALSH of Montana. Would an authorization, then, to the Commissioners of the District of Columbia reach the particular case?

Mr. GLASS. The provisions of the joint resolution do not authorize the commissioners to undertake to control the Virginia side of the river, but the joint resolution does authorize the War Department do to it. The War Department has jurisdiction; and it is hoped that, upon the passage of the joint resolution, the department will not authorize the erection of unsightly structures.

Mr. WALSH of Montana. I was wondering why the Senator did not frame the joint resolution in such a way as to place the control of the matter in some authority of the Government.

Mr. GLASS. The control of it now is in the authority of the War Department. The War Department may issue permits. I will say to the Senator, however, that the joint resolution was not drawn by me; it was drawn by Colonel Grant, the Director of Public Buildings and Public Parks of the National Capital.

Mr. WALSH of Montana. I assume, then, that it covers the case, but an examination of the statute discloses, it seems to me, that the only authority the War Department now has is with respect to the approval of plans and specifications, and the discretion of the War Department does not extend farther than to the approval of such plans and specifications.

Mr. GLASS. I will say to the Senator that I have no familiarity with the statute, but I imagine, if the War Department wants to respect the will of Congress and the will of the Zoning Commission of Arlington County, Va., it may withhold approval of the plans of any structures which it is contemplated to build.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

ADDITIONAL EXPENSES OF LOBBY INVESTIGATION

Mr. NORRIS. Mr. President, a few days ago I introduced a resolution authorizing an additional appropriation from the contingent fund of the Senate to take care of the expenses of the so-called lobby committee. The resolution has been reported by the Committee to Audit and Control the Contingent Expenses of the Senate unanimously and without amendment. I was not present when the report was submitted, so the resolution went to the calendar. Ordinarily such resolutions are disposed of when reported. I now ask unanimous consent for the present consideration of the resolution.

There being no objection, the resolution (S. Res. 268) submitted by Mr. NORRIS on the 16th instant and reported by the Committee to Audit and Control the Contingent Expenses of the Senate was read, considered, and agreed to, as follows:

Resolved, That in furtherance of the purposes of S. Res. 20, agreed to October 1, 1929, the Committee on the Judiciary, or any subcommittee thereof, investigating the activities of lobbying associations and lobbyists, is hereby authorized to expend $3,500, or so much thereof as may be necessary, out of the contingent fund of the Senate in addition to the amount heretofore authorized for said purposes.

CLOSING OF CENTER MARKET IN THE DISTRICT

The PRESIDING OFFICER laid before the Senate the amendment of the House to the joint resolution (S. J. Res. 77) providing for the closing of Center Market in the city of Washington, which was to strike out all after the resolving clause and insert:

That on January 1, 1931, or 60 days after notice is given by the Secretary of Agriculture, which notice shall not be given before September 1, 1930, all leases and contracts made by the Secretary of Agriculture under authority of the act entitled "An act to repeal and annul certain parts of the charter and lease granted and made to the Washington Market Co. by act of Congress entitled 'An act to incorporate the Washington Market Co.,' approved May 20, 1870," approved March 4, 1921, shall terminate and expire, and thereafter the property known as Center Market in the District of Columbia shall no longer be used as a public market.

Mr. SMOOT. I move that the Senate concur in the amendment made by the House of Representatives.

The motion was agreed to.

NOMINATIONS TO SUPREME COURT BENCH

Mr. GLASS. Mr. President, when some of us in this body venture to oppose the nomination of certain jurists for seats on the Supreme Court bench we were sharply criticized by certain other Senators for what was termed an attack upon the Supreme Court. These objections went primarily and mainly to recent tendencies of the court to strip the States of every remaining vestige of the rights accorded by the Constitution.

I am sure I was not greatly disturbed by the criticisms of those Senators who undertook to construe these valid objections into an assault upon the Supreme Court; but I confess to taking some large degree of satisfaction in finding that the outstanding members of the United States Supreme Court participate in the views expressed on this floor as to the vicious tendency of that body to strip the States of all of their constitutional rights.

Therefore I ask to have inserted in the RECORD a dissenting opinion of Mr. Justice Holmes, concurred in by Mr. Justice Brandeis and Mr. Justice Stone, from which I now read this quotation by Mr. Justice Holmes as concurred in by the other two Justices mentioned. He says:

I have not yet adequately expressed the more than anxiety that I feel at the ever-increasing scope given to the fourteenth amendment in cutting down what I believe to be the constitutional rights of the States. As the decisions now stand, I see hardly any limit but the sky to the invalidating of those rights if they happen to strike a majority of this court as for any reason undesirable.

I think there never has been uttered on the floor of the Senate a more complete characterization of this tendency of the court than is here uttered by Mr. Justice Holmes; and I await with some degree of curiosity to find some Senator rising in his place and saying that Mr. Justice Holmes and his two associates, Messrs. Brandeis and Stone, have made an assault upon the Supreme Court of the United States.

Mr. WALSH of Montana. Mr. President, is not the Senator from Virginia somewhat apprehensive that this decision may be made the basis for impeachment proceedings against these judges?

Mr. GLASS. It should be if utterances made here by certain Senators when we had the nomination of Chief Justice Hughes before us may be regarded as serious and sincere. They should move for impeachment proceedings, or get somebody in the House to do it for them.

The PRESIDING OFFICER. Without objection, the opinion will be printed in the RECORD.

The matter referred to is as follows:

[From the United States Daily]

OPINIONS UPHOLD RIGHT OF STATE TO TAX PROPERTY IN ITS CONTROL—SEPARATE VIEWS BY JUSTICES OF SUPREME COURT OPPOSE RULE THAT DOMICILE OF OWNER DETERMINES PLACE OF TAXATION OF CREDITS

The State of Missouri should have been permitted to impose an inheritance tax in the case of a resident of Illinois who died leaving bank accounts in Missouri banks, and also bonds and notes which were physically located in Missouri, Mr. Justice Holmes declared May 26 in a separate opinion in the case entitled "Thomas A. Baldwin et al. *v.* State of Missouri." Mr. Justice Holmes's opinion was agreed to by Mr. Justice Brandeis and Mr. Justice Stone.

"We ought to remember the great caution shown by the Constitution in limiting the power of the States," Justice Holmes declared. "Very probably it might be good policy to restrict taxation to a single place, and perhaps the technical conception of domicile may be the best determinant. But it seems to me that if that result is to be reached it should be through understanding among the States, by uniform legislation or otherwise," he said.

A separate opinion was also written by Mr. Justice Stone in which Mr. Justice Holmes and Mr. Justice Brandeis joined.

The majority opinion holding that the State of Missouri had no right to impose the tax in question appeared in full text in the issue of May 27. The separate opinions of Mr. Justice Holmes and Mr. Justice Stone follows:

RIGHTS OF STATES EMPHASIZED IN OPINION

Mr. Justice HOLMES. Although this decision hardly can be called a surprise after Farmers Loan & Trust Co. *v.* Minnesota (280 U. S. 204) and Safe Deposit & Trust Co. *v.* Virginia (280 U. S. 83), and although I stated my views in those cases, still as the term is not over I think it legitimate to add one or two reflections to what I have said before. I have not yet adequately expressed the more than anxiety that I feel at the ever-increasing scope given to the fourteenth amendment in cutting down what I believe to be the constitutional rights of the States. As the decisions now stand I see hardly any limit but the sky to the invalidating of those rights if they happen to strike a majority of this court as for any reason undesirable. I can not believe that the amendment was intended to give us carte blanche to embody our economic or moral beliefs in its prohibitions. Yet I can think of no narrower reason that seems to me to justify the present and the earlier decisions to which I have referred. Of course the words "due process of law," if taken in their literal meaning, have no application to this case; and while it is too late to deny that they have been given a much more extended and artificial significance, still we ought to remember the great caution shown by the Constitution in limiting the power of the States, and should be slow to construe the clause in the fourteenth amendment as committing to the court, with no guide but the court's own discretion, the validity of whatever laws the States may pass. In this case the bonds, notes, and bank accounts were within the power and received the protection of the State of Missouri; the notes so far as appears were within the considerations that I offered in the earlier decisions mentioned, so that logically Missouri was justified in demanding a quid pro quo; the practice of taxation in such circumstances I think has been ancient and widespread, and the tax was warranted by decisions of this court. (Liverpool & London & Globe Ins. Co. *v.* Assessors for the Parish of Orleans, 221 U. S. 346, 354, 355; Wheeler *v.* Shomer, 233 U. S. 424.) (I suppose that these cases and many others now join Blackstone *v.* Miller on the Index Expurgatorius, but we need an authoritative list.) It seems to me to be exceeding our powers to declare such a tax a denial of due process of law.

And what are the grounds? Simply so far as I can see that it is disagreeable to a bond owner to be taxed in two places. Very probably it might be good policy to restrict taxation to a single place, and perhaps the technical conception of domicile may be the best determinant. But it seems to me that if that result is to be reached it should be reached through understanding among the States, by uniform legislation or otherwise, not by evoking a constitutional prohibition from the void of "due process of law" when logic, tradition, and authority have united to declare the right of the State to lay the now prohibited tax.

Mr. Justice Brandeis and Mr. Justice Stone agree with this opinion.

CHOOSING THE UNKNOWN SOLDIER

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Washington Post of Sunday, May 25, on the subject of Choosing the Unknown Soldier.

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

[From the Washington Post, Sunday, May 25, 1930]

CHOOSING THE UNKNOWN SOLDIER—APROPOS OF NEXT FRIDAY, MEMORIAL DAY, SERGEANT YOUNGER TELLS HOW HE SELECTED THE CASKET ON MEMORIAL DAY AT CHALONS-SUR-MARNE, FRANCE

By Alan MacDonald.

Suppose you had been the war hero actually to select America's Unknown Soldier on that peaceful October day, 1921, in the little makeshift chapel at Chalons-sur-Marne, France. The commanding officers and dignitaries, every one, in fact, outside the door, you—a top sergeant—standing alone before four coffins, identical and draped bright with the Stars and Stripes. You dropped the pink and white roses on the coffin second from the end, on your right, thus making forever the Unknown choice. Suppose all this—then what would you expect of the years ahead, back home?

Sergt. Edward S. Younger, who dropped the roses, expected many things. Through the life of the Nation the Unknown was to lie in his tomb at Arlington. Perennially the President, the Senators, foreign emissaries, would gather around it in ceremonies of honor. The Unknown would be a legend, a symbol, a mystic glory. But Sergeant Younger, of all the American Expeditionary Forces, had been chosen to nominate him. And the sergeant's comrades—some open, some wheedling, and some challenging—had asked, wasn't there some tiny clew to the identity of the Unknown? Come now, among pals, wasn't there? Small wonder if Sergeant Younger, returning home, anticipated! Unsought honors, mayhap; little tributes of unbid-for interest; even the doubtful attention of the venal seeking to capitalize what they fancied he might have to divulge. Not that he would bear an instant with such dishonor * * * still, a man must think—and imagine—and speculate.

The other day—almost 10 years after—I went to see Sergeant Younger at his home in Chicago. I had a few days previous stood before the Tomb of the Unknown. Shadows were gathering over Arlington, that haunt of the heroes who have passed. Before me were the purple and mauve mists wherein still were visible the noble dome of the Capitol, the perfect temple in memory of Lincoln, the Washington Monument. Here truly was the beauty and light of the old poets. A wonder possessed me. Assume I had been the one to have chosen the hero in the white marble, forever in the lap of the amphitheater that is its altar. What effect would that have had on my life? My outlook? Would not this place have had for me a secret, personal meaning and charm? I thought of Sergeant Younger. * * * I set out to find him.

* * * * * * *

The former sergeant—he was honorably discharged in February, 1922—lives at 2005 Bingham Street. The home is a little 2-story frame

house, long unpainted, with the varnished imitation walnut front door of 20 years ago. It stands at a Y of streets, a large laundry on one hand, street-car barns on the other. I pounded on the front door. No answer. I went down the narrow passage between the Younger home and the house next door. I rapped on the windowless back door—hard. It opened slightly; I saw the electric lights were on inside. Two faces peered through the crack, man and boy. What did I want? Impatiently. Was the man Edward S. Younger—Sergeant Younger? He was—but he was in a great hurry. He had to be at work at noon. And meantime he had to take his son to his father-in-law's for the afternoon. His wife was away, working for a few days.

Younger and I sat across from each other at the kitchen table—around us the sink, blue and white stove, the old wooden ice box. Save for the incandescents, the room would have been dark, so close were the houses. Son Jack, 5, played on the floor, now and again standing at the table, eyes just above the edge, mutely holding out toys. Younger was glad—once he understood why I had come—to talk. A clerk in the Van Buren post office—sorting mail for Wisconsin was his job—he could go in an hour late and work an hour longer. How'd I ever find him? The Veterans' Bureau of course! But do you know I was the first writer or reporter or what not ever to seek him out? He had wondered, too, with all this talk and writing about the identity of the Unknown Soldier.

Pleasant, well-disposed, amiable soul—Younger. Of medium height and size, a shade above 30, blond hair thin atop his well-shaped head, comfortably plump. A nervous deprecatory little laugh that brought wrinkles about his ingenuous blue eyes.

Sure, he'd tell what there was. Hadn't thought about that day at Chalons-sur-Marne for a long time; you know how those things slip into the past. A great day, though—the little laugh bubbled up pleasurably. Why, the sergeant thought they honored him—to let him do the choosing—more than they did the Unknown. Oh, not really, of course. It just felt that way then, with the ceremony, shaking the officers' hands, the dinner given by the French—say, wine and song and cheers, speeches you couldn't understand * * * it was rich!

Born in the Chicago stockyard district, Younger was soon orphaned. His father, German born, died when he was 3; his mother, a Polish woman, not long after. School, work, getting along somehow, and then enlistment, February 23, 1917. A time at Laredo, Tex.—and France. The war wasn't so bad—now, after all this time. Some first-rate poker games, with plenty francs. (Now the sergeant chuckled; he enjoyed penny ante.) Caught under a house wrecked by enemy fire not far from Neufchateau, July, 1918, he had a spell in the hospital. Scarcely back again, he was wounded in the Argonne drive. Discharged next year in Germany, he returned to America and reenlisted. He joined the Fiftieth Infantry at Mayen, Germany, and from there, in 1921, was ordered to Chalons-sur-Marne—to his surprise, and for what he did not know. * * * In the little group ordered as pallbearers from the Fiftieth, Fifth, and Eighth Regiments the sergeant faced Col. Harry F. Rethers, of the Army Graves Registration Service—he wasn't sure it was Colonel Rethers, but thought it was. The colonel examined the service records. None of the men had been decorated, nor had performed signal feats, perhaps by design all were just good, average soldiers. * * *

"I guess you're the one, Younger," decided the Colonel. "You'll select the Unknown."

So Younger stood alone in the little chapel improvised in the city hall. Outside the open door stood the officers, French and American—General Dubois, Major General Rogers, Gen. Henry T. Allen, commanding the army of occupation. It was still and dark and silent. Twice he walked around the four coffins. He dropped the bouquet, turned, and saluted. The rest was a little blurred in memory. The generals came toward him and shook his hands. Yes; surely! You know there were speeches and things. * * * The bands played the dead march. From Saul? That was it. * * * He went with the body to Havre. It was like a holiday for heroes, so enthused were the French. At Havre was the dinner and the wine. * * *

No; none will ever know the identity of Unknown Soldier. The four bodies were four unidentified bodies from four different cemeteries. Even in those cemeteries, or among the men there, these bodies were not identifiable. He understood that not even the companies of these men were known definitely. They were battle-field strays * * * several squads successively had shuffled the four coffins, one squad after another, in the chapel, before he dropped the bouquet. The coffins were alike as four peas.

Sergeant Younger came back to Chicago in February, 1922. He had saved a little money, and for once was not pressed for work. He took civil-service examinations and waited until January, 1923, when he got his job at the post office. A year later he married Agnes Wascal and settled down. It was curious, wasn't it, that no one ever asked him about the Unknown Soldier? Still, he never talked about it; they never talked about it in Van Buren Post, American Legion, of which he was an executive committeeman; in time everyone seemed to forget it. Only once in all the years had it cropped up. A Frenchman got a job at the post office, and one day Younger said something that tipped this man off. The Frenchman regarded him with wonder and pop-eyed praise for days. He went around to the boys in the office, told everyone, and pointed to Younger * * * but the boys just nodded and went on with the mail business.

Some people might think his life dull, Younger opined, but he liked it—there was the office, the Legion, St. Sylvester's Catholic Church where he attended regularly, and his vacations in Minnesota summers. An occasional game with the boys * * * his family. No; the sergeant never had seen the Tomb of the Unknown. Not that he wouldn't like to take a look at it some time. * * * But, well, you know how long trips like that are!

WORLD PEACE

Mr. STEPHENS. Mr. President, at this time world peace is one of the subjects that is engaging the thought and attention of the peoples of every nation. There are many views on the matter. Many organizations are actively at work on this great problem. Its importance is so great that the viewpoint of every organization engaged in the study of the problem should be considered.

Recently a great organization issued a statement that has been brought to my attention by Miss Jeannette Rankin. She was the first woman to be a Member of the House of Representatives. She is a woman of great intellectual attainments and is deeply interested in the matter of world peace. At her request, I ask that the statement referred to may be printed in the CONGRESSIONAL RECORD.

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

THE CHURCHES AND WORLD PEACE; A MESSAGE TO THE CHURCHES BY THE THIRD STUDY CONFERENCE OF REPRESENTATIVES OF 37 COMMUNIONS AND ALLIED RELIGIOUS ORGANIZATIONS, HELD IN EVANSTON, ILL., FEBRUARY 25–27, 1930

INTRODUCTION

The primary purpose of the study conferences on the churches and world peace is to help the churches of the United States to take their proper part in the stupendous and urgent undertaking of establishing the peace of the world.

The Briand-Kellogg peace pact, proclaimed by President Hoover on July 24, 1929, to have become binding on the ratifying powers—now (February, 1930) numbering 54—has put new foundations, both moral and political, under the peace movement. The study conference during its deliberations kept steadily in mind the spirit and intent of the pact. This was the background of every section of its discussions and of its findings. The conference was divided into three "round tables," which centered their thought, respectively, on—

A. The Christian ethic of international life.

B. The church, the pact, and peace policies.

C. The church, the pact, and the Far East.

In connection with each of the topics the question constantly before the conference was: In the light of the gospel of Jesus Christ and of the obligations of the United States under the pact, what recommendations should this study conference make to the churches?

The study conference was deeply conscious of the challenge of the extraordinary world situation at the very time when it was in session. The London Conference on Naval Armaments, convened on January 21, 1930, was at the moment in recess on account of the crisis in the French Cabinet. Various difficulties, moreover, had developed in the naval conference itself which were causing many to take pessimistic attitudes. It was just at this juncture that the study conference of church leaders convened in Evanston, Ill. And it was in this world atmosphere that the study conference did its work.

In presenting to the churches its findings the study conference voices its own convictions and suggestions and commends them for serious consideration to the churches of the United States.

MESSAGE

Part I

THE CHRISTIAN ETHIC OF INTERNATIONAL LIFE—THE OBLIGATIONS OF NATIONS

Believing that God hath made of one blood all nations to dwell together in unity, we hold that nations as well as individuals are subject to the moral law, and that all problems arising among them of whatever nature or origin they may be, such as matters of racial conflict, immigration policies, tariff barriers, world markets, and control of natural resources, can be solved only in accordance with the mind of Christ, as disclosed in the Golden Rule and the Sermon on the Mount. We feel it to be a primary duty of the Christian churches to accept their inherent responsibility for the proclamation of this ideal to the end that war may be abolished and cooperation and good will may prevail. In pledging ourselves to peace we pledge also our loyalty to the cause of social justice.

PATRIOTISM AND THE PACT

Believing that the institution of war is contrary not only to the ethics of Jesus but also to the law of the nations as expressed in the pact of Paris, we urge the churches to proclaim the conviction that

good citizenship and true patriotism must henceforth be manifested in individual conduct that shall be in harmony with this pledged word of the nations.

CONSCIENCE AND THE PACT

We find in this conviction additional reason for calling upon our Government to respect the principle of free conscience with regard to war, and we affirm the duty of the church to support with moral approval individuals who hold conscientious convictions against participation in military training or military service.

NATURALIZATION AND THE PACT

We believe the United States should welcome as citizens all applicants for citizenship otherwise qualified who conscientiously seek to follow the highest ideals, including those who have in their own hearts renounced war as an instrument of dealing with others. We urge that the statutes relating to the naturalization of aliens be amended to this end and be brought into harmony with the spirit and intent of the pact by which the nations have renounced war as an instrument of national policy.

NATIONAL SOVEREIGNTY, NATIONAL HONOR, AND THE PACT

We hold that, in the light of the gospel of Jesus Christ and in the light of the obligations assumed by our country under the pact of Paris, our national sovereignty, national honor, and national interests should be defended only by pacific means. We hold further that in the light of the gospel of Jesus Christ and the pact of Paris resort to war is the degrading of our national sovereignty, national honor, and national patriotism, and that our national interests can be best preserved by living up to the spirit and intent of the pact of Paris.

THE MEANS FOR PEACEFUL SETTLEMENT

We hold that world peace can be maintained only by peaceful means, such as arbitration, conciliation, mediation, committees of inquiry, and judicial settlement.

INDUSTRIAL AND ECONOMIC INJUSTICE AS CAUSES OF WAR

Recognizing that many of the elements and institutions of our industrial and economic order are essentially unjust and un-Christian, and to that extent causes of war, we urge upon our churches that they undertake a fundamental study of our civilization for the purpose of discovering those elements in it which are unjust and un-Christian and bringing them to the attention of the world.

Part II

THE CHURCH, THE PACT, AND PEACE POLICIES—THE LONDON CONFERENCE

This conference is desirous that the resolutions adopted regarding the London conference be widely used (a) for stimulating intelligent discussion in the molding of the opinion of our Christian constituences and the entire citizenship of the country, and (b) for conveying to those responsible for deciding these important questions the strong convictions held by the Christian organizations represented in this conference.

We therefore request each denomination represented to give publicity to the action of this conference through all regular channels of communication, asking:

(1) That the ministers themselves deal with the subject definitely and simply from the pulpit in order that the congregation may understand the issues involved.

(2) That discussion by organized groups in the church be encouraged in a study of the teachings of Jesus upon world peace and of the best practical methods for securing and maintaining world peace in our day.

(3) That there be appointed in each church a committee to secure and distribute throughout the membership the excellent printed material put forth on the issues of world peace in the London conference by (a) the Commission on International Justice and Good Will of the Federal Council of Churches, 105 East Twenty-second Street, New York; (b) the Foreign Policy Association, 18 East Forty-first Street, New York; (c) the National Council for Prevention of War, 532 Seventeenth Street NW., Washington, D. C.; (d) the League of Nations Association, 6 East Thirty-ninth Street, New York; (e) the Women's International League for Peace and Freedom, 8 Jackson Place NW., Washington, D. C.; and kindred organizations having for their object education for the preservation of peace.

(4) That where possible it be suggested to the constituency of the churches that they vote approval of resolutions similar to that passed by this conference and transmit the same to Mr. Hoover and to the United States delegation in London.

(5) That individual members of the church be urged to send personal communications embodying the same convictions.

NAVAL AND MILITARY BUDGETS

In view of the rapidly mounting expenditures of the United States for instruments of war and the warnings which President Hoover has given the American people to the effect "that current expenditure on strictly military activities of the Army and Navy constitutes the largest military budget of any nation in the world to-day," and that "during the current fiscal year the expenditures will reach to over $730,000,000, excluding all civilian services," and that "programs now authorized will carry it to still larger figures in future years," we hold that the churches should resolutely oppose such increased expenditures and that they should work for drastic reduction of military appropriations. The churches should throw the whole weight of their moral authority into a crusade for winning men's minds to the conviction that the security, peace, and welfare of our country and the world depend in this age of science on effectively demobilizing the armed agencies of death and on efficiently constructing and improving pacific agencies for the settlement of every form of strife.

MILITARY TRAINING

1. We agree with former Secretary of State Kellogg that "the most certain insurance" against war "is the training of the thoughts of men in the way of peace," and we deplore the present Federal expenditure for military training in high schools, civil colleges, and summer camps—an expenditure which is greater than the total operating costs of the Department of State.

2. Accepting the expert opinion of the World Federation of Education Associations, the National Education Association, and other competent bodies that military training is not the best form of training for developing physique, citizenship, and patriotism, we urge that the citizens' military training camps should be reorganized and renamed without the military element, but with emphasis upon physical development and nonmilitary ways of national service, such as projects of reclamation and conservation of natural resources, and that the control of these camps and expenditures for the same should be lodged in the Department of the Interior or some other civilian agency, and not in the Department of War.

3. With regard to the Reserve Officers' Training Corps, we call the attention of the churches to the particular dangers of military compulsion, military propaganda, and military money inhering in War Department control of this military education in civil universities and schools. We urge the churches throughout the country to gather fact material in local communities and States and study intensively the psychological effects of military courses, especially their effect on the attitudes of students toward such questions as preparedness, the World Court, 100 per cent nationalism, freedom of speech and discussion, etc. We also urge that wherever compulsory military training exists our churches shall spread the facts concerning it so as to facilitate speedy abolition of the same. We recommend cooperation with the Committee on Militarism in Education, Bible House, Astor Place, New York, and other peace agencies studying this subject. Especially in high schools and church schools and colleges we believe that military training is out of place and that there should be no compulsory military courses in any civil institution of higher learning. To this extent, at least, the national defense act should be revised and amended so that our Government, which has signed the pact of Paris renouncing war as an instrument of national policy, will no longer aid in coercing schoolboys to prepare for battle.

THE WORLD COURT

This conference is convinced that the tradition of the United States points directly to membership in the World Court; that the conditions of adherence to the court indicated by the Senate in its reservations of 1926 have been met by the action of the member States and by the Root-Hurst protocol; and that such membership is essential to the fulfillment of America's international obligations. It urges upon the churches efforts to make plain to their constituencies the reasons for American adherence. It also urges that churches and groups or individuals within the churches communicate to the President of the United States and to the Senators from their respective States their convictions.

THE OPTIONAL CLAUSE

We believe that the United States should accept the optional clause for obligatory jurisdiction and we urge that the significance and advantages of such acceptance be made a matter of serious study in preparation for an enlightened understanding of the question whenever it may come up for decision by the Government.

THE PAN AMERICAN ARBITRATION TREATY

We are convinced that the Pan American arbitration treaty for the obligatory arbitration of all justiciable disputes, signed on January 5, 1929, by 20 American States, including the United States, is a notable step forward in fulfillment of the obligations of the pact of Paris. When this treaty is submitted to the Senate for its consent and ratification we ask all citizens to join in urging that it be ratified without any exceptions or reservations.

ARMED INTERVENTION

We believe that diplomatic means and not armed intervention should be employed for the protection of the lives and property of the United States citizens in foreign countries. We hold that United States citizens who go abroad or who invest their capital in enterprises in foreign countries should look for protection to the laws and governments of these countries, assuming any risks which this may involve, and that they should not expect the United States Government to intervene with armed force on their behalf.

It is our conviction that the policy of armed intervention in any American country by the United States should be abandoned. If situations should arise which seem to demand intervention by outside nations, we believe the United States should take the initiative in inviting other nations concerned into conference regarding the situation, with a view to pacific adjustment.

THE LEAGUE OF NATIONS

We express our gratification in the increasing cooperation of our Government with the League of Nations in matters pertaining to disarmament, economic collaboration, the promotion of health and morals, and other activities.

Looking to the future, we advocate that the United States become a member of the League of Nations, with such reservations, if deemed necessary, as may be mutually acceptable to the United States and to the members of the league. We believe that the sooner this occurs the better it will be for a world earnestly trying to organize itself for peace.

Part III

THE CHURCH, THE PACT, AND THE FAR EAST—THE RESPONSIBILITY OF THE CHURCHES

In the light of the pact of Paris the churches should restudy and reevaluate their responsibilities in relation to world peace. They should study with increased earnestness and sympathetic insight the development of the attitudes which manifest themselves to-day (1) in suspicion and criticism of the West on the part of the Orient, (2) in demands for removal of limitations to national aspiration, and (3) in protests against western arrogance and imperialism, of whatever type. They should strive to understand the currents of thought which are now sweeping across the Far East. They should reaffirm and greatly strengthen their missionary program along lines calculated to promote international good will and understanding.

THE IMPACT OF THE WEST ON THE EAST

We are convinced that the Christianization of our impact on the Orient can not be fully attained until many attitudes and practices in our own country are transformed—race prejudice, disregard for law, child labor and other forms of industrial injustice, foreign investments under unethical conditions, military training in our educational institutions, vicious and misleading motion pictures, and a sensational and jingoistic press.

NATIONAL DEVELOPMENT AND NARROW NATIONALISM

We believe that every nation should bring its own life to the highest development, but we call attention to the dangers of narrow nationalism. It is the obligation of Christian people to work persistently toward changing those attitudes and practices which are roots of war.

CHINA'S ASPIRATIONS

China is naturally eager to secure the revision of treaties which seem to impair her sovereignty because of their provision for special rights for foreigners, extraterritoriality, and concessions. We are grateful that Great Britain and the United States have already repeatedly declared their readiness to negotiate on these matters with representatives of the Chinese people. We earnestly hope the time may soon come when some practical plan for effecting advance in this direction may be mutually agreed upon so that China shall not feel herself to be hindered from internal reconstruction by the presence of foreign gunboats and military forces. In this connection we would call attention to the statement of the Jerusalem meeting of the International Missionary Council as follows: "The protection of missionaries should be only by such methods as will promote good will in personal and official relations" because "the use or the threat of the armed forces of the country from which they come for the protection of the missionary and the missionary property not only creates widespread misunderstanding as to the underlying motive of missionary work but also gravely hinders the acceptance of the Christian message."

THE ASIATIC EXCLUSION LAW

We are aware that the exclusion clause of the immigration act of 1924 still remains and gives grave offense to Asiatic peoples. While Japan keenly resents the humiliation which she feels was placed upon her she is maintaining an attitude of dignified and restrained protest. We earnestly urge that this matter should be set right either by a new treaty or by placing Asiatics under the quota provisions of the immigration law, or by any other arrangements that may be mutually satisfactory.

THE PROBLEM OF PHILIPPINE INDEPENDENCE

In the light of the peace pact, which tends to render obsolete some of the reasons originally given for our holding of the Philippine Islands, we call upon the churches to study this question in its newly emerging economic and political implications, and to help form such public opinion as shall solve the problem of Philippine independence upon the highest standards of international justice rather than upon an opportunistic basis.

A SUGGESTION

We propose that the executive officers of this conference be asked to secure the preparation of a popular but reasonably adequate statement which will set forth historically the growth of relations between the East and the West, and that development of such arrangements as extraterritoriality, military protection of foreigners in far eastern countries, and other similar and related practices.

Part IV

GENERAL RECOMMENDATIONS—NEED OF DEFINITE PERIODS FOR PEACE STUDY

We recommend that the various denominations, through their central organizations, be urged to set aside a definite period each year to be devoted to the consideration of those aspects of international affairs which bear upon the problem of world peace. We further recommend that for those periods the denominational organizations suggest to the churches topics for consideration and available study materials.

PRAYER

Believing in the efficacy of prayer as a means for hastening the fulfillment of our hopes for and our efforts to secure a world peace which shall be permanent, we pledge ourselves to pray earnestly and frequently for the establishment of such peace. We also urge all Christians individually and in informal groups, as well as in organizations, to join with us in prayer to this end.

STUDY CONFERENCES

The first study conference on the churches and world peace was held in Washington, D. C., December 3–5, 1925. The delegates were officially selected to represent the peace interests of their respective communions and of other religious bodies. The resulting message to the churches was a significant indication of the rising tide of conviction among Christian leaders that the churches have a vital part to take in the overthrow of war and the establishment of enduring world peace.

Among the results of the first study conference was the formation of the national committee on the churches and world peace with Bishop William F. McDowell as chairman. The purpose of the committee was to convey to all churches the findings of the conference, to secure the introduction into the regular curricula of church schools of the study of world peace and to hold at some suitable time a year or more later another study conference.

The second study conference was held in Columbus, Ohio, March 6–8, 1929, and its findings were issued in a 22-page pamphlet entitled "A Message to the Churches." The general background of its deliberations was the General Pact for the Renunciation of War, which at that time was in process of ratification by the 15 nations whose representatives had signed it at Paris on August 27, 1928.

In view of the new international situation as regards war and peace that would come into being as soon as the peace pact had been generally accepted, the conference directed the staff to arrange for a third study conference to be held during the last week in February, 1930.

The third study conference was held in Evanston, Ill., February 25–27, 1930. The findings of this conference are given in the following pages. The communions and allied religious organizations, represented by 168 delegates, numbered 37 and are listed on page 18.

Communions and allied religious organizations having representatives at the third study conference

COMMUNIONS

The Northern Baptist Convention, the Church of the Brethren, the Christian Church, the Congregational Churches, the Disciples of Christ, the Evangelical Synod of North America, Five Years Meeting of Friends, Religious Society of Friends of Philadelphia and Vicinity, Friends General Conference, Greek Orthodox Church of North and South America, Mennonite Church in the United States and Canada, the Methodist Episcopal Church, the Methodist Episcopal Church, South, the Presbyterian Church in the United States of America, the Protestant Episcopal Church, the Reformed Church in America, the Reformed Church in the United States, the Reformed Presbyterian Church, the Salvation Army, the Seventh Day Adventist Church, the American Unitarian Association, and the Universalist General Convention.

ALLIED RELIGIOUS ORGANIZATIONS

Baptist Young People's Union of America, the International Society of Christian Endeavor, the Council of Women for Home Missions, the Epworth League, the Federal Council's Commission on International Justice and Good Will, the Federation of Woman's Boards of Foreign Missions, the Fellowship of Reconciliation, Foreign Missions Conference of North America, Interdenominational Committee on Christian Work Among Students, Missionary Education Movement, National Council of Federated Church Women, Student Volunteer Movement, the World Alliance for International Friendship Through the Churches, the Young Men's Christian Association, and the Young Women's Christian Association.

THE NATIONAL COMMITTEE ON THE CHURCHES AND WORLD PEACE, 105 EAST TWENTY-SECOND STREET, NEW YORK, N. Y.

Chairman, The Right Rev. G. Ashton Oldham; vice chairmen, Dr. M. Ashby Jones, Mrs. Thomas Nicholson; chairman of executive committee, Dr. John H. Lathrop; treasurer, Mr. Dwight H. Day; secretaries, Rev. Sidney L. Gulick, Rev. B. S. Winchester, Rev. Walter W. Van Kirk; executive committee, Dr. Allen R. Bartholomew, Dr.

Herbert E. Benton, Dr. Ahva J. C. Bond, Bishop James Cannon, jr., Rev. John Wesley Elliott, Mr. Edward W. Evans, Mrs. John Ferguson, Rev. Lawrence H. French, Rev. Walter Getty, Dr. A. C. Goddard, Rev. Charles N. Lathrop, Mr. Frederick J. Libby, Dr. Walter McCarroll, Rev. Kirby Page, Mr. Clarence E. Pickett, Rev. Paul Rugg, Mr. John Nevin Sayre, Mrs. E. H. Silverthorn, Rev. Harry Thomas Stock, Miss Helen Thoburn, Dr. C. H. Tobias, Dr. H. P. Vieth; advisory council, Hon. Florence E. Allen, Pres. Clarence Barbour, Bishop Wm. M. Bell, Mr. J. C. Broomfield, Rev. F. W. Burnham, Dr. F. G. Coffin, Rev. Wm. C. Covert, Dr. D. J. Cowling, Rev. James A. Crain, Rev. Eugene L. Crawford, Dr. Elam F. Dempsey, Dr. Warren H. Denison, Dr. Robert C. Dexter, Rev. E. C. Dinwiddie, Rev. J. George Dorn, Bishop Horace M. DuBose, Bishop J. F. Dunlap, Dr. Samuel A. Eliot, Dr. Fred'k L. Fagley, Dr. W. P. Few, Dr. E. E. Fischer, Rev. Wm. A. Freemantle, Rev. L. O. Hartman, Pres. J. Maurice Henry, Rev. Stanley High, Rev. Ivan Lee Holt, Mrs. S. S. Hough, Dr. O. Edward Janney, Dr. Charles E. Jefferson, Mrs. F. I. Johnson, Prof. Rufus M. Jones, Dr. Ryland Knight, Rev. H. P. Krehbiel, Rev. Paul S. Leinbach, Rev. Deacon Leontios Leontiou, Dr. John H. MacCracken, Bishop M. T. Maze, Bishop William F. McDowell, Rev. William P. Merrill, Mrs. William A. Montgomery, Dr. John M. Moore, Rev. C. C. Morrison, Mrs. Thomas Nicholson, Dr. Frank M. North, Lt. Commissioner E. J. Parker, Rt. Rev. Edward L. Parsons, Bishop C. H. Phillips, Dr. Daniel A. Poling, Mrs. William S. Scarlett, Rev. Paul de Schweinitz, Miss Vida D. Scudder, Dr. Charles C. Selecman, Mrs. C. S. Smith, Mrs. F. F. Stephens, Dr. J. Ross Stevenson, Hon. William E. Sweet, Dr. Alva W. Taylor, Rev. E. F. Tittle, Dr. James I. Vance, Mrs. Taul B. White, Hon. George W. Wickersham, Rev. W. I. Wishart, Miss Mary E. Woolley.

TARIFF REVISION

Mr. HATFIELD. Mr. President, being a believer in Americanism and the protection of American labor and American industry, and being informed through reliable sources that the average yearly imports into this country since the enactment of the 1922 tariff law are in excess of $4,000,000,000, based upon foreign values—which can be multiplied by two and one-half, representing the American value of the landing price of these products—I was somewhat amazed when I read of the round robin protest of college professors and economists against the passage of the pending tariff bill.

A great deal of consideration is given by the average American to the college professor and economist. Ordinarily, this group does not mix in partisan politics. Cloistered in colleges as they are, hidden behind a mass of statistics, these men have no opportunity to view the practical side of life in matters pertaining to our industrial welfare as a nation, or to the standards that must be maintained for the welfare of the laboring group. They are not conversant with the practical actualities. Therefore, their conclusions are largely based upon theories; and in every instance in the past when those theories have been applied, a decline in the American pay roll has been the answer.

With a generous feeling in mind toward these learned men, their views—no doubt largely predicated upon statistics—have been fully displayed in the press of the country in the last few days. There is but little, if any, consideration given to the human element by this class of men; and I therefore took the liberty of asking the views of those who actually represent the workers of our Nation.

It was my intention to include the reply which I received in the way of a letter as a part of an address which I am preparing; but in view of the continuous promulgation of this publicity, starting primarily from a group of economists located throughout this country, the comments upon which are to be frequently found in the way of editorials in the daily papers of this country that are based upon the conclusions of these intellectual free traders, who seem to be more concerned with the prosperity of foreigners than they are with the well-being of our own American people, I send to the desk a letter which I ask unanimous consent to have read by the clerk.

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

The Chief Clerk read as follows:

AMERICA'S WAGE EARNERS' PROTECTIVE CONFERENCE,
New York City, May 10, 1930.

Hon. HENRY D. HATFIELD,
United States Senate, Washington, D. C.

DEAR SENATOR HATFIELD: Your letter of May 5, inclosing copy of protest of economists and college professors to an upward revision of the tariff act and to which protest you ask my views, received.

The position of the economists and college professors on tariff legislation is generally well known. With few exceptions they are free traders.

They are neither producers nor creators of any commodity or article of trade. They are generally cloistered in the atmosphere of the schoolroom, and their mental wares do not enter into competition with foreign producers where lower wage levels and longer working hours prevail and where standards of living are not only lower but in other respects much inferior to the standards built up in our own country under the American tariff policy.

Briefly, these economists and college professors are consumers, not producers. Their whole philosophy on tariff legislation is one of selfish interests. Production to them is evidently a mere incident in their whole school of economy.

Whether consciously or unconsciously, they freely admit this truth in their class protest, for they frankly state that "professionals" do not profit by any tariff restriction in trade, and if they would but dare follow the logic of their protest to a finality they would have no tariff protection whatsoever for American industries.

In considering this protest no doubt Congress will bear in mind, which these economists and college professors have ignored or ruthlessly brushed aside in their scheme of things, that despite their erroneous philosophy they are beneficiaries of the American tariff policy, as are all producers and consumers. We can not under any circumstances set aside America's producers and destroy American industries and expect that consumers will have enhanced their interests. After all, the prosperity of all depends first and foremost upon our productive ability, opportunities, and incentives. Secondly, these economists and college professors are beneficiaries of higher standards of living. Payment for their services is based upon American standards, made possible by the American tariff policy. Surely they will not dispute the fact that economists and college professors in foreign countries, of equal ability, receive a much lesser compensation due to a lower standard of living existing in those countries.

America's workers, during the recent national election, were assured by both political parties that the American standards of living and wages would be protected and enhanced. In order that these assurances may be fulfilled effectively, it is essential that proper and adequate tariff duties be levied on the foreign-made products which compete in the American market with the products of America's workers.

An important and ever-increasing dangerous factor has been entirely overlooked or designedly disregarded by these protesting economists and college professors. Prior to the World War many of the foreign nations were almost wholly dependent upon their agricultural activities and products. A number of these countries are now energetically engaged in industrial activities and an increasing number of European nations are emerging into great industrial nationals.

In so doing they have equipped their plants and factories with the most modern machinery. In a number of cases their mechanical equipments are of a more efficient type than can be found in American factories. In addition, many of these factories are not alone supervised by American engineers but are owned by American capital.

Indeed these protestors gloat in the fact that American surplus wealth is being expropriated; that it is being used to exploit cheaper labor markets abroad; that it seeks even to use forced labor; and that America must open its doors and submit to the lowering of its standards of work and life in order that international capital may have full reign. It is not surprising that these protestors should join with our international capitalists, industrialists, and traders or commercialists. Despite this fact America's wage earners place their faith for the protection of America's producers upon an American and not an international Congress.

Merely as one of many examples, European photo-engraving establishments are soliciting orders for European-made photo-engravings in America at a price of 60 per cent less than the American cost of production of similar work. The duty is only 25 per cent of the foreign value.

Are we to believe in the theory of low costs advanced by these economists and college professors and permit this American industry, as well as many others, to be destroyed? And, if so, who shall profit in America? To open America's doors to lower costs of European and Asiatic production can only result in greater idleness and unemployment of America's workers or the lowering of America's costs to equal that of European and Asiatic nationals. Is this what these protesting economists and college professors desire?

In the letter of protest you will note the following: "America is now facing the problem of unemployment. Her labor can find work only if her factories can sell their products."

Here, indeed, we find a most gloomy philosophy of despair. America's wage earners are advised that our sole solution against unemployment is to sell the products of America's wage earners abroad. Then, as if in the same breath, we are advised that we can not sell to the European and Asiatics unless we buy from them to the same amount, and thus by this mystic logic we must lose America's market to foreign nationals to the same degree and to the same extent that we may capture foreign markets. What sort of political economy is this? Is it not better to hold and protect America's market, the richest of all markets, consuming more than 90 per cent of all that we produce, for America's wage earners and American industry?

We are not only facing unemployment, we have millions of American workers who are unable to find employment. One of the reasons for this unemployment is the investment of American capital in foreign countries. In this same letter of protest I find the following: "Many of our citizens have invested their money in foreign enterprises. The Department of Commerce has estimated that such investment amounted to between twelve and fourteen billions of American dollars up to January 1, 1929. These investors, too, would suffer if protective duties were to be increased, since such action would make it still more difficult for their foreign creditors to pay them the interest due them."

Here, indeed, is presented the most grievous of all complaints as filed by these protesting economists and college professors. America's investors abroad must be protected in their foreign investments of America's surplus wealth. America's investors abroad must not be made to suffer by increased protective duties, even though the wages of America's wage earners must be decreased, their hours of work lengthened, and their standards of living be lowered. Here, indeed, we have a frank and eloquent appeal for international capital and capitalists, for international industrialists and commercialists and not a word of sympathy for America's wage earners. Indeed, these advisers of our international economy would likewise internationalize America's wage earners and their standards of life and work.

Is it any wonder that those who toil, who do the actual work, and upon whom all ultimately depend should have so little confidence in those who acclaim themselves as the leaders in political economy?

It is self-evident that the taking from American industrial promotion of twelve or fourteen billions of American dollars has reduced the purchasing and consuming power of America's workers and prevents the further development of America's industries.

In many cases investments of American capital have been used to promote industries in foreign countries simply because they can dump the products of the foreign countries on the American market and receive from the sale of these products a larger profit than is obtainable through the sale of similar products, produced in their American factories.

Finally, the plea of peace on earth and good will to man is presented against the enactment of any tariff increases. Evidently we have reached that period of life when a bad cause may be most eloquently presented under the cloak of peace.

Certainly America's wage earners are not excelled in their ambition and desire for peace, but not peace at any price; not peace at the loss of employment; not peace at the lessening of wages and increasing of hours of toil; not peace through the lowering of our standards of living; not peace in order that international capitalists, industrialists, and commercialists may internationalize the labor and markets of the world and enthrone thereon a financial and industrial power that will either enslave the masses of the world or enhance a world-wide revolt against an order that our learned economists and college professors would consciously or unconsciously usher in.

Surely a Congress representing America's best interests will remain true to America's traditions and policies and will not be misled by this appeal of internationalism even though promoted by such an array of economists and college professors.

Thanking you for the interest which you have taken in the welfare of America's wage earners and assuring you of our appreciation of your efforts.

Sincerely yours,

MATTHEW WOLL, *President*.

Mr. HATFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial taken from the American Labor Banner entitled "Plain Talk About Tariff," in the issue of the paper of May 24, 1930.

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

PLAIN TALK ABOUT TARIFF, FOR WHICH IT IS HIGH TIME, INDEED

(An editorial)

It is high time there was plain talk about tariff and about some of those who are seeking to influence tariff legislation now pending.

For the first time in American history a large group of international unions have united to secure adequate tariff protection for the commodities they are engaged in making.

For the first time in American history an American tariff bill stipulates protection of American labor in its title.

These are important facts. There are many others.

American trade unions have by no means been able to have written into the bill all they require for the protection of their standards and the needed improvement in their conditions. But they have made some progress.

American labor faces an unprecedented condition. Even with our tragic unemployment, wages, working conditions, and employment conditions are better than in either Europe or Asia.

TARIFF A VITAL ISSUE

Commodities made abroad by workers who get as low as one-fourth the American rate of wages are imported and put in competition with American-made commodities. Many of the European and Asiatic products are made on American machinery and some of them are made in factories owned by Americans, their products bearing American trademarks and American patents.

To-day's situation never existed before. Tariff is no longer an academic matter to be debated by cloistered gentlemen, nor a political tool to be manipulated by those who have political ends to serve.

Tariff protection in a great many American industries is a necessity if the American industries are to be preserved. It is not a question of "infant industries," it is a question of big industries as well.

Without attempting to justify everything that is found in the tariff bill now under consideration, this newspaper asserts itself in behalf of everything that has been written into the bill to honestly protect American wage standards against the miserable wage levels of Europe and Asia. Moreover, it is better to overprotect than to underprotect!

There are those who assail the bill as a whole. Most of those who level these broadside attacks pretend to be "friends of labor." Labor has had altogether too much of that kind of friendship.

AN AMAZING SPECTACLE

A large group of college professors came to the rescue of European and Asiatic starvation-wage employers with a slashing attack on the tariff bill. They called themselves economists. The Scripps-Howard newspapers, whose amazing attack on organized labor last fall has not yet been forgotten, have attacked the bill steadily, without consideration for the necessary protective provisions written into the bill at the specific request of labor.

The New York World has attacked the bill about as ridiculously as it could be attacked. As an example, a World editorial went through the list of things used by the average man in a day—his toothbrush, his bathrobe, the cloth on his breakfast table, and so on. It asserted that each item would cost a given amount more under the new tariff bill. That was to assume that the average American would use nothing but imported commodities throughout his average day, a most absurd assumption. Whether under no tariff or high tariff, such a proceeding would soon obliterate all American industry, including the New York World.

FORD IS AN IMPORTER

Henry Ford has attacked the bill through the Scripps-Howard newspapers. Ford is rated as a manufacturer, but he also is an importer, and Ford will benefit by low duties on the many things he imports. The present law contains a 25 per cent duty on automobiles, and Henry Ford needs no higher duty to protect the only commodity which might be imported in competition with him. A General Motors official attacks the bill, and what applies to Ford applies to General Motors.

Not only does Ford import many things used in making automobiles, but he manufactures tractors in Ireland, has them protected by American patents, and imports them duty free under a customs ruling—a ruling the fairness of which is open to challenge—that they are entitled to free entry as agricultural implements, a ruling that would not be changed under any new tariff legislation. Naturally Mr. Ford is satisfied.

Newspaper assailants of the bill proclaim their defense of that mythical person, "the consumer." There is no consumer unless there is a producer, and if there is a consumer who is not also a producer in some capacity, then he is a parasite, about whom this newspaper is not much concerned save to help see to it that his civil rights are protected.

DIPLOMATS ABUSE PRIVILEGE

Foreign diplomats accredited to the United States have publicly attacked the tariff bill, thus seeking to participate in the making of American legislation. The Swiss minister indulged himself in a radio speech. The Spanish ambassador made a public speech. At the outset of the struggle the Cuban ambassador had a great deal to say. Every foreign diplomat who has attempted to interfere with American legislation should be sent home. Their proper mission does not include the business of scaring American legislators into letting cheap-made foreign goods into the American market free of duty.

WHO GAINS? THE ANSWER

The scholastic gentlemen; the diplomats; the big manufacturers, like Ford; the newspapers, like the Scripps-Howard newspapers, and the New York World are, whether they want to or not, serving one powerful group of capitalists—the importers and the international bankers.

As against the importers, who are purely middlemen, and as against the international bankers, it is time the masses of the American people, the great armies who work for wages, be heard and protected. To stop immigration is of little avail if the would-be immigrant may send his competition through his manufactured output. He combats our standards without bettering his own.

STUDENTS' HUGO N. FRY CLUB

Mr. HARRISON. Mr. President, I desire to have read from the clerk's desk an article which appeared in the Herald Tribune of New York this morning, stating how certain gentlemen organized a "Hugo N. Fry (You-go-and-fry) Club," and had received greetings from various Republican leaders over the country.

"You-go-and-fry" is a very appropriate name for a Republican organization, so I ask that it be read.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will read.

The Chief Clerk read as follows:

HOAX ON "FATHER OF REPUBLICANS" TRIPS LEADERS—CURTIS, HUSTON, DAVIS SAID TO HAVE BEEN BEGUILED BY CORNELL SUN PRANK—TRIBUTE PAID "H. N. FRY"—"DINNER TO PARTY FOUNDER" WON OFFICIAL FELICITATION

ITHACA, N. Y., May 27.—How Vice President Curtis, James J. Davis, Secretary of Labor, and other Republican national officials were made innocent victims of a hoax by the editors of a humorous column in the Cornell Daily Sun, student newspaper, was revealed by the perpetrators, L. A. Blummer, of Yonkers, and E. T. Horn, of Ithaca, at a dance here last night.

The editors, who use the name "Hugo N. Fry (You-go-and-fry)" in publishing their flippancies, desiring, as they stated, "to settle once and for all the dispute regarding the actual birthplace of the Republican Party," sent letters to the Republican leaders. They wrote that "a dinner in honor of the sesquicentennial of the birth" of Fry was to be held by students here.

The "committee" averred that "this little-known patriot of central New York had been deprived of the fame that should have been his for his part in the organization of the Republican Party in New York State." They requested a message "in memory of that pioneer Republican, Hugo N. Fry."

HUSTON COMMENDS PROJECT

Telegrams which the jokesters said they received were read. Claudius H. Huston, Republican national chairman, they said, sent a telegram of commendation.

Vice President Curtis was said to have replied:

"I read with pleasure your intention to give a dinner honoring the sesquicentennial of the memory of Hugo N. Fry, pioneer Republican, of Elmira.

"I am sorry my official duties prevent me from attending the dinner.

"I congratulate the Republicans on paying this respect to the memory of Hugo N. Fry and wish you a most successful occasion.

"With kindest regards, I am, very truly yours,

"CHARLES CURTIS."

DAVIS LAUDS "STURDY PATRIOT"

Secretary Davis was quoted as saying: "It is a pleasure to testify to the career of that sturdy patriot who first planted the ideals of our party in this region of the country. If he were living to-day he would be the first to rejoice in evidence everywhere present that our Government is still safe in the hands of the people."

Representative RUTH PRATT, of New York, wired: "Greetings and all good wishes to all of you who are gathered to pay tribute to the memory of Hugo N. Fry. I wish it were possible for me to be with you."

Senator JOSEPH R. GRUNDY, of Pennsylvania, also added his praise to the "sesquicentennial project."

[Laughter.]

UNVEILING OF STATUE OF GEN. JOHN CAMPBELL GREENWAY

The VICE PRESIDENT laid before the Senate the concurrent resolution (S. Con. Res. 29) submitted by Mr. ASHURST and Mr. HAYDEN on May 26, 1930, which was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed, with illustrations and bound, 5,000 copies of the proceedings in Congress, together with the proceedings held at the unveiling in Statuary Hall, upon the acceptance of the statue of Gen. John Campbell Greenway, presented by the State of Arizona, of which 1,000 shall be for the use of the Senate and 2,500 for the use of the House of Representatives, and the remaining 1,500 copies shall be for the use and distribution of the Senators and Representative in Congress from the State of Arizona.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

HUDSON RIVER BRIDGE, NEW YORK

Mr. COPELAND. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 11430, granting the consent of Congress to the State of New York to construct, maintain, and operate a free highway bridge across the Hudson River at or near Catskill, Greene County, N. Y.

Mr. McNARY. May I ask the Senator from New York whether the Commerce Committee has reported the bill favorably?

Mr. COPELAND. It has; this is a report of the Commerce Committee.

There being no objection, the Senate proceeded to consider the bill.

The bill was ordered to a third reading, read the third time, and passed.

COLUMBIA RIVER BRIDGE, WASHINGTON

Mr. VANDENBERG. Mr. President, from the Committee on Commerce, I report back favorably the bill (S. 4577) to extend the time for completing the construction of a bridge across the Columbia River between Longview, Wash., and Rainier, Oreg.

The senior Senator from Washington [Mr. JONES] is very anxious that action should be taken immediately upon this bill. The Commerce Committee reports the bill without amendment, and I ask unanimous consent for its immediate consideration.

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

Whereas in order to complete technically the bridge across the Columbia River at Longview, Wash., it is necessary to allow the macadam roadbed to settle for approximately two years before putting on the concrete surface: Therefore

Be it enacted, etc., That the time for completing the construction of the bridge across the Columbia River between Longview, Wash., and Rainier, Oreg., authorized to be built by W. D. Comer and Wesley Vandercook by act of Congress approved January 28, 1927, which time was extended to June 1, 1930, by act of Congress approved December 26, 1929, is hereby further extended to June 1, 1932.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

NAVAL APPROPRIATIONS

Mr. PHIPPS. Mr. President, I ask that the Senate proceed to the consideration of the naval appropriation bill.

There being no objection, the Senate proceeded to consider the bill (H. R. 12236) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1931, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. PHIPPS. I ask that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the heading "Temporary government for West Indian Islands," on page 5, line 3, after the name "President," to strike out "$327,000" and insert "$527,000," so as to read:

For expenses incident to the occupation of the Virgin Islands and to the execution of the provisions of the act providing a temporary government for the West Indian Islands acquired by the United States from Denmark, and for other purposes, approved March 3, 1917 (U. S. C., title 48, sec. 1391), to be applied under the direction of the President $527,000, of which $15,000 may be expended for public wells, and in addition thereto such an amount (not in excess of $20,000) as may be equivalent to (a) the total of the unobligated balances of the revenues collected and paid into the treasuries of such islands during the fiscal year 1930, and of the appropriation "Temporary government for West Indian Islands, 1930," plus (b) the sum by which the revenues collected and paid into the treasuries of such islands during the fiscal year 1931 exceed the sum of $265,000.

The amendment was agreed to.

The next amendment was, under the subhead "Operation and conservation of the naval petroleum reserves," on page 7, line 16, before the word "That," to strike out "*Provided*" and insert "*Provided further*," so as to read:

To enable the Secretary of the Navy to carry out the provisions contained in the act approved June 4, 1920 (U. S. C., title 34, sec. 524), requiring him to conserve, develop, use, and operate the naval petroleum reserves, $175,000, of which $100,000 shall be available exclusively toward repairs to shut-in wells, Naval Petroleum Reserve No. 1: *Provided*, That out of any sums appropriated for naval purposes by this act any portion thereof, not to exceed $10,000,000, shall be available to enable the Secretary of the Navy to protect Naval Petroleum Reserve No. 1, established by Executive order of September 2, 1912, pursuant to the act of June 25, 1910 (U. S. C., title 43, secs. 141–143), by drilling wells and performing any work incident thereto: *Provided further*, That no part of the sum made available for the protection of this property shall be expended if a satisfactory agreement can be made with adjoining landowners to not drill offset wells for the purpose of producing oil.

The amendment was agreed to.

The next amendment was, under the heading "Naval Reserve," on page 12, after the words "naval aircraft," to strike out "$4,600,000" and insert "$4,740,000," so as to read:

For expenses of organizing, administering, and recruiting the Naval Reserve and Naval Militia; pay and allowances of officers and enlisted men of the Naval Reserve when employed on authorized training duty; mileage for officers while traveling under orders to and from training duty; transportation of enlisted men to and from training duty, and subsistence and transfers en route, or cash in lieu thereof; subsistence of enlisted men during the actual period of training duty; subsistence of officers and enlisted men of the Fleet Naval Reserve while performing authorized training or other duty without pay; pay, mileage, and allowances of officers of the Naval Reserve and pay, allowances, and subsistence of enlisted men of the Naval Reserve when ordered to active duty in connection with the instruction, training, and drilling of the Naval Reserve; pay of officers and enlisted men of the Fleet Naval Reserve for the performance of drills or other equivalent instruction or duty, or appropriate duties, and administrative duties, exclusive, however, of pay, allowances, or other expenses on account of members of any class of the Naval Reserve incident to their being given flight training unless, as a condition precedent, they shall have been found by such agency as the Secretary of the Navy may designate physically and psychologically qualified to serve as pilots of naval aircraft, $4,740,000, of which amount not more than $160,000 shall be available for maintenance and rental of armories, including pay of necessary janitors, and for wharfage, not more than $79,578 shall be available for clerical and messenger services for Naval Reserve administration in naval stations, and districts for the fiscal year ending June 30, 1931, not more than $882,931 shall be available, in addition to other appropriations, for aviation material, equipment, fuel, and rental of hangars, and not more than $723,867 shall be available, in addition to other appropriations, for fuel and the transportation thereof, and for all other expenses in connection with the maintenance, operation, repair, and upkeep of vessels assigned for training the Naval Reserve.

The amendment was agreed to.

The next amendment was, under the subhead "Naval War College, Bureau of Navigation," on page 15, line 3, after the figures "$5,000," to strike out "in all, $114,000" and insert "for contingencies of the president of the Naval War College, to be expended in his discretion, not exceeding $1,000; in all, $115,000," so as to read:

For maintenance of the Naval War College on Coasters Harbor Island, including care of grounds, $105,000; services of a professor of international law, $2,000; services of civilian lecturers, rendered at the War College, $2,000; care and preservation of the library, including the purchase, binding, and repair of books of reference and periodicals, $5,000; for contingencies of the president of the Naval War College, to be expended in his discretion, not exceeding $1,000; in all, $115,000.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Supplies and Accounts; Pay, subsistence, and transportation of naval personnel," on page 22, line 9, after the word "exceed," to strike out "5,499" and insert "5,559," and in line 11, after the word "and," to strike out "1,455" and insert "1,479," so as to read:

Pay of naval personnel: For pay and allowances prescribed by law of officers on sea duty and other duty, and officers on waiting orders (not to exceed 5,559 commissioned officers of the line and 1,479 warrant and commissioned warrant officers on the active list)—pay $30,302,942; rental allowance, $6,067,182; subsistence allowance, $3,709,998; in all, $40,080,122; officers on the retired list, $5,171,400; for hire of quarters for officers serving with troops where there are no public quarters belonging to the Government, and where there are not sufficient quarters possessed by the United States to accommodate them, and hire of quarters for officers and enlisted men on sea duty at such times as they may be deprived of their quarters on board ship due to repairs or other conditions which may render them uninhabitable, $3,000; pay of enlisted men on the retired list, $2,284,004; extra pay to men reenlisting after being honorably discharged, $2,486,290; interest on deposits by men, $3,000; pay of petty officers, seamen, landsmen, and apprentice seamen, including men in the engineer's force and men detailed for duty with the Fish Commission, enlisted men, men in trade schools, pay of enlisted men of the Hospital Corps, extra pay to men for diving, and cash prizes (not to exceed $55,000) for men for excellence in gunnery, target practice, and engineering competitions, $68,511,846; outfits for all enlisted men and apprentice seamen of the Navy on first enlistment at not to exceed $100 each, civilian clothing not to exceed $15 per man to men given discharges for bad conduct or undesirability or inaptitude, reimbursement in kind of clothing to persons in the Navy for losses in cases of marine or aircraft disasters or in the operation of water or air borne craft, and the authorized issue of clothing and equipment to the members of the Nurse Corps, $1,738,230; pay of enlisted men undergoing sentence of court-martial, $164,220, and as many machinists as the President may from time to time deem necessary to appoint; and apprentice seamen under training at training stations and on board training ships, at the pay prescribed by law, $1,530,000; pay and allowances of the Nurse Corps, including assistant superintendents, directors, and assistant directors—pay $668,260, rental allowance $16,320, subsistence allowance $21,900; pay retired list, $21,376; in all, $727,856; rent of quarters for members of the Nurse Corps; pay and allowances of transferred and assigned men of the Fleet Naval Reserve, $9,929,532; reimbursement for losses of property as provided in the act approved October 6, 1917 (U. S. C., title 34, secs. 981, 982), as amended by the act of March 3, 1927 (U. S. C., Supp. III, title 34, sec. 983), $5,000; payment of six months' death gratuity, $150,000; in all, $132,784,500.

The amendment was agreed to.

The next amendment was, on page 24, after line 8, to strike out:

For payment to Vincenta V. Irwin, widow of the late Ensign Glendon Ward Irwin, United States Navy, of an amount equal to six months' pay at the rate said Glendon Ward Irwin was receiving at the date of his death, as authorized by the act approved May 26, 1928, $935.

The amendment was agreed to.

The next amendment was, on page 24, after line 13, to strike out:

For payment to Lucy B. Knox, widow of the late Lieut. Commander Forney Moore Knox, United States Navy, of an amount equal to six months' pay at the rate said Forney Moore Knox was receiving at the date of his death, as authorized by the act approved May 26, 1928, $2,370.

Mr. ROBINSON of Arkansas. May I ask the reason for the amendments on page 24?

Mr. PHIPPS. We reinsert the provisions in another place in the bill farther on.

The amendment was agreed to.

The next amendment was, on page 26, line 21, after the figures "$156,484,500," to insert "of which sum $1,000,000 shall be immediately available," so as to read:

In all, for pay, subsistence, and transportation of naval personnel, $156,484,500, of which sum $1,000,000 shall be immediately available, and the money herein specifically appropriated for "pay, subsistence, and transportation of naval personnel," shall be disbursed and accounted for in accordance with existing law and shall constitute one fund.

The amendment was agreed to.

The next amendment was, on page 27, after line 19, to insert:

For payment to Vincentia V. Irwin, widow of the late Ensign Glendon Ward Irwin, United States Navy, of an amount equal to six months' pay at the rate said Glendon Ward Irwin was receiving at the date of his death, as authorized by the act approved May 26, 1928, $935.

The amendment was agreed to.

The next amendment was, at the top of page 28, to insert:

For payment to Lucy B. Knox, widow of the late Lieut. Commander Forney Moore Knox, United States Navy, of an amount equal to six months' pay at the rate said Forney Moore Knox was receiving at the date of his death, as authorized by the act approved May 26, 1928, $2,370.

The amendment was agreed to.

The next amendment was, under the subhead "Fuel and transportation, Bureau of Supplies and Accounts," on page 29, line 21, after the word "both," to strike out "$9,936,000" and insert "$9,600,000," so as to read:

For coal and other fuel for submarine bases and steamers' and ships' use, including expenses of transportation, storage, and handling the same and the removal of fuel refuse from ships; maintenance and general operation of machinery of naval fuel depots and fuel plants; water for all purposes on board naval vessels and ice for the cooling of water, including the expense of transportation and storage of both, $9,600,000.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Yards and Docks: Maintenance, Bureau of Yards and Docks," on page 33, line 17, after the word "at" where it occurs the first time, to strike out "$1,800" and insert "$2,000," so as to read:

For the labor, materials, and supplies necessary, as determined by the Secretary of the Navy, for the general maintenance of the activities and properties now or hereafter under the cognizance of the Bureau of Yards and Docks, including the purchase, exchange (including parts), maintenance, repair, and operation of passenger-carrying vehicles for the Navy Department (not to exceed 10 in number) and the Naval Establishment not otherwise provided for, and including not to exceed $1,150,000 for clerical, inspection, drafting, messenger, and other classi-

fied work in the field, $8,000,000: *Provided*, That during the fiscal year 1931 the motor-propelled passenger-carrying vehicles to be purchased hereunder shall not exceed the following respective numbers and costs: One $2,500, 7 at $2,000 each, 15 at $1,500 each, and 40 at $650 each.

The amendment was agreed to.

The next amendment was, under the heading "Public Works, Bureau of Yards and Docks," on page 37, line 23, after the figures "$11,000," to strike out "in all, $23,000" and insert "reerection of dirigible hangar, $75,000; in all, $98,000," so as to read:

Naval Air Station, Lakehurst, N. J.: Improvement of gasoline storage, $12,000; improvement of water system, $11,000; reerection of dirigible hangar, $75,000; in all, $98,000.

The amendment was agreed to.

The next amendment was, on page 39, line 13, after the word "act," to insert a colon and the following additional proviso:

Provided further, That not more than $300,000 of the sums herein appropriated or authorized to be contracted for shall be used for construction work at the naval air station, San Diego, Calif., as authorized by said act.

Mr. DILL. Mr. President, I note on page 38 that the naval air station at Sand Point, Wash., is allowed only $75,000. I wonder why such a small amount is allowed for expenditure there while $300,000 is proposed to be spent at the San Diego base.

Mr. PHIPPS. Mr. President, the House sent us that item without any comment. They do not refer to it in their report. We have under consideration the acquisition of additional property at Sand Point. The bill for authorization is now before the Committee on Naval Affairs. We could not secure the consideration of it and an estimate in time to put it in this bill, but the Senator's colleague the senior Senator from Washington [Mr. JONES] thinks it is possible to have it included in the deficiency bill before the close of the present session.

Mr. DILL. Of course, the buying of land is for the purpose of making the field larger.

Mr. PHIPPS. That is correct.

Mr. DILL. But the $75,000 here appropriated is for the improvement of the present field. It will be necessary to spend a much larger amount than $75,000 to make this field really an effective and usable air base; I mean by that a base which will be satisfactory to the Navy.

I have had a great many letters from people of my State urging that more money should be spent in the improvement of this air base. I was rather content to accept the appropriation, but when I noticed that we are to spend $300,000 to add to the field at San Diego and only $75,000 for this uncompleted base at Seattle, I was moved to ask why it was that the amount was so limited.

Mr. PHIPPS. I can only say that the committee was in receipt of no proposed amendment or request that the amount be increased.

Mr. DILL. This is the only air base on the Pacific coast from San Diego to Alaska, the only place where naval planes can land on a field, and where there are any facilities for repairs. That is why I bring the matter to the attention of the Senate.

Mr. ROBINSON of Arkansas. Mr. President, may I point out the fact that the amendment on page 39, relating to the air station at San Diego, is a Senate committee amendment providing for construction work at the naval air station in San Diego.

Mr. DILL. I am not objecting to that amendment. I think the most important arm of our naval defense to-day to be built up is the naval air service.

Mr. ROBINSON of Arkansas. May I make the further statement that my impression is that the basis for the amendment was a statement made before the Committee on Appropriations by Admiral Moffett, the chief of the bureau having naval aviation in charge. Is not that correct?

Mr. PHIPPS. That is correct. The authorization on page 39, of which $3,194,000 will be available July 1 next, and the authorization for contracting for an additional amount up to the total of $6,089,000, which is a part of the $10,000,000 program, put it within the province of the department to allocate that money, and no doubt the claims of the Seattle field will have consideration.

Mr. DILL. I have not been able to get any assurance of that. I recognize that it would be out of order for me to offer an amendment to increase the $75,000, but I want to give notice now that when another bill comes up for action I shall insist, if I can, that the Senate shall give more attention to the base at Puget Sound. There is no naval base in the world that is as well adapted to landing and training as the naval base at Sand Point, Seattle, for the reason that it is on Lake Washington, back from the ocean, there are never any bad currents, and the weather is never cold and never hot. It is always a temperate clime. From every standpoint it is almost the ideal naval air base.

Mr. COPELAND. Mr. President, I think I am right in saying to the Senator from Washington that the disposition of the committee was friendly to the project, but that it was not in order to put it upon the pending bill. Am I not right?

Mr. PHIPPS. The Senator is correct. As I stated to the Senator from Washington, the Naval Affairs Committee has under consideration a bill for the acquisition of additional land. I simply assumed that the acquisition of the land would have some bearing upon the erection of hangars and other improvements that should go upon a well-constituted field. I happen to know that the location at Seattle is admirably adapted for naval aviation purposes.

Mr. COPELAND. I may say to the Senator from Washington I am sure that the committee was anxious to do this. The Senator's colleague [Mr. JONES] made an effort to present the matter, but the conclusion reached by other members of the committee present was that to carry out the project would require legislation, and that in the absence of legislation it could not be done.

Mr. DILL. Of course, a much larger amount of money is still authorized for construction at Sand Point. While there has been no estimate from the department, it was within the power of the committee to have increased the $75,000. It may be the committee acted wisely at this time, but I want to urge that in the future this construction question at Sand Point be given most serious consideration.

Mr. COPELAND. May I suggest to the Senator that he introduce a bill so it may be referred to the appropriate committee in order that we may have the legislative backing for the matter which he has in mind?

Mr. DILL. The bill to which the Senator refers is to buy 30 acres more of land. That is before the committee of which my colleague is chairman, and I am in favor of that bill. I am talking about improvements on the land that we already have. That is the thing in which I am interested. We need no legislation for that purpose. We have the authorization for $700,000 more to be appropriated, but I recognize that it would be out of order to offer an amendment at this time.

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

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, under the subhead "Pay, Marine Corps," on page 45, line 3, after the words "assigned men," to strike out "$65,000; in all, $671,806" and insert "$82,875; in all, $689,681," so as to read:

For pay and allowances of the Marine Corps Reserve (a) excluding transferred and assigned men, $265,200; (b) transferred men, $341,606; (c) assigned men, $82,875; in all, $689,681.

The amendment was agreed to.

The next amendment was, on page 45, line 8, after the words "In all," to strike out "$16,312,125" and insert "$16,330,000," so as to make the paragraph read:

In all, $16,330,000, and the money herein specifically appropriated for pay of the Marine Corps shall be disbursed and accounted for in accordance with existing law and shall constitute one fund.

The amendment was agreed to.

The next amendment was, on page 48, line 10, after the word "exceed," to strike out "$24,200" and insert "$24,800," and in line 15, after the word "Three," to strike out "$1,800" and insert "$2,000," so as to read:

For miscellaneous supplies, material, equipment, personal and other services, and for other incidental expenses for the Marine Corps not otherwise provided for; purchase, repair, and exchange of typewriters and calculating machines; purchase and repair of furniture and fixtures; purchase, exchange, and repair of motor-propelled and horse-drawn passenger-carrying and other vehicles, including parts; veterinary services and medicines for public animals and the authorized number of officers' horses; purchase of mounts and horse equipment for all officers below the grade of major required to be mounted; shoeing for public animals and the authorized number of officers' horses; books, newspapers, and periodicals; printing and binding; packing and crating of officers' allowance of baggage; funeral expenses of officers and enlisted men and accepted applicants for enlistment and retired officers on active duty and retired enlisted men of the Marine Corps, including the transportation of their bodies, arms, and wearing apparel from the place of demise to the homes of the deceased in the United States; construction, operation, and maintenance of laundries; and for all emergencies and extraordinary expenses, $2,028,159: *Provided*, That there may be expended out of this appropriation not to exceed $24,800 (including the exchange value of any vehicles which may be used as part

payment) for the purchase of 17 motor-propelled passenger-carrying vehicles, the gross cost of any one vehicle not to be in excess of the respective amounts which follow: Three, $2,000 each; 4, $1,500 each; 10, $650 each; also 20 motor cycles, cost not to exceed $295 each; and 10 side cars for motor cycles, cost not to exceed $120 each.

The amendment was agreed to.

The next amendment was, under the heading "Increase of the Navy," on page 49, line 19, after the word "laborers," to strike out "(not to exceed $20,000)" and insert "in the Navy Department and in the field," and in line 21, after the numerals "1929," to strike out the comma and "including not to exceed $12,400 for personal services in the Navy Department," so as to read:

Construction and machinery: On account of hulls and outfits of vessels and machinery of vessels heretofore authorized, $38,800,000, to remain available until expended: *Provided*, That of the appropriations contained in this act, under the head of "Increase of the Navy," there shall be available such sums as the Secretary of the Navy may from time to time determine to be necessary for the engagement of technical services, including the purchase of plans, and the employment of additional clerks, draftsmen, technical employees, and laborers in the Navy Department and in the field, owing to the construction authorized by the act of February 13, 1929.

The amendment was agreed to.

The next amendment was, on page 50, line 5, after the figures "$565,000," to insert "to remain available until expended," so as to make the paragraph read:

Improving and equipping navy yards for construction of ships: Toward providing and reconditioning building ways and providing additional equipment and facilities at navy yards and ordnance establishments necessary for the construction and equipment of ships, $565,000, to remain available until expended.

The amendment was agreed to.

The reading of the bill was concluded.

Mr. PHIPPS. Mr. President, at this point I ask that the clerks be authorized to make any corrections or changes in the totals made necessary by amendments agreed to.

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

Mr. PHIPPS. Mr. President, I am authorized by the committee to offer the following amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 7, line 24, after the word "Navy," insert:

Including subscriptions to newspapers, which may be paid for in advance.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. PHIPPS. I am also authorized to offer the following amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 15, line 2, after the word "periodicals," insert:

Including subscriptions to newspapers, which may be paid for in advance.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. PHIPPS. I have another amendment which I am authorized by the committee to offer.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 38, after line 23, insert the following:

Naval radio and radio-compass stations: Erection of necessary buildings, $113,000.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. PHIPPS. That completes the committee amendments.

The VICE PRESIDENT. The bill is open to amendment.

Mr. BLACK. Mr. President, I offer the following amendment.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. On page 39, in line 17, after the word "act," strike out the period and insert a colon and the following additional proviso:

Provided further, That the provisions of section 10 of the navy public works bill (Public, 222) are hereby suspended and the Secretary of the Navy shall submit a report as to the desirability of taking the action thereby authorized. The report of the Secretary of the Navy shall include a report from the Attorney General as to all legal phases pertaining to such authorized action, particularly in reference to possible liability on the part of the United States in consequence of accident to or destruction of the Government property involved, or personal injury or loss of life, and shall also include recommendations from the Secretary of Commerce and the United States Shipping Board as to the desirability under existing conditions of leasing such property.

Mr. PHIPPS rose.

Mr. BLACK. Mr. President, before the Senator reaches any conclusion as to the matter I would like to explain the reason why the amendment is offered.

Mr. PHIPPS. I should like to have an explanation of it.

Mr. BLACK. Last year there was an effort made by the Todd Shipbuilding Co. to obtain a certain dock in New Orleans which was owned by the Government. A lengthy hearing was held before the Committee on Naval Affairs. The two Senators from Louisiana [Mr. RANSDELL and Mr. BROUSSARD] were present. I was present. Mr. McDUFFIE, Congressman from the Mobile district, was present. After somewhat lengthy hearings the committee concluded they would not provide for the leasing of the particular property at New Orleans. They concluded it was not fair to those who had invested their money in enterprises which would have to meet the competition of a Government project leased by it at an inadequate figure.

The next I heard of it personally was on day before yesterday, when I received a letter from a gentleman in Mobile who is engaged in the shipping business calling my attention to the fact that a law had already been approved providing for the leasing of the particular property in question. I find that that law was approved on May 14, 1930. It came into being in this way:

The House originally placed section 10 in the naval property bill. When it came to the Committee on Naval Affairs that committee, on account of the fact that it was the same proposition which they had had up before, struck it out. The bill passed the Senate. When it went to conference the conferees felt constrained, as I have understood since yesterday, to place that provision again in the bill because a threat was made to hold up the entire naval property bill. Neither the senior Senator from Louisiana [Mr. RANSDELL] nor I knew anything whatever of the fact that this provision was in the bill. It was not called to our attention.

The junior Senator from Louisiana [Mr. BROUSSARD] was called before the conference, so he informed me on yesterday, but he had not been informed that the amendment was placed back in the bill. As I understood it from the Senator, the first information he had that this provision had been placed in the bill and had become a part of the law was only three days ago. The only way we can get action on this matter in line with the conditions that were before the Committee on Naval Affairs is to place an amendment of this kind in some bill that will go back to the House. My amendment would suspend the operation of that section and seek to obtain a report in order that we might later pass upon it.

I have not been informed definitely by the Member of Congress who insisted upon the placing of this provision in the bill, but I have received indirect information that the particular amendment which I am offering now would not be unsatisfactory to him. I do not ask, of course, to place something in the bill which might result in holding up an appropriation bill in any way. If this amendment were placed in the bill and it met with any opposition in conference, of course I could not expect the conferees to attempt to adhere to it.

Mr. SWANSON. Mr. President——

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

Mr. BLACK. I yield.

Mr. SWANSON. Mr. President, I was on the conference committee, and my recollection is that the item was intended to improve the home city of the Senator from Louisiana [Mr. BROUSSARD]. He was deeply interested in it. Being present as a member of the conference committee when the amendment came up, I insisted that the Senator from Louisiana should be sent for. He appeared before the conference committee. Thereafter, I did not attend any more meetings of the conference, as that was the only matter left undecided by the conferees, and I understood that the Senator from Maine [Mr. HALE], chairman of the Committee on Naval Affairs, and also chairman of the conference committee, the Senator from Louisiana [Mr. BROUSSARD], and a Member of the House of Representatives were to get together and draft a satisfactory provision. I understood this provision was satisfactory to the Senator from Louisiana.

This matter ought not be disposed of until the Senator from Maine [Mr. HALE] and the Senator from Louisiana [Mr. BROUSSARD] shall be present, and the facts shall be ascertained in reference to it.

Mr. BLACK. Mr. President, may I state to the Senator that I saw the Senator from Louisiana [Mr. BROUSSARD]——

Mr. SWANSON. I should like to have the Senator from Louisiana present before this matter is acted upon, and also the Senator from Maine [Mr. HALE].

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

Mr. BLACK. I should like first to reply to the Senator from Virginia and then I will yield.

Let me say the provision was not satisfactory to Senator BROUSSARD, according to the statement he made to me on yesterday. He said that he protested; that he did not want it included in the bill, and that he did not even know it was included in the bill until two or three days ago. If I correctly understood the Senator, he said they informed him that the only way to get the bill through was to provide for some kind of a leasing of this project. He then stated that if they were going to put it in over his protest, he did want provision made for some method of competition. He agreed with me on yesterday that he was opposed to it; that the people of his section were opposed to it; and the senior Senator from Louisiana [Mr. RANSDELL] has taken and yet takes the same attitude.

Mr. SWANSON. The Senator from Louisiana [Mr. BROUSSARD] put on this bill in the committee the amendment which he wanted. When it went over to the House, that body inserted a different provision. I was present when the conferees sent for the Senator from Louisiana [Mr. BROUSSARD]. I said that the matter should not be disposed of until he came in and presented it.

I had pressing upon me at the time other important matters, and I left the Senator from Maine [Mr. HALE] and the House conferees to try to draw up a provision in accordance with the suggestion that had been made by the Senator from Louisiana.

I repeat that before I shall consent that this item shall be put on under those circumstances, the Senator from Maine [Mr. HALE] and the Senator from Louisiana [Mr. BROUSSARD] must be here, so that we may know what the understanding was. As I have said, I did not attend any further conference.

Mr. PHIPPS. Mr. President——

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

Mr. BLACK. I yield.

Mr. PHIPPS. May I suggest that this matter has not been considered by the committee which is handling the appropriation bill? The adoption of the amendment, if it were then disagreed to in conference, might lead to delay in the final passage of the pending important appropriation bill. I submit that this is the last of the regular appropriations, and that the purpose which the Senator from Alabama has in mind could be accomplished by a joint resolution, which could be cared for at any time, without having to wait for a conference.

Mr. BLACK. Mr. President, what chance does the Senator think I would have to secure consideration of a joint resolution?

Mr. PHIPPS. Mr. President, inasmuch as the proposal has not had the consideration of the committee, it seems to me that it is not a proper amendment to be added to the appropriation bill.

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

Mr. BLACK. I yield.

Mr. SWANSON. The public works or naval properties bill was delayed here nearly six months largely because of the wrangle in connection with the dock at New Orleans. We could not get the bill through until suggestions were accepted which were exactly in line with what they wanted.

Mr. BLACK. Exactly in line with what who wanted?

Mr. SWANSON. What the Senator from Alabama and the Senator from Louisiana [Mr. BROUSSARD] and other Senators who were contending for the item wanted in the bill. The bill, after passing both Houses, went to conference. The Senator from Louisiana [Mr. BROUSSARD] had the amendment put on the bill.

Mr. BLACK. I beg the Senator's pardon; the Senator from Louisiana succeeded in having the amendment stricken completely out.

Mr. SWANSON. I mean he had adopted the amendment he desired striking out the item, so that no provision would be made in regard to it. That is what he wanted, and he succeeded in having the amendment put on the bill, which was held up here for months and months in trying to settle that question. Finally it went to conference.

Mr. PHIPPS. Mr. President, I believe that the amendment proposes legislation which is not admissible on an appropriation bill, and I regret that I shall have to make the point of order against it.

Mr. BLACK. Mr. President, how long a time do I have in which to give notice? Can I now give notice of a motion to suspend the rules to-morrow with reference to this particular bill and have it taken up to-morrow?

The VICE PRESIDENT. If the bill is not acted upon, the Senator can give such a notice.

Mr. BLACK. I think I can see that the bill will not be acted upon if the point of order is raised. I feel that it is not fair, under the circumstances, to raise a point of order on this amendment, but that we ought to take a vote on it. I had no notice of the matter which was inserted in the conference report.

I knew nothing whatever about it, and I do not think the Senator should raise a point of order on this item when this is the only method by which we can get the matter up so that the House will consider it.

The VICE PRESIDENT. The Chair is ready to rule and sustains the point of order.

Mr. BLACK. Mr. President, is it necessary for me to give notice in writing of a motion to suspend the rules, or may I give notice orally?

The VICE PRESIDENT. The rule requires that notice shall be given in writing.

Mr. BLACK. I shall prepare such a notice.

The VICE PRESIDENT. The bill is before the Senate and open to amendment.

Mr. SWANSON. Mr. President, I call the attention of the Senator from Pennsylvania to an item on page 49. I understand from the Navy Department and from an estimate made which was sent to the Senator from Pennsylvania and also sent to me, that the item of $7,400,000 proposed to be appropriated to complete the modernizing of the battleships *Pennsylvania* and *Arizona* is sufficient for the work on both vessels. It will, however, cost less, as I understand, for some reason which I have not examined, to modernize the *Arizona* than it will the *Pennsylvania*. The funds appropriated are adequate to modernize both ships, and what the Navy Department desires is to be permitted to use for the *Pennsylvania* whatever is saved on the *Arizona*. I have no objection to that, provided the language is sufficiently safeguarded. I think, however, there should be stricken out all after the numerals "$7,400,000," in line 6, on page 49, so that the authorization will merely be for the completion of the repairs on the two ships named. In that way work would not be stopped on the repairs to the *Arizona*, but if more money were needed, and it was necessary to stop any work, it would be stopped on the *Pennsylvania* and not on the *Arizona*.

Mr. REED. Mr. President, the Senator has stated the case exactly right. There is a command conning tower to be built on one of the ships and not on the other, and that is the reason the repairs to one will cost more than the repairs to the other. The amount of money proposed to be appropriated by this item is quite sufficient to complete both vessels, and I agree with the Senator that it would be wise to say that it shall be used to complete the modernizing of the two ships.

Mr. SWANSON. The amendment I suggest would be, to strike out after the numerals "$7,400,000" and the comma, all the language in that paragraph and to substitute the words "to be used for the completion of the modernizing of the two ships."

Mr. PHIPPS. Mr. President, I call the Senator's attention to the fact that the first sentence of the paragraph reads:

> For completing the alterations and repairs required for the purpose of modernizing the U. S. S. *Pennsylvania* and *Arizona*.

It would seem to me that that covers the point suggested by the Senator from Virginia.

Mr. REED. The language of the first two lines would seem to me to cover it.

Mr. SWANSON. All I want is an understanding that money appropriated under the item is not going to be taken from the *Arizona*, which is being repaired at Norfolk, and transferred to completing the work on the *Pennsylvania*, when there are ample funds to complete the *Arizona*, and there may not be ample funds with which to complete the other ship. I am frank and candid; I want the language to be positive, so that work will not be stopped on the *Arizona*.

Mr. REED. I think the language is positive, as the Senator will see in the first line.

Mr. PHIPPS. Mr. President, I think what the Senator from Virginia has in mind is a possible objection to the words "to be allocated in equal amounts to each vessel." There would be no objection to striking out those words, so that the $7,400,000 would be available until expended for the purpose of completing the alterations and repairs required.

Mr. SWANSON. I should like to have the Senator from Pennsylvania give me an assurance that the paragraph in that form would not interfere with repairs on the *Arizona* being

completed, and to the residue of the appropriation being used for repairs on the *Pennsylvania*.

Mr. REED. I give the Senator the assurance that I will join with him to the utmost of my ability to prevent any such thing being done.

Mr. SWANSON. With that understanding, I will not insist on the amendment first suggested.

Mr. REED. Let it be so understood.

The VICE PRESIDENT. Does the Senator from Colorado propose an amendment?

Mr. PHIPPS. I desire to ask the Senator from Virginia if he wishes to have submitted the amendment I suggested a moment ago? If so, I will be glad to accept it. I refer to the amendment suggesting the striking out of the words "to be allocated in equal amounts to each vessel."

Mr. SWANSON. Let those words be stricken out.

Mr. PHIPPS. Very well; I offer that amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 49, line 6, after the numerals "$7,400,000," it is proposed to strike out "to be allocated in equal amounts to each vessel and," so as to read:

To be available until expended.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BARKLEY. Mr. President, I desire to engage the attention of the Senator from Colorado for a moment. On page 40 of the pending bill there is a clause which provides for the appropriation of—

$13,235,700, including $428,000 for the equipment of vessels with catapults and including not to exceed $166,000, to be transferred in advance to the Bureau of Mines, for the procurement of helium.

The Senator from Colorado is familiar with the history of the helium situation as it concerns the United States Navy; he is familiar with the fact that a good many years ago when the Navy was unable to obtain any helium certain individuals were induced to go into the helium business, and that, acting upon such inducements, they have invested some $500,000 or $600,000 in the establishment of a private helium industry. They have been able to supply to the Navy about one-half of the helium which it has used, because the Navy Department recognized the moral obligation on its part to purchase helium from this company after having had some part in the establishment of it, at least from the standpoint of persuasion and moral influence.

The provision quoted, it occurs to me, prohibits the Navy Department from purchasing any more helium from this private corporation. It proposes to turn over to the Bureau of Mines, which has been diligent and industrious in undertaking to embark in the commercial production of helium and the securing of a monopoly of the supply of helium for the Navy and the Army, $166,000 in advance for the procurement of helium.

I have called attention of the Appropriations Committee on one or two occasions to what seems to me to be the injustice that is being worked by the Government on an industry which, under the encouragement and advice of the department, began operations for the production of helium for the benefit of the Government when there was no supply anywhere else.

I should like to inquire of the Senator from Colorado whether the committee gave any consideration to the question of changing the language referred so as to leave in the Navy Department the power to purchase at least a portion of its supply of helium from private sources, and particularly from that private source which it has encouraged to go into the business, and not dry it all up in the Bureau of Mines of the Department of Commerce?

Mr. PHIPPS. Mr. President, I will inform the Senator from Kentucky that the matter was brought to the attention not only of the subcommittee preparing the bill but also to the attention of the entire committee when the bill was reviewed before it was ordered reported out; and I endeavored to make a very clear but concise statement as to all of the conditions to which the Senator has referred. Incidentally, I mentioned my own sympathetic interest with the citizens who had embarked in this business and were endeavoring to develop a supply of helium.

As the Senator from Kentucky will remember, in the appropriation bill for the last year the amount which was proposed by the House was raised by the Senate committee; and in conference we arrived at a figure, as I recall, of $230,000, which would have permitted the Navy Department to acquire helium from this independent company. Much to the surprise of some of us, the entire amount, or at least all of the helium supply for the current year, has been taken from the Department of Commerce, Bureau of Mines, and none purchased from the private producers of helium.

The question came up, What could be done in this case? There is no authority of law for the purchase from outside interests. It would mean, as I endeavored to explain to the representative of the company who called upon me a short time ago, that we would have to have legislation authorizing the acquisition from private sources, in view of the fact that the Government had its own supply which the officials in charge of the department and the bureau claimed were more than ample to supply the Government needs, and at something like one-half the cost which would be involved if we were to purchase outside.

Mr. BARKLEY. Of course, as the Senator understands, there is a very sincere dispute as to the actual cost of producing helium.

Mr. PHIPPS. That is correct.

Mr. BARKLEY. And if the Government's production of helium were regarded upon the same basis as the private production, considering overhead expenses, investment, and all of that, there may be serious doubt as to whether, on the same comparable basis, the Government can produce helium more cheaply than an independent concern in the business. That however, is not a matter I wish to go into here. The point is that heretofore the Navy Department has purchased half of its supply from the independent company. It has done that by authorization of Congress. How does it happen that in this particular bill the law prevents Congress from authorizing the purchase of a portion of its supply of helium from an independent company, when heretofore it has not been doing it?

Mr. PHIPPS. The department prepares its estimates, has them submitted to the Budget, has the Budget's approval, and they are put in by the House, and come to us in this form. Perhaps I rather misstated myself in saying that it would be against the law to make a purchase outside. As a matter of fact, the Appropriations Committee decided that it would not put in any additional amount, or change the language of the bill so as to enable the Navy Department to purchase from independent producers.

Mr. BARKLEY. Not only does this bill prohibit the department from making any purchases at all from private producers, but the Government is actually refusing to pay to this company $50,000 for helium already delivered and used by the Government.

It seems to me that there is some mysterious influence somewhere in the Government that is seeking to make the United States Government do an unjust and an unfair thing. I recognize that there may not be any moral obligation upon a government to do or not to do anything; but when the officers and the responsible heads of departments induce private capital to go into an industry in order that the Government may be supplied, it seems to me an act of bad faith afterwards for the Government to put its own departments and its own agencies into the same field without recognizing any obligation on the part of the Government to private industry which it has induced to enter the field, and then to accept a supply of materials from this concern and refuse to pay for them on some technical ruling of the Comptroller General that notwithstanding the Navy Department has been purchasing a portion of its helium supply for years, suddenly it arrives at the decision that it has no authority even to pay for that which it has already used.

I realize and appreciate the sympathy of the Senator from Colorado in this situation. He has been sympathetic, and I feel sure that in his own mind he feels that the Government has not dealt exactly fairly with reference to this matter. The pity of it is that the parliamentary situation is such that the injustice can not be remedied.

Mr. PHIPPS. Mr. President, I will say that I have felt and I still feel that some encouragement should be given these producers by arranging to buy some portion of our needs from them each year.

Mr. BARKLEY. But under the language of this bill the department can not buy even a cubic foot of helium.

Mr. PHIPPS. That is correct. I am sorry that is the situation.

Mr. SWANSON. Mr. President, I should like to say in this connection that last year we gave the department money enough to fulfill any obligations it had in connection with private helium. We retained that in conference and left it to the department. If they had any moral or legal obligation we gave them an opportunity to discharge it in the appropriation bill of last year.

Mr. BARKLEY. Mr. President, if the Senator will yield, the appropriation bill last year did authorize the Navy Department to purchase a portion of its helium supply from a private concern; and there is only one private concern in this country that is producing it.

Mr. SWANSON. That is true.

Mr. BARKLEY. That private concern was organized and went into the business at the instance of the United States Government. Of course, that involves the question of how far

the Government of the United States can morally obligate itself to a private concern when it induces it to go into business. Probably the entity known as the Government could not be charged with having done that; but certain high officers of the United States Government, anxious to secure a supply of helium, did do that. Now, the question is whether, by an appropriation for one year authorizing the Navy Department to buy a portion of its helium supply from a company, the Government has discharged its obligation to people who have invested $600,000 in an industry that depended upon the purchase of the Government to make it financially successful, and for whose product there is now no commercial demand that will justify it in hoping that it may ever secure the return even of its capital, much less any interest upon the investment.

Mr. SWANSON. Mr. President, that matter was submitted to the conference committee and also to the members of the subcommittee on the naval appropriation bill, and we arranged last year for an appropriation sufficient to discharge any obligation that the Government had, moral or otherwise. The Government denies the existence of such an obligation. These people say it exists. We gave the Government an opportunity to discharge its obligation if it had entered into any. Now I understand that the Commerce Committee has had full and complete hearings on this question, and I understand that the Commerce Committee reached the conclusion that there was no obligation on the part of the Government. Under those circumstances, we felt no justification in proposing an amendment that would cost the Government a great deal more money.

I am a person who believes that when the Government enters into a contract, though it might not be legal, yet if it is moral, the Government ought to discharge its obligations and teach the people of the country that obligations ought to be fully and completely discharged. The information we had was that the Commerce Committee, which made the full investigation, reached the conclusion that there was no obligation.

Mr. BARKLEY. I do not know that the Commerce Committee have made any report at all.

Mr. SWANSON. They have not made any report, but I think they had the matter under consideration, if I am correctly informed. I may be mistaken. I am not a member of the Commerce Committee. Nobody appeared before us. Nobody desired to go any further in this matter after it was heard by the Commerce Committee.

Am I correct in the Commerce Committee having the subject before it?

Mr. PHIPPS. It is true that the Commerce Committee did have hearings, although I have not seen a report. The net result as stated by the Senator from Virginia agrees with my recollection. It is a fact that the representatives of the independent helium company did approach us. They came to me as acting chairman of the subcommittee. After quite an extended conference it was admitted that no additional information, other than that which had already been submitted as evidence, could be given by the representatives of the company; and therefore the representatives of the company did not feel that it was necessary to ask to appear before our subcommittee.

Mr. BARKLEY. In that connection, I will say to the Senator that representatives of the helium company did appear before the Appropriations Committee, not in a formal hearing before the naval subcommittee but before another subcommittee at this session, not more than three or four weeks ago.

Mr. PHIPPS. That was the Commerce Committee.

Mr. BARKLEY. No; that was the Appropriations Committee. There was a hearing. The Senator from New Mexico [Mr. BRATTON] was a member of the subcommittee.

Mr. SWANSON. I was on the subcommittee, too.

Mr. PHIPPS. That was the subcommittee handling the State, Commerce, and Justice appropriation bill.

Mr. BARKLEY. Yes. It was a subcommittee of the Appropriations Committee.

Mr. SWANSON. I was a member of the subcommittee and of the full committee as the ranking Democratic member of the Naval Affairs Committee. No one saw me; no one approached me in reference to it in any way whatsoever. Nobody appeared before the subcommittee on the naval bill when I was present, nor appeared before the full committee. The information we got from members of the Commerce Committee, however, was that they had examined the matter fully and completely, and they were satisfied that there was neither moral nor legal obligation on the part of the Government to purchase this gas and pay more for it than they could manufacture it for themselves.

Mr. BARKLEY. If the Senator will yield, it is true that there was a hearing before the Commerce Committee. There was also a hearing before the Appropriations Committee on this subject.

Mr. SWANSON. Not the naval subcommittee of the Appropriations Committee.

Mr. BARKLEY. There was a hearing before the Appropriations Committee first before the subcommittee dealing with the State and Commerce Departments appropriation bill, in which the item could properly appear. That subcommittee made no recommendation; and the commerce appropriation bill, which carried the item for the Bureau of Mines—which is an associated item—made no change in the language of the House bill. Then not only I, but representatives of the company—which happens to be a Kentucky concern, made up of Kentucky people—came here to see whether the committee might desire additional hearings; and after conferring with the Senator from Colorado he decided that inasmuch as there had been a formal record made on the former hearing before anther subcommittee of the Committee on Appropriations, it was not necessary to duplicate that hearing.

Mr. PHIPPS. That is correct.

Mr. BARKLEY. For that reason no additional formal testimony was given before the naval appropriations subcommittee.

Mr. PHIPPS. I merely desire to state that the subcommittee of the Committee on Appropriations that heard the helium people is the one dealing with the State, Justice, Commerce, and Labor appropriation bill.

Mr. BARKLEY. That is true.

Mr. PHIPPS. So the Senator from Virginia was not aware of that hearing.

Mr. BRATTON. Mr. President, the officials of the Helium Co., of Louisville, Ky., came here a few weeks ago and appeared before the subcommittee of the Appropriations Committee having charge of the appropriation bill for the Department of Commerce. They made the assertion then, which the Senator from Kentucky has repeated substantially to-day to the effect that the Government induced them to enter the business of producing helium; that, relying upon that inducement, they engaged in the business, and invested therein a large sum of money. The attitude of the committee then was that if the Government had extended inducements, and they had been acted upon by the company, perhaps they should be recognized and performed on the part of the Government. So the officials of the company were requested to make a full showing before the committee as to what inducements were made by the Government. They made their showing, and I think the Committee was unanimous in the belief that the Government had offered no inducements to the company, that the company had gone into the business as a commercial venture, that the Government was under no moral obligation to buy helium from this company, and pay a larger price for it than that for which it could be produced by the Bureau of Mines.

The disparity between the cost of helium purchased from this company, and the cost of helium produced by the Bureau of Mines, is no small sum. The helium company of Louisville is charging the Government $35 per thousand cubic feet. The Bureau of Mines tells us that it can produce it at $9, plus, the difference being practically $25 per thousand cubic feet.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. JONES in the chair). Does the Senator from New Mexico yield to the Senator from Kentucky?

Mr. BRATTON. I yield.

Mr. BARKLEY. Does that take into consideration the original investment, interest on money, overhead expenses, and all those things which go into any fair comparison as between private and governmental operation of a helium plant?

Mr. BRATTON. That question arose, and the committee asked the experts to furnish the comparative figures with all those items included. We were told that under no circumstances would the cost exceed $14 plus per thousand cubic feet, as compared with the $35 now charged by the helium company.

Mr. BARKLEY. Of course, aside from the mere question of any Government moral obligation in this matter, which is a matter of dispute between the private producers and the present heads of the Government, I would not advocate compulsory purchase of any supply of this sort from private sources, where the Government had entered into the production of it under conditions which were fair to the private producer. If it be true, however, that the contention of the private producers is tenable, that they entered this business on the inducement and the encouragement of the Government, at a time when the Government was not supplying its own demands, does the Senator think that the mere question of the difference in cost of production ought to be the governing point in determining whether the Government should leave these people high and dry without a market for their supply?

Mr. BRATTON. I addressed myself to that phase of the situation at a time when the Senator's attention was distracted.

The committee called upon the officials of the helium company to disclose all the facts which they contended constituted an inducement to enter the business. We heard them at length.

The committee, I think, was unanimously of the opinion that no such inducements were made. At most, the officials of the helium company had some indirect conversations with subordinates in two or three of the departments. There was no official correspondence relating to the matter, there was no contract, there was no record made. It was simply conversations had between the officials of the helium company on the one hand, not with the heads of the departments but with inferiors within the departments on the other hand, which we regarded as wholly failing to constitute an inducement to go into the business.

Mr. BARKLEY. Did the Senate committee give any consideration to this phase of the subject? I think it may be assumed as a fact that the supply of helium in the United States is very limited. The only producers now are the Bureau of Mines and this helium company. If this helium company is unable to find a private and commercial demand for its helium, of course the only thing it can do is to stop operations, and all the money it has put into it will have been lost. Let us assume that the Government goes on and exhausts its own supply of helium at Amarillo, Tex., where the plant is located, and that an emergency arises in the future, when the Government would be hard put to obtain helium through its own operations, having in the meantime suffered private industry to disappear from the field. Did the committee consider what might be the condition of our country in the matter of helium supply if such an emergency should arise?

Mr. BRATTON. We did. We inquired of the experts about the volume of helium in the so-called Amarillo field and were assured that it was virtually limitless and would serve all of the purposes for years to come. So that in our opinion there was no foundation for any apprehension along that line. We inquired into that rather diligently.

Mr. BARKLEY. I think the Senator's answer reveals an optimism on the part of the Bureau of Mines which probably would not be shared by people generally who have been unable to look into the ground and tell exactly what was there.

Mr. BRATTON. I did not understand that even the helium company questioned the adequacy of the supply in the Amarillo field. They based their contention upon the proposition that the Government had induced them to go into the field of production. Upon a careful investigation we found that such contention was not well founded.

Mr. BARKLEY. I do not know what developed in the hearing, but I think the helium company does take the position, at least I am so informed, that the supply is not limitless, that it is limited, and that the situation to which I have adverted might very naturally be brought about by the policy now being pursued.

Mr. BRATTON. Undoubtedly it would not occur so suddenly that it could not be foreseen in sufficient time to prepare for such an emergency.

Mr. TYDINGS. Mr. President, will the Senator from New Mexico yield to me?

Mr. BRATTON. I yield.

Mr. TYDINGS. Has the Senator any information as to why the Government can produce helium at the rate of $9, while the private concern produces it at $35?

Mr. BRATTON. The latter is the price at which the helium company is selling it to the Government. We were told that if a contract could be made and assurance given that a large quantity would be purchased annually, covering a period of several years, the price would be reduced. I am unable to tell the Senator why it is that the Government can produce helium at $9, whereas the commercial price is $35. Those are the figures given us, and we regarded the difference as very substantial; in fact, too great to be disregarded.

Mr. TYDINGS. It seems to me, as a matter of general reasoning, that it might be conceded that if the Government were buying all of its helium from a private concern, and taking none from its own helium sources, the price would be considerably less than was charged the Government by the private concern.

Mr. BRATTON. Perhaps so. The Senator will bear in mind that the Government has purchased the rights to an enormous tract of land in the Amarillo field. My recollection is that the tract embraces about 26,000 acres. A large sum was paid for that property. A helium plant has been constructed. Two units will serve our purposes, but a third unit will be provided, or is being provided, for stand-by purposes. So that we have all of the equipment, at a tremendous outlay of money, which would be idle, and of course deteriorate, if we did not produce helium from that source.

Mr. TYDINGS. Mr. President, I think I appreciate the viewpoint the Senator has just expressed, but I would like to ask this question: Was there any need for the Government to go into this field of endeavor? Is it not a fact that the private concern was in a position to furnish all the helium the Government needed, and that perhaps the only justification for the Government going into it originally was the fact, perhaps, that they may have thought that the price was too high?

Mr. BRATTON. No. The Government first embarked in the field at Fort Worth, Tex., several years ago, largely for experimental purposes, as the Government frequently does in other scientific fields. It developed the process at the Fort Worth field. As that field was becoming exhausted, the Government shifted its operations to the Amarillo field and enlarged them there.

I doubt whether the helium company has ever been prepared to furnish all of the helium needed by the Government; and if it were, whether the United States could afford to depend entirely upon one company for an essential commodity such as helium. Our information is that no other company in the United States except the helium company, of Louisville, Ky., makes helium for commercial purposes. I doubt very much the wisdom of the Government depending solely upon one company for its supply of an indispensable commodity such as helium.

Mr. TYDINGS. I thank the Senator for his splendid explanation of the situation. My own reluctance to accede to further Government operation of the helium field is due to the fact that it is really competition by the Government with private business, and I was hoping that the information furnished by the Senator would be such that I could continue voting in accordance with the principles I entertain. However, I realize that there are exceptions to the rule. I would be reluctant to have the Government continue in this business if private capital could furnish the Government with its needs at a fair price.

If the Senator will bear with me a moment more, I do not feel that we should make exceptions, except where exceptions are absolutely necessary. We might go into the building of battleships and into other activities and save money. I am hoping that the debate will bring out the fact that private concerns can furnish the helium needed by the Government in sufficient quantities at a fair price to justify the Government in relinquishing this field of business endeavor.

Mr. BRATTON. It is my opinion, Mr. President, that that situation does not exist now. Furthermore, the helium that is being produced by the Government is not for commercial purposes. The Government is not competing with private business. It is supplying for its own use in connection with its lighter-than-air craft an indispensable product, namely, helium. It is taking care of its own needs and requirements and not going beyond that point.

Mr. BLACK. Mr. President, I send a notice to the desk.

The PRESIDING OFFICER. The Senator from Alabama sends a notice to the desk, which the clerk will read.

The legislative clerk read as follows:

Pursuant to the provisions of Rule XL, I hereby give notice in writing of my intention to move to suspend paragraph 3 of Rule XVI for the purpose of proposing to the naval appropriation bill, H. R. 12236, the following amendment:

On page 39, in line 17, after the word "act," to strike out the period and insert a colon and the following additional proviso: "*Provided further*, That the provisions of section 10 of the Navy public works bill (Public, 222) are hereby suspended and the Secretary of the Navy shall submit a report as to the desirability of taking the action thereby authorized. The report of the Secretary of the Navy shall include a report from the Attorney General as to all legal phases pertaining to such authorized action, particularly in reference to possible liability on the part of the United States in consequence of accident to or destruction of the Government property involved, or personal injury or loss of life, and shall also include recommendations from the Secretary of Commerce and the United States Shipping Board as to the desirability under existing conditions of leasing such property."

INVESTIGATION OF LEASES OF POST-OFFICE BUILDINGS

Mr. BLAINE. Mr. President, I desire that the Senate proceed to the consideration of Senate Resolution 267, authorizing additional expenditure by the special committee on investigation of post-office building and commercial postal station leases. This is not a controversial matter. The resolution has been reported by the Committee to Audit and Control the Contingent Expenses of the Senate. I ask unanimous consent for the present consideration of the resolution.

The PRESIDING OFFICER. Is there objection?

Mr. PHIPPS. I would like to have the resolution read in full.

The legislative clerk read the resolution, as follows:

Resolved, That in furtherance of the purposes of Senate Resolution 244, agreed to April 18, 1930, the committee appointed thereunder, investigating all leases for post-office buildings and commercial postal

stations and substations, is hereby authorized to expend $20,000, or so much thereof as may be necessary, out of the contingent fund of the Senate in addition to the amount heretofore authorized for said purposes.

Mr. PHIPPS. Has the Committee to Audit and Control the Contingent Expenses of the Senate reported on this?

The PRESIDING OFFICER. The Chair is informed that the resolution was reported by that committee.

Mr. McNARY. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

PROHIBITION ENFORCEMENT

Mr. TYDINGS. Mr. President, I have in my hand a short statement issued May 25 by J. M. Doran, Prohibition Commissioner, which I desire to read. It is included in a newspaper article, and I read the whole article, as follows:

EIGHT THOUSAND "JAKE PARALYSIS" CASES IN MISSISSIPPI, SAYS DOCTOR DORAN

WASHINGTON, May 26.—Dr. M. Doran, Prohibition Commissioner, who returned to-day from the South, where he investigated the paralysis epidemics caused by drinking bootleg fluid extract of ginger—the drink called "Jake"—said conditions are very bad in some States. Mississippi has 8,000 cases of the disease.

"Most of the victims are recovering slowly; some deaths have been reported," he said. "Our investigators are busy in Mississippi and Louisiana and we expect to make arrests there in a short time. Retail dealers in the ginger preparation have spread it over a large section of the country. We are rounding up the guilty ones. These dealers are druggists, operators of soft-drink stands, and speak-easies, who sell a 2-ounce bottle for 50 cents, making a profit of 150 per cent.

"These southern merchants purchase their supplies of 'Jake' from large distributors in the North and East. We have secured indictments in Boston and Brooklyn."

The deadly drink, Doctor Doran said, works slowly but surely. "It requires about two weeks' lapse of time after consumption of the ginger before the victim feels the effect," he said. "The first symptoms are pains in the calves of the legs, followed by lack of control of the ankles and wrists. The victims become helpless and recovery is slow."

Kentucky, Tennessee, Georgia, and other States have cases. Conditions in Mississippi are serious. The Government has agents from the Treasury Department—the Public Health Service and the Prohibition Bureau—the Department of Agriculture and the Department of Justice there to combat the outbreak.

Mr. President, I have read this to bring it to the attention of the Senate and in the hope that Doctor Doran may be successful in apprehending those who are selling this deleterious matter. It is unfortunate that conditions in the country to-day have caused many people to turn to these deadly substitutes. I for one deplore it, but when it reaches the extent of 8,000 cases in a single Southern State it becomes a matter of great national concern.

EXECUTIVE MESSAGES

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

SPANISH WAR PENSIONS—VETO MESSAGE (S. DOC. NO. 155)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, ordered to lie on the table, and to be printed:

To the Senate:

I am returning this bill (S. 476) without approval. The bill establishes a new basis for pension of Spanish War veterans. I am in favor of proper discharge of the national obligation to men who have served in war who have become disabled and are in need. But certain principles are included in this legislation which I deem are opposed to the interest both of war veterans and of the public. My major objections to this bill are these:

1. In the whole of our pension legislation over past years we have excluded from such national award persons whose disabilities arise from "vicious habits." This bill breaks down that exclusion and opens the door for claims of disability incurred at any time in the life of the pensioner arising from venereal diseases, alcoholism, drug habits, etc. Certainly, such claims for public help can not be fairly based upon sacrifice to the Nation in war and must be opposed to national policy.

2. This legislation lowers the minimum service period from 90 days to 70 days for non-service-connected disability pension. Under other provisions of law men who served only one day and during that day suffered injury or impaired health became eligible for pensions. This law, however, provides that if a man should incur any disability at any time in his life he may claim pension with only 70 days of service. The 90-day minimum service has been maintained against the Civil War veterans all these years because less service than this was not considered to imply personal danger or risk which warranted pension. If injury or impaired health incident to service is clearly proven, other laws cover such cases.

3. It seems to me that in the interest of justice to the taxpayer and to maintain the fine body of citizens comprised in our war veterans free from the stigma of encroachment upon the Public Treasury, there should be a requirement of "need" as well as disability as a basis for these pensions. It is to me the height of injustice that citizens who are less well placed should be called upon to support from taxes those whose station in life enables them to support themselves or to live in independent security. The whole spirit of the pension system is that of a grateful nation rising to the support of those who have served in war, were injured, or who have met with legitimate difficulties in after life which impose privation upon them. While many veterans may refuse to accept such pensions when they can get along otherwise, yet the cases of selfishness are bound to cause a constant irritation of feeling against a pension system that permits these unmerited and unnecessary payments.

HERBERT HOOVER.

THE WHITE HOUSE, *May 28, 1930.*

THE MERCHANT MARINE

The PRESIDING OFFICER (Mr. JONES in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is House bill 9592.

The Senate resumed consideration of the bill (H. R. 9592) to amend section 407 of the merchant marine act, 1928.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Tennessee [Mr. McKELLAR].

Mr. McKELLAR. Mr. President, on the calendar day of April 23 last the Senate passed a resolution providing for the appointment of a special committee of five Senators by the President of the Senate to make a thorough investigation of the acts and doings of the Shipping Board, including certain mail contracts. A day or two afterwards the Senator from New York [Mr. COPELAND] entered a motion to reconsider the vote by which the resolution was agreed to, and that motion has tied up the resolution ever since.

Mr. President, I now move that the Senate proceed to the consideration of the motion heretofore entered by the Senator from New York to reconsider the vote whereby Senate Resolution 129 was agreed to by the Senate.

Mr. McNARY. Mr. President, of course that will interfere with the present status of the unfinished business.

Mr. McKELLAR. I prefer to ask unanimous consent that we temporarily lay aside the unfinished business for the purpose of passing on the motion of the Senator from New York. That motion has been held in abeyance for more than five weeks. The author of the motion to reconsider has not seen fit to bring it up. It is not fair and just that it should be held over in any such way. The Commerce Committee with one exception unanimously authorized the reporting of the resolution of investigation. It unanimously passed the Senate, so far as I now recall. I do not think there is any opposition to it, except that of the Senator from New York. I hope we may pass upon his motion at this time.

The PRESIDING OFFICER. The Chair will state that the motion is in order, but if carried it would displace the unfinished business.

Mr. McKELLAR. Of course, I understand that.

Mr. McNARY. Is the Senator going to press his motion now?

Mr. McKELLAR. I have made the motion. The Senator from New York, who has been here ever since, has never made any move to call up his motion, and it is evidently the intention thus to hold up the resolution. For that reason I think it ought to be disposed of. I ask unanimous consent that we may temporarily lay aside the unfinished business and proceed to the determination of the motion of the Senator from New York.

The PRESIDING OFFICER. Is there objection?

Mr. RANSDELL. Mr. President, I object to laying aside the unfinished business.

Mr. McKELLAR. Then I move that we proceed to the consideration of the motion of the Senator from New York.

Mr. RANSDELL. I sincerely hope the motion will not carry. We have a very important measure before the Senate, and it should be disposed of before any other business is taken up. The Senator from Tennessee has already had three days' debate on it.

Mr. McKELLAR. And the probabilities are that there will be quite that much debate on it in the future, so the Senator need not get impatient about it.

The PRESIDING OFFICER. The Senator from Tennessee moves that the Senate proceed to the consideration of the motion of the Senator from New York to reconsider the vote by which the resolution referred to was agreed to.

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

The PRESIDING OFFICER. The Senator will state it.

Mr. FESS. The vote is not on the reconsideration of the vote, is it?

The PRESIDING OFFICER. It is on the motion to proceed to the consideration of the motion of the Senator from New York to reconsider the vote by which the resolution was agreed to.

Mr. McKELLAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McKELLAR. If my motion is voted down, what becomes of the reconsideration?

The PRESIDING OFFICER. It would still stand where it is.

Mr. McKELLAR. It merely remains where it is?

The PRESIDING OFFICER. Yes.

Mr. McKELLAR. I will discuss my motion for a little while.

Mr. COPELAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COPELAND. I understand the motion made by the Senator from Tennessee is not debatable. Am I correct?

The PRESIDING OFFICER. It is debatable at this time. It is now after 2 o'clock.

Mr. McKELLAR. Mr. President, I want to read the resolution which was passed on April 23. It reads:

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to make a thorough investigation into all the acts and doings of the United States Shipping Board and Merchant Fleet Corporation and especially into the question of sales of ships by the board, the prices secured, the terms under which ships have been sold, the character and responsibility of the purchasers, the change in terms, and all other facts relating to the conduct of the board and of the Emergency Fleet Corporation, and also thoroughly to investigate all construction loans and mail contracts made under or pursuant to the merchant marine act. Said committee shall report to the Senate the facts found by it after such investigations and its conclusions as to any appropriate action or legislation in respect thereto.

For the purposes of this resolution such committee or any duly authorized subcommittee thereof is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Senate until its report is submitted, to employ such experts and clerical, stenographic, and other assistants, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. President, the resolution was adopted, as I recollect it, by a unanimous vote. There was no opposition to it, and yet the next day the Senator from New York [Mr. COPELAND] entered a motion to reconsider the vote by which the resolution was agreed to, which holds the resolution in abeyance until disposed of. I have waited five weeks for the Senator from New York to call up his motion. He has not seen fit to do so and I understand that under the rule I have the right to call up the motion.

Why should one Senator thus thwart the will of the Senate? I mean no disrespect to my good friend from New York, for whom I have the highest admiration and respect, but it is not a fair proposition. Why is it done? I do not know. Of course great shipping interests congregate in New York. Great shipping interests get along all right with the Shipping Board. Perhaps they receive great favors at the hands of the Shipping Board; indeed, as I shall point out in a few moments, they do receive wonderful favors at the hands of the Shipping Board. And yet, because of these facts, it does not seem to me that the Senate ought to refuse to allow a resolution which has already passed, providing for the investigation of the board, to be longer held in abeyance. It ought to be disposed of before the White bill is voted on. The White bill, instead of remedying the situation which now exists, very greatly adds to the confusion which may arise in reference to the present situation.

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

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

Mr. McKELLAR. I yield.

Mr. VANDENBERG. I made the motion in the Commerce Committee to report favorably upon the Senator's resolution. I still maintain that position. I simply want to say to him that from my point of view, entirely aside from the possibility that any wrongs might be developed in the course of such an inquisition, the fact that this is the most complicated problem with which the Government has had to deal, that it has trenched upon the most new ground of any experiment we ever undertook, is ample and sufficient reason why there is utility in a complete, fair-minded survey of the entire picture.

Mr. McKELLAR. I thank the Senator for his views. The views stated by him are certainly concurred in by me. I think they are the views of the Senate generally. There ought to be such an investigation.

Comptroller General McCarl is one of the most accomplished officers of the Government, barring none. On the 5th of last October he made a report to the Congress in reference to the Shipping Board. I do not believe there is a single Senator, indeed, I doubt if there is a man who knows General McCarl, whether in public office or out of public office, who does not believe that General McCarl is one of the most conscientious, one of the most upright, one of the keenest and ablest men we have connected with the Government. He has done a wonderful work. He has done a good work in keeping the powers of the Government straight, those powers which are being construed and applied by various governmental officers. He has done more to keep them in line with the law and with the Constitution than perhaps any other man in the country. I know when General McCarl makes a report which virtually recommends an investigation of the Shipping Board, after a careful survey of that board himself, that it ought to be had.

I recall when the matter was before us on a previous occasion, that the senior Senator from Ohio [Mr. FESS] who is now presiding over this body, was then on the floor and spoke in much the same way that I have just spoken in reference to the abilities and capacities, the honesty, and the integrity of General McCarl. I have no doubt that that report not only led the Senator from Ohio, but other Senators to take the position that the investigation ought to be made.

Mr. President, I have before me a memorial from the seamen on the sea service bureau crimping system versus the shipping commissioner's office. It is quite an interesting paper. It shows how necessary it is that the operations of the Shipping Board should be examined into. It shows the grossest kind of favoritism upon the part of the Shipping Board. This paper was written by Andrew Furuseth representing the seamen. He said:

Mr. C. W. Sanders, in charge of the sea service bureau, Shipping Board, in writing to the editor of the Washington Post, February 17, 1930, says, among other things: "* * * there is no duplication of effort in the work of the bureau and the work of the shipping commissioners. The bureau procures, examines, and certifies (but does not employ) the men who man our ships. Shipping commissioners, on the other hand, do the actual 'signing on' of the men, but do not procure or examine them."

Mr. Sanders has, unfortunately, both the history and law twisted. The shipping commissioners' offices were established in 1872. The purpose was to protect the shipping and seamen alike against the abuses that had developed under the crimping system.

The evils in the crimping system are inherent, and no matter who operates it, its inherent viciousness corrupts the operators. It saps and then destroys seamanship and sea power. It robs the seaman of self-respect, of respect and love for the calling. It robs him of his earning capacity. Under the advance system it compelled him to surrender the major part of his wages to be earned. It compelled him to work and live with criminals, smugglers, and outcasts. It compelled him to accept the wages which those men were willing to accept, to live under a reputation which they created, and to do the work for them at sea.

It made officers desperate through the difficulty of getting the work done and the vessel taken care of. It produced the hell-ship period under the American flag. "Hell ship," "blood tubs," were the names given to American ships, so vividly described by Mr. J. Grey Jewell, M. D., United States consul at Singapore, in his book Among Our Sailors, published in 1873. Step by step it drove the American from the sea, and then it drove American capital for investment at sea under foreign flags, because no matter what devices were resorted to by legislation, or otherwise, the difference between the standard of living in the United States and the standard of living in Europe and Asia resulted in a differential in the wages which made investment under foreign flags preferable.

Mr. President, this is one of the systems that has grown and prospered under the present Shipping Board. It is inimical to the laboring interests of the country, and not only inimical to the laboring interests but inimical to the American merchant marine. Talk about building it up under a system such as described here! We will never build up a merchant marine under

such circumstances as are portrayed in the pamphlet which I have before me. I continue to read:

Under the admiralty laws, as recognized in Europe and in America, the master of the ship had the exclusive right to select those who were to serve on the vessel, whether they were officers or men before the mast. That system tends to development of skill and general efficiency. This was destroyed by the crimping system.

I suppose I should explain the crimping system, as I understand it, at this point. Under the crimping system the Government provides a bureau which employs crews, not for the Government but for all shipping interests, and the Government pays the expense. Senators will be astonished to find the motley crews that are employed in this way for which the American people have to pay in taxes.

The master was seduced to surrender the opportunity to personally select the men in order to make arrangements with the crimp as to wages, advance, and part return thereof to himself. It seduced the ships' husbands, the managing owners, and some of the owners into similar agreements with the crimps. It resulted in sending men to sea who were utterly unfit for sea life and in development of shanghaiing, against which specific legislation had to be at last enacted. It resulted in scurvy, beriberi, and other sickness All of this has its origin in the force exercised from above and the fear infused into men below. This fear on the part of the men was kept alive by beatings, brutalities, and imprisonment on shore, by beatings, brutalities, and such general ill-usage on board that the public conscience was aroused, and the United States followed Great Britain in trying to abolish the system by, in 1872, adopting the shipping commissioner's act, providing for shipping commissioners, the engagement and shipping of men in their offices, where the master could come to select the men, using his knowledge of the men and of seamanship to get the best men available, and free from the interference of the crimps and the crimping system.

The crimps, the masters, the ships' husband, or port captains, the managing owners, and the owners made common cause against this law, and they used their own force and the seamen's fear to compel the unorganized and the helpless seamen to join them in their efforts to either repeal or evade the law. In 1874 the law was repealed on the Great Lakes, in the coastwise trade, and in the trade to near-by foreign countries. It was then gradually destroyed in the foreign trade by reducing the shipping commissioners to be substantially nothing more than notary publics, verifying the contracts entered into between masters and crimps. The seamen were procured and brought to the shipping commissioner's office by the crimps, and the crimping system was again in full operation.

In 1884, again following Great Britain, Congress abolished all payment of wages prior to the wages having been earned (advance), and the fight with the crimping system was on again. Again the crimping system won and compelled Congress to change the law in 1886, so that advance was reestablished under the name of allotment to original creditor.

In 1885 the seamen began to organize, and after a while they learned to understand the real situation. They learned that in the coastwise trade and to near-by foreign countries they could not be legally arrested for desertion or compelled to go in a vessel against their will. They made use of this freedom to such an extent that the crimping system, speaking now through the shipowners direct, appealed to Congress and obtained the law under which the imprisonment was restored in the exempted trade on condition that the shipping should be made before the commissioner.

The shipowners on the Lakes then sought to have shipping commissioners' offices established on the Great Lakes. This was not done, and the Lake Carriers' Association established its own shipping offices, using in lieu of imprisonment the force of the blacklist, and gradually destroyed the skill of seamen on the Lakes to such an extent that a man who could splice wire or even ropes became a curiosity, and important splices in wires or ropes had to be made on shore. In 1895 the law was so amended that imprisonment for desertion in the coastwise and near-by foreign trade was abolished, no matter how the man was shipped, and advance prohibited.

In 1898 the law of freedom for American seamen was extended to all American ports and the advance was reduced in accordance with the length of the voyage, but not exceeding one month's wages. This law was successful because it had back of it the organization, the hopes, and aspirations of the seamen. And in 1915 the advance was abolished and the seamen were made free in all American vessels in safe harbors everywhere, and in vessels of all foreign nations in safe harbors of the United States. Other legislation of great importance was contained in the seamen's act—the law of 1915. The crimping system was temporarily destroyed.

I digress here long enough to say that the then Senator from Wisconsin, Mr. La Follette, the father of the present Senator from Wisconsin [Mr. LA FOLLETTE], was the author of that act, and it was one of the most humane and one of the best acts ever passed in safeguarding the interests of American seamen.

The war came and seamen were needed. They were appealed to to come back to the sea to assist in defending the flag and the Nation that had set them free. Force and fear had ceased to rule for the time being. The men came and proved their loyalty by manning the vessels under all conditions during the war, and according to a report of the director of the marine and dock industrial relations division, United States Shipping Board, submitted to the board as of December 31, 1918, which on page 17 states that: "* * * there was no serious disaffection or interruption of traffic during the period while the United States was at war. As far as the licensed officers and seamen on vessels were concerned, the elimination of strikes was practically complete."

When the war was over the ships were returned to the owners, or those owned by the United States were operated by the Shipping Board. And while the condition, so far as the treatment was concerned, was not all it might have been and the conduct of the seamen was not what it should have been, the condition described in the report submitted to the Shipping Board was substantially maintained. The trouble with the seamen came from the number of untrained men under the influence of and agitation by the I. W. W., afterwards better known as the communists.

The crimping system did not revive until the recruiting and training service of the Shipping Board was reorganized into the sea service bureau, which first got all the men through the union and simply recorded them, until in 1921. The shipowners then broke off all arrangements with the seamen's organization, and locked the seamen out. They organized shipping offices of their own in some instances, but they used the sea service bureau, whenever it was needed to reintroduce their system of force and fear, and with that came nearly all the evils of the crimping system, with the exception of the payment of advance, which has only been partly and secretly restored.

The work that the crimps did at the expense of the seamen is now done by the sea service bureau at the expense of the United States. It costs somewhere about $120,000 a year, expended without any authority whatsoever and is paid out of the lump sum appropriated for the use of the Shipping Board.

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

Mr. McKELLAR. I yield.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

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

Mr. McKELLAR. Mr. President, the work that the crimps did at the expense of the seamen is now done by the sea service bureau at the expense of the National Government. I stop here long enough to say that of course, since the Government has disposed of its ships to such a large degree, it has very little use for the sea service bureau, and yet the Shipping Board are maintaining it. They come here regularly for appropriations. They get appropriations of $120,000 a year, which they use not for the purpose of the Government but for the purpose of the great shipping interests so largely represented by my handsome friend from New York [Mr. COPELAND].

No wonder the shipping interests in New York and elsewhere are interested in not having any investigation of this matter. No wonder they want to let present conditions prevail. As long as they can have the infamous crimping system continued in this country, they not having to bear the ignominy of it, they not having to bear the responsibility of it, as long as they can have the Government pay for it and the Government bear the responsibility for it, of course they want to keep it up.

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

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

Mr. COPELAND. It may be interesting to the Senator to know that not a single shipping company has approached me in regard to this matter. It was my own idea. Once in a great while I have one of my own.

Mr. McKELLAR. I am quite sure of that; but I know that the Senator represents his own people up there so well and looks after their interests so well that naturally he can understand just what is for their best interest. I have no doubt it is for the best interest of the great shipping companies to have the Government bear the expense and bear the shame of keeping up a system known as the crimping system, which every seafaring nation in the world has undertaken to destroy from time to time, and has destroyed from time to time; and yet it comes back under the guise of one organization or another.

Outside of the advance, all the evils practiced by and inherent in the crimping system have been in full operation by the sea service bureau since 1921. Fully 60 per cent of the skilled seamen sailing during the war and up to 1921 have been driven from the sea by the system operated by the sea service bureau. American-born young men and boys have been coming to the sea. They have seen, they have heard, they have had some experience, and they have left again; and yet we talk about building up an American merchant marine with these great subsidies, which they now want to extend to foreign shipowners as well as to American shipowners, which they want to extend to people in competition with American trade and American ships. This is the way they would have it done. It will be a beautiful merchant marine when they get it built up in this fashion!

(At this point Mr. McKELLAR yielded to Mr. BORAH, who reported from the Committee on Foreign Relations, for the calendar, two bills, which appear under their appropriate heading.)

Mr. McKELLAR. The evils of the crimping system as reproduced by the sea service bureau are in some respects worse than the old crimping system was, because it procures the men under National Government sanction. It operates its blacklisting system under national toleration and is paid for out of the United States Treasury. The young men learn to know this; and in their minds the United States becomes responsible for the evils, the force, and the suppression that is followed by fear, sometimes by contempt, sometimes by hate of those who, in the minds of the young men, are really the guilty party, the Government of the United States. He is as helpless as the seaman was in the heyday of the old crimping system. He feels it, knows it, and knows that the blacklist follows him wherever he goes. He has but one remedy—to quit the sea.

When the sea service bureau is short of men, as sometimes happens in good times, it dips into the pool of unemployed, seeking workers from the ordinary employment offices, and takes for the sea service such as can be induced to come. Though they have no experience, they are mysteriously provided with the papers which are needed. The general run of these men are too proud to beg, too honest to steal, and are willing to take any employment which for the time being will promise shelter and food; but they do not stay long. The turnover in the shipping service proves that beyond any possible doubt.

The sea service bureau claims that it is Americanizing the personnel. In 1920 a census was taken of the nationality of the seamen sailing in American vessels. It was found that exclusive of licensed officers 51 per cent were native Americans. The number of naturalized Americans could not be ascertained, but it could not have been less than about 9 per cent. The report of the sea service bureau for the year ended June 30, 1929, claims to have furnished 65,906 men, of whom 82.9 per cent were citizens of the United States. This is inclusive of licensed officers; so that we shall have to subtract at least 25 per cent so as to bring it on an equality with the report of 1920, from which licensed officers are excluded. Subtracting the licensed officers from 82.9 per cent leaves us 67.9 per cent, with 50 per cent of the crew, exclusive of licensed officers, being shipped in China and not included in the sea service bureau report, a very large unknown amount shipped in Bremen, Hamburg, London, Liverpool, Glasgow, and Cardiff, not to mention the Mediterranean ports, all of whom, being outside of the report of the sea service bureau, will reduce the number of citizens before that of 1920.

With reference to the nationality of seamen on American ships, see Table 14, Nationality of Seamen in the American Merchant Marine, page 64, Merchant Marine Statistics for 1929, issued by the Department of Commerce, Bureau of Navigation. This table and other tables will be found extremely interesting, and positive and clear proof of misrepresentation by the sea service bureau.

The sea service bureau takes great pride in having established a physical examination, and Mr. Sanders says:

> The examination assures an able-bodied personnel, at the same time going far to safeguard the shipowner or operator from fake damage claims.

"Able-bodied man" is an enlightening expression, and no doubt partly true. If he had said "able-bodied seaman," it would have been a clear untruth. When we speak of able-bodied men of the sea, we mean men able in body and mind, thoroughly trained, and inured to the hard work a seaman has to do. Considering the way those men are picked up and the kind of men some of them are—coming to the sea service bureau employment office to escape from the police, sometimes having escaped from prison, sometimes being sick—we have probably the real reason for the physical examination. At any rate, Mr. Sanders seems to think so, because he says:

> The benefit of all this to the American shipowner is obvious.

He goes on to say:

> In some of the larger ports of the United States the bureau has its own medical examiners.

Mr. TYDINGS. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. McKELLAR. I yield.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. A few moments ago there was a call of the roll, and no business having transpired, I make the point of order against the present quorum call.

The PRESIDING OFFICER. The Chair will state that had the point of order been raised before the roll call had started, it would have been well taken.

Mr. McKELLAR. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. McKELLAR. Some business has been transacted. The Senator from Idaho [Mr. BORAH] presented a report, which was acted upon.

Mr. McNARY. Very well.

The PRESIDING OFFICER. The point of order of the Senator from Tennessee is well taken. The Chair had overlooked the fact to which he has called attention. The clerk will proceed with the roll call.

The legislative clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

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

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

Mr. McKELLAR. Mr. President, the pamphlet from which I have been reading states the attitude of organized labor in reference to the proposed investigation. As I understand it, organized labor is a unit in desiring this investigation. As I understand it, the various members of the Shipping Board have made public statements—I have not them with me, but I think I have in my office—in which they all unite in saying that they think it would be an entirely proper investigation. And yet the Senator from New York by a motion to reconsider is holding up the resolution. That does not appeal to me as being fair.

Here is the Shipping Board that is to be investigated and there is no protest from it. Those who speak for the board say they are entirely willing to have the investigation. There is no protest on the part of the Postmaster General, who is trying to arrange to have these contracts let without any publicity, almost in secrecy. And yet the Senator from New York by a motion to reconsider holds the resolution back, and after having entered his motion waits for 35 or 36 days without making any move whatsoever to have his motion disposed of. The evident purpose of making the motion is simply in the hope that the Congress may adjourn without acting upon it. The Senator from New York knows that if the Senate acts upon it it is going to sustain the Commerce Committee. He knows perfectly well that he can not change the action of the Senate about it. The only possible hope the Senator can have in entering his motion is to force the matter over for another session.

Mr. COPELAND. Mr. President——

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

Mr. McKELLAR. Certainly.

Mr. COPELAND. At least it has the virtue that it assists the Senator from Tennessee in carrying on his filibuster against the White bill.

Mr. McKELLAR. If the Senator wants to call what I am doing a filibuster he has a perfect right to do so. What I am doing is fighting for the best interests of the American taxpayer.

Mr. NORRIS. Mr. President——

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

Mr. McKELLAR. I yield.

Mr. NORRIS. I would like to suggest, if the Senator from Tennessee will permit, that if the Senator from New York is afraid of a filibuster the way to avoid it is to withdraw his motion to reconsider.

Mr. McKELLAR. Of course. He and the senior Senator from Louisiana [Mr. RANSDELL] have a double-barrel arrangement here. One is a motion to reconsider and the other is a plan to help some shipping company which has a port in New Orleans, which is not remotely mentioned in the bill which he is fathering here and for which he is fighting.

Mr. NORRIS. Mr. President, may I interrupt the Senator again?

Mr. McKELLAR. Certainly.

Mr. NORRIS. We have just listened to a veto message from the President vetoing increased pensions for the ex-soldiers. Since we have saved that money which would otherwise have gone to the ex-soldiers, does not the Senator think that we can afford to be more liberal in our ship-subsidy program?

Mr. McKELLAR. Yes; we might be. The marvelous thing about it, if I may say it, is that the purpose of the White bill is not to subsidize American shipping interests only, but to allow the Postmaster General and the Shipping Board to subsidize foreign ships which are in competition with American ships. If the Senator from Louisiana [Mr. RANSDELL] is so much interested in a little shipping company which comes to his port at New Orleans, I will be perfectly willing to withdraw my opposition to the bill or to an amendment to the bill protecting that company in its every right; but he is not satisfied with that. The bill does not refer to that company.

The Postmaster General has just as much power to do what he wants without the bill as with it; but evidently somebody wants the bill passed for a purpose, and that purpose is to do away with the advertising of supposed largesses to be granted to various shipping interests. The evident purpose is not only to grant these largesses to American shipping interests, but to those who are engaged in competition with American interests. If the Senator from Louisiana wants to help his local company, why does not he accept the amendment which has been offered to his bill, which simply prevents gratuities and subsidies being granted to foreign ships in competition with American ships? Has he explained it? Has he undertaken to explain it?

There is no explanation about it. The little Mississippi company entering his harbor is being used here for the purpose of getting a great bill through which will give the Postmaster General and the Shipping Board the right to make these contracts as they wish, in such amounts as they wish within the limits, and to such companies as they wish, without any advertisement and without any publicity. While we are doing that, here is a resolution of investigation of contracts made both by the Shipping Board and by the Postmaster General that is being held up. Does not that present an anomalous condition?

The Senator from New York wants to know why I am conducting a filibuster, as he called it. If I am filibustering, I will say to the Senator from New York, it is a filibuster in the interest of the American people, in the interest of the American taxpayers against graft of any kind, express or implied.

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

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

Mr. McKELLAR. Certainly.

Mr. COPELAND. Suppose I make the suggestion to the Senator that he withdraw his amendment to the White bill and I will withdraw my opposition to the investigation, and then we can pass the resolution and have the investigation, and we can pass the bill and be all through with a discussion of the merchant marine matter.

Mr. McKELLAR. I could not do that. If the Senator will accept my amendment to the White bill, he will find that it does nothing but prevent subsidies being given to foreign ships in competition with American ships. If he will accept that amendment and withdraw his opposition to my resolution, I will withdraw any objection that I have so far as I am concerned.

Mr. COPELAND. In other words, if the Senator can have his whole way, all of his way in everything—if he can get the investigation and have his amendment too, then he will stop his filibuster. If I withdraw my opposition and let the investigation proceed, is the Senator willing to stop his filibuster against the White bill and let it pass?

Mr. McKELLAR. No; I am not. The Senator talks about me wanting to have my own way. I have not any more interest in this matter than I have interest in the man in the moon—personal interest or official interest. The only interest I have in it is for the protection of the American people against having money taken from their pockets by way of these contracts, which are unwise, which are unpatriotic, and which ought never to be granted. If the Senator will just prepare his own amendment which will prevent subsidies from going to foreign ships in competition with American ships, and withdraw his motion to reconsider the vote by which my resolution was adopted, I shall be glad to arrange it with him. The only interest in the world that I have is to protect the American people, the American taxpayers, against these great demands which are being made upon them.

Mr. COPELAND. There is nothing in the law and there is nothing in the bill that will give one single dollar to a foreign ship.

Mr. McKELLAR. Oh, no; but they are going to do it anyway. They do it in this way, and they are doing it right now. Here is a line that is drawing largesses from the American Government as subsidies which runs 28 American ships and 147 ships under foreign flags.

Mr. COPELAND. Mr. President, will the Senator permit me to place in the RECORD at this point a telegram which I received from Mr. Munson this morning?

Mr. McKELLAR. Very well.

Mr. COPELAND. If the Senator will permit it, I would like to have the clerk read the telegram, which is a complete reply to the statement the Senator just made.

The VICE PRESIDENT. Does the Senator from Tennessee yield for that purpose?

Mr. McKELLAR. I do. I am glad to have Mr. Munson's statement.

The VICE PRESIDENT. The clerk will read the telegram.

The Chief Clerk proceeded to read the telegram, and read as follows:

NEW YORK, N. Y., *May 28, 1930.*

Hon. ROYAL S. COPELAND,
United States Senate.

Having read the CONGRESSIONAL RECORD of yesterday and the statements made by Senator McKELLAR on floor of Senate, this is sent in the interests of keeping the actual facts before the Senate and not letting any erroneous statements stand uncorrected, as I am sure Senator McKELLAR does not desire to do us any injustice. The Munson Line is 100 per cent American owned, officers, and directors.

Mr. McKELLAR. Mr. President, let me interrupt the reading to say to the Senator from New York and to Mr. Munson, who is speaking through the telegram, that I quoted his very language yesterday from the hearings making that very statement. Why should he want to complain about me doing him an injustice? Proceed, Mr. Clerk.

The Chief Clerk resumed and concluded the reading of the telegram, as follows:

And there is no fraction of control, directly or indirectly, by any foreigner.

The following facts were given in a statement published January 17, 1930: The Munson Line owns 30 American steamers plying mostly in foreign trades, with only a few in the coastwise. It owns two foreign-flag steamers and leases under charter foreign-flag steamers through the year for the carriage of sugar from Cuba to the United States.

The number of these steamers changes with the spasmodic demand for sugar and other freight in the American market, and they are taken mostly for single trips, averaging about one month in duration.

If we therefore divide the 147, mentioned by Senator McKELLAR, by 12 to get at figures of chartering foreign tonnage, it equals about 12 steamers. These steamers are so much cheaper than operation of American steamers that foreign competition would carry all this sugar on which we have had control from our friendly shippers for over 30 years, and it would eradicate us from this business if we failed to charter necessary boats from time to time. The profits from these leases under charter steamers, which we do control absolutely when on charter or lease to us, have gone into the upbuilding of our American-owned fleet exclusively over the long period of years above mentioned, all with benefit to our foreign trade. None of the foreign tonnage is run in American coastwise trade.

FRANK C. MUNSON,
President Munson Steamship Line.

Mr. McKELLAR. Mr. President, the only difference between the statements made by me yesterday in reference to this matter and the statements made in the telegram just read is that Mr. Munson undertakes to explain that the 147 foreign-flag steamers used by him are not used all the time, and he undertakes to make the statement that they are used only one-twelfth of the time. That is the only difference. All the other statements were read by me from the record of the hearings. I am not doing Mr. Munson an injustice. I have his statement here. He held up his hand to high Heaven and took an oath and made the statement which I have quoted.

Mr. President, I ask at this point that there may be inserted in the RECORD, in order that there may be no mistake about it, the data which were furnished by the Munson Steamship Line itself, including the names of the vessels that are being used, the 149 foreign vessels and the 28 American vessels, their tonnage, and the trade in which they are engaged. I want this to appear in the RECORD at this point, immediately following my comments on Mr. Munson's telegram.

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

The data referred to are as follows:

American steamers owned and operated by the Munson Line, 1929

Steamer:	Gross tonnage
SOUTH AMERICAN SERVICE	
American Legion	13,736
Pan America	13,712
Southern Cross	13,789
Western World	13,712
CUBAN AND/OR COASTWISE SERVICE	
Munalbro	4,282
Muncove	2,437
Munisla	2,270
Munmotor	2,450
Munsomo	2,948
Rajah	2,264
GULF-PLATE SERVICE [1]	
Munrio	3,878
Muntropic	5,670
Munmystic	5,685
Munindies	4,576
INTERCOASTAL SERVICE	
Mundelta	4,747
Munbeaver	4,835
Munaires	4,620
NEW YORK-BRAZIL SERVICE	
Munorleans	4,418
Walter D. Munson	3,703
Munamar	3,440
NEW YORK-NASSAU SERVICE	
Munargo	6,484
BALTIMORE-JACKSONVILLE, MIAMI, AND HABANA	
Munloyal	2,647
Munlisto	2,606
GULF-CUBA, ETC.	
Munplace	3,235
(Ships are changed on services from time to time according to requirements and positions.)	
Mundixie	3,285
Mundolphin	3,285

Foreign-flag steamers owned and operated by Munson Line, 1929

GULF-PLATE SERVICE	
Muneric (British)	5,146
Munarden (British)	3,813
GULF-CUBA, ETC., SERVICE	
Munorway (Norwegian)	3,514
Fritzoe (Panaman)	668
Total	13,141

The following foreign vessels were chartered by the Munson Steamship Co. during the year 1929 for operation in the West Indies, Canadian, and South American trades:

Steamer:	Gross tonnage
Agnete Maersk	2,088
Anders	1,343
Amersham	3,816
Ada Gothron	2,405
Arkansas	6,863
Anna Sofie	3,100
Ada	2,456
Adour	3,313
Alssund	3,222
Backworth	2,481
Bellasco	2,494
Blairloyle	3,071
Broompark	2,464
Briarpark	1,942
Brynhied	2,195
Blairdevon	3,282
Bracondale	3,087
Baron Sempill	2,498
Baron Ailsa	2,546

[1] Some of these steamers traded Cuban and/or coastwise before berthing this trade.

Steamer—Continued.	Gross tonnage
Betty	2,439
Britte	1,541
Bur	4,343
Brit Marie	3,019
Blarathol	3,319
Cresco	1,270
Charterhythe	3,736
Cymric Pride	3,827
Carronpark	2,630
Cronshagen	1,787
Certo	2,222
Cape Ortegal	4,896
Collingham	4,080
Charterhaven	4,315
Dagny I	1,392
Dampfire	1,734
Dumfries	3,650
Dagali	1,902
Domira	3,852
Dunstaffnage	4,525
Dampen	2,493
Edvard Munch	2,735
Elswick Grange	3,926
Eilbek	2,125
Essex Friari	3,157
Evviva	1,597
Eir	5,658
Ellerdale	3,754
Frank Seamans	4,271
Facio	1,522
Frith of Eide	4,140
Flottbek	1,938
Frode	2,140
Glenpark	1,974
Gorm	2,156
Gunny	2,362
Gefion	2,498
Gydavore	3,653
Gro	4,211
Gibraltar	4,330
Greenwich	3,554
Hansbroge	2,095
Hartbridge	5,080
Imacos	1,143
Ingola	3,846
Ivar	2,145
Induna	5,086
Idefjord	4,287
Juno	2,345
Jacob Christensen	3,594
Keret	1,718
Kotonia	2,624
Kirsten Maersk	2,252
Kentucky	2,136
Kai	1,746
Lorentz W. Hansen	1,918
Lifland	2,254
Lady Kathleen	3,661
Lady Astley	3,048
Laurel Park	1,935
Lisbeth	2,732
Mano	1,415
Mira	2,196
Milton	3,760
Marthara	4,999
Modig	4,974
Margit	1,735
Minna	1,544
Mountpark	2,699
Mexicano	3,694
Magdala	4,814
Marie Leonhardt	2,594
Mathilda	3,650
Maine	6,600
Norphavet	----
Nordstjernen	770
Niels R. Finsen	1,839
Nils	1,834
Nordamerika	2,647
Norden	2,529
Nidarholm	2,468
Notos	3,270
Nordlys	----
Newaster	3,114
Odensholm	2,818
Oakfield	3,646
Olof Maersk	1,950
Profit	1,613
Pluto	1,598
Pacific (British)	2,816
Porsanger	4,267
Polycarp	3,577
Pacific (Danish)	5,343
Phonix	1,894
Penhale	4,071
Pennsylvania	5,652
Pacifico	3,781
Peer Gynt	----
Rygja	3,534
Rowanpark	1,935
River Drontes	4,351
Romsdalshorn	6,583
Reedpool	4,838
Scotia	3,441
Svanhild	2,147
St. Therese	2,280
Sarmatia	2,350
Seven Seas Trader	3,332
Silkeborg	1,806
Stal	2,242
Sheaflance	3,112
Steinstad	2,476

	Gross tonnage
Steamer—Continued:	
Stagpool	4,625
Sheaf Spear	3,050
Thurston	3,072
Thyra (Norwegian)	1,655
Terne	1,426
Trafalgar	4,430
Treglisson	4,323
Thetis (ex Wlvo)	2,781
Wlmus	2,697
Wlva	1,401
Wllapool	4,891
Willowpark	1,931
Wansted	5,423
Waaldijk	5,011
Wilston	3,221
Wearbridge	4,014
Total, 147 vessels	443,251
4 foreign-flag ships owned by Munson Line	13,141
Total, 151 foreign-flag ships	456,392

This does not include tonnage of the *Norphavet* and *Peer Gynt*, which is unknown.

List of vessels cleared at New Orleans customhouse for ports on east coast of South America by Munson Steamship Line, 1929

Vessel	Flag	Date cleared	Destination
		1929	
Munrio	American	Jan. 8	Montevideo-Baires.
Muneric	British	Jan. 24	Do.
Charterhythe	do	Feb. 26	Monte-Baires-Rosario.
Marthara	do	Mar. 16	Do.
Munindies	American	Apr. 24	Do.
Pacific	Danish	May 17	Do.
Waaldijk	Dutch	May 29	Baires-Rosario-Santa Fe.
Modig	Norwegian	June 12	Monte-Baires.
Muneric	British	July 1	Buenos Aires.
Trafalgar	do	do	Bahia Blanca.
Munardan	do	July 18	Baires-Santa Fe.
Marthara	do	Aug. 2	Baires-Rosario.
Muntropic	American	Aug. 31	Buenos Aires.
Munmystic	do	Sept. 9	Monte-Baires
Munindies	do	Sept. 28	Monte-Baires-Santa Fe.
Munrio	do	Oct. 22	Monte-Baires-Rosario.
Munardan	British	Nov. 12	Baires-Rosario.
Muneric	do	Nov. 30	Monte-Baires-Santa Fe.
Charterhaven	do	Dec. 16	Santos-Rio Grande-Baires.

RECAPITULATION

Total sailings	19
British vessels	10
Danish vessels	1
Dutch vessels	1
Norwegian vessels	1
American vessels	6
Total	19

List of foreign vessels under charter and operated by Munson Steamship Line on December 18, 1929

Steamer	Nationality	Tonnage
Alssund	Danish	5,400
Bur	Norwegian	7,300
Bellasco	British	4,200
Britte	Swedish	2,600
Brosund	Danish	5,050
Britt Marie	Swedish	5,160
Carron Park	British	4,400
Certo	Norwegian	3,600
Annie Sofie	do	5,150
Dagali	do	3,100
Dampen	do	4,150
Dampfirb	do	2,800
Edvard Munch	do	4,715
Frithof Eide	do	6,642
Gibralter	British	7,350
Gro	Norwegian	7,064
Ingdla	British	6,560
Jacob Christensen	Norwegian	6,250
Kentucky	Danish	3,900
Lisbeth	Norwegian	4,400
Norolys	Danish	6,250
Nidarholm	Norwegian	4,300
Norden	Danish	4,717
Nordamerika	do	4,770
Newaster	British	5,100
Oakfield	do	6,600
Porsanger	Norwegian	7,300
Profit	do	2,400
Pacifico	do	5,450
Ryeja	do	6,250
Steinstad	do	4,175
Sheafspear	British	5,100
Sarmatia	Danish	3,750
Wilston	British	5,140
Mathilda	Norwegian	6,275
Charterhaven	British	7,400

Mr. COPELAND. Mr. President, see how unfair the implication of what the Senator says is! He makes it appear that the Munson Line charters and operates 147 foreign ships. As a matter of fact, as is made very clear by Mr. Munson's telegram, the Munson Line owns 30 ships, 28 of which are American vessels and two of which are under a foreign flag. From time to time——

Mr. McKELLAR. Incidentally, he said four of them are under a foreign flag in his sworn testimony, and he says that a total of 147 are under foreign flags.

Mr. Munson, I am sure, does not mean to misrepresent or to misinterpret or to misstate anything. He just did not have the figures before him when he was sending the telegram, but he did have the figures before him when he testified, because he furnished them, as I understand, in his testimony, and not only gave the number of vessels but their names. By the way, they are not all in the Cuban trade. Some of them are in that trade, while others are in the West Indian trade, some of them in the Central American trade, and some of them in the South American trade. As to the foreign vessels to which I am referring he testified fully and made no limitation about the ships not running all the time. I think there is some doubt about it.

Mr. COPELAND. Is the Senator not willing to take the facts placed before the Senate?

Mr. McKELLAR. Yes.

Mr. COPELAND. Well, let us see if we can not agree on the facts. The Senator is quoting from a pamphlet which was printed some little time ago.

Mr. McKELLAR. No; I am quoting from the testimony of Mr. Munson himself, given last December.

Mr. COPELAND. At that time he owned four foreign ships, did he not?

Mr. McKELLAR. He did.

Mr. COPELAND. Well, he has sold two of them since.

Mr. McKELLAR. There is nothing in the record or in the telegram to indicate that fact.

Mr. COPELAND. The telegram states that he owns 28 American ships and 2 foreign ships. Furthermore, he states what is the fact—and nobody disputes it—that 147 ships, a list of which, with the names, the Senator has, from time to time have been employed for one voyage or for two voyages or for a half a dozen voyages; but the average number of foreign ships used during the past year has been 12. That is the fact; that there are operated by the Munson Line 28 American vessels, 2 foreign vessels, and 12 chartered temporarily for the transportation of crops. For what purpose? In order to benefit the American merchant marine. Every dollar of profit made has gone into the upbuilding of the Munson American Line.

I pointed out yesterday that the line started with one $16,000 sloop, and now has $16,000,000 invested in American ships.

I do not know why the Senator should make an attack upon the Munson Line. If he will let the White bill pass, which the Senator from Louisiana is trying to have passed, the Munsons will not get the line out of the Gulf; the Mississippi Shipping Co., an American line, will get it; but every hour of effort on the part of the Senator from Tennessee in connection with the pending measure is made in the direction of helping the Munson Line get the bid and the carriage of the mails out of the Gulf.

Mr. McKELLAR. Mr. President, just one moment.

Mr. COPELAND. If the Senator wants to be fair and wants to place the situatiton before the country as it is, he will accept these facts as they have been stated and not distort them for the purpose of his argument.

Mr. McKELLAR. The Senator says I am acting in behalf of the Munson Line. That is surprising information. Mr. Munson does not think so. He does not agree with the Senator at all about that. The Senator and Mr. Munson ought to get together. Mr. Munson is complaining of my action here; he is interested in having this very bill passed. Why? Of course, because secret contracts will be let hereafter. I hope the Senator from New York will follow Mr. Munson's advice. I have no doubt Mr. Munson is a very excellent gentleman; I have no criticism to make of him; perhaps if I were in his place and wanted to make all the money possible I would use foreign ships; but it can not be argued in behalf of Mr. Munson that he who is using 147 foreign vessels and only 28 American vessels is doing a great deal to build up American shipping.

Mr. President, here is the advice Mr. Munson gives about the amendment I have offered; and if the amendment shall be accepted, as the Senator knows, the bill will then pass. Here is what Mr. Munson says about it:

Mr. DAVIS. Mr. Munson, as you suggested, you are operating a service between New York and the principal ports of the east coast of South America?

Mr. MUNSON. Yes.

Mr. DAVIS. Now, do not you think it would be unfair to you and unfair to the American merchant marine for the Shipping Board to come along and grant one or more valuable mail aids to some company, or some other service, when that same company are and would be permitted to operate foreign-flag ships in competition with your American-flag ships in that particular trade?

Mr. MUNSON. I do.

Mr. DAVIS. You do not think we ought to do that, do you?

Mr. MUNSON. I do not; no.

Mr. DAVIS. And, of course, if it would not be right in your case it would not be right in anybody's case?

Mr. MUNSON. No; not in any case.

Mr. DAVIS. Now, you understand, of course, this bill is restricted to the operation of foreign-flag ships in competition with American-flag ships?

Mr. MUNSON. I do.

Mr. DAVIS. And, of course, you or any other American operator who now has or shall receive a mail contract could still operate foreign-flag ships anywhere he wanted to, so far as this bill is concerned, so long as they did not compete with American-flag ships owned by other American citizens.

Mr. MUNSON. I do understand that.

In view of this testimony given by Mr. Munson, in which he declares specifically for this very amendment, if the Senator represents Mr. Munson in any manner, if he wants to present Mr. Munson's ideas, why does he not accept the amendment which Mr. Munson says is right and ought to become a part of the law?

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

Mr. McKELLAR. Yes.

Mr. COPELAND. I want the Senator distinctly to understand that I do not represent Mr. Munson.

Mr. McKELLAR. I did not refer to the Senator as representing him in any such sense as he seems to have in mind. If the Senator has any such view as that, I will change my statement, because I do not want so to imply. The Senator represents Mr. Munson just as I represent any citizen of Tennessee or any interest in Tennessee, and not in any other way. I do not want the Senator to think for a moment that I am reflecting upon him. He is too good a legislator; he is too fine a man for me to make any such reflection as that; and I do not do it.

Mr. COPELAND. I accept what the Senator says, but I could not let his statement go unchallenged.

Mr. McKELLAR. I think the Senator, entertaining that view, should have made the interruption, and I am glad he did make it.

Mr. COPELAND. I owe nothing to Mr. Munson.

Mr. McKELLAR. Of course not; I did not mean that my statement should be taken in that way.

Mr. COPELAND. Mr. Munson is one of the outstanding Republicans of New York City, who did nothing to elect me, but did all he could to defeat me. I owe him nothing, and in no sense do I represent him; I am simply representing what is plain, ordinary justice in this matter.

Mr. McKELLAR. If the Senator feels that way about it, that he is representing the plain, ordinary justice of the situation, why does he not follow the recommendations of Mr. Munson himself, given under oath, when Mr. Munson says that this amendment ought to be made a part of the law; that foreign-flag ships ought not to be used in competition with American-flag ships. I think we can all see that point.

Mr. President, I have kept the Senator from Michigan [Mr. VANDENBERG] waiting a long time; I apologize to him, and now yield to him.

Mr. VANDENBERG. Mr. President, the Senator in his argument has constantly described the issue involved in his amendment as being the issue of whether or not we shall pay subsidies to foreign ships. I simply want to see if we can not agree on a little more scrupulous definition of the issue. Is not this the issue: Whether we shall or shall not deny subventions to American ships if they operate in conjunction with foreign ships?

Mr. McKELLAR. The Senator has expressed it more accurately, perhaps, than I expressed it, and I thank him for the suggestion he has made or the interpretation he has placed upon the issue. His is probably a more accurate definition of just what we wish to do. We do not believe an American shipowner, owning American ships and foreign ships, should be given subsidies which will aid in putting foreign ships in competition with American ships. That is all the amendment applies to; it is a simple amendment. I think the Senator from Louisiana and the Senator from New York are complaining of something of which they really would not complain of if they understood its purport and effect. I believe if they would examine the amendment, they would come to exactly the same conclusion that Mr. Munson has come to, that it is a matter of right that ships flying foreign flags should not be put in competition with American ships, or, at all events, subsidies should not be granted to them.

Mr. President, when I was interrupted by the Senator from New York, I was referring to the attitude of organized labor in reference to this matter, more especially in reference to the investigation that has been ordered, and which the Senator from New York has held up. If there ever was an investigation that ought to be made, the proposed investigation of the Shipping Board is that one. If there have been practices indulged in by that board which are contrary to American interests and contrary to the right, the country ought to know it. There is no reason in the world why the investigation proposed should not be made. It has not been made, however, for every time there has been objection to conducting the investigation. Comptroller General McCarl was the first one to go into the matter at all. He has submitted a very elaborate report, in which he virtually states that an investigation ought to be made, and gives the reasons; he points out not a few of them but scores of them; he gives the facts and the details. So I submit that an investigation ought to be made by a committee of the Senate.

Furthermore, if American seamen are being discriminated against by the Shipping Board, if the Government of the United States is furnishing $120,000 in a lump-sum appropriation to the Shipping Board for the purpose of discriminating against American labor, and especially at such a time as this, the situation ought to be inquired into and a stop put to such practices. I think there is no Senator here who does not know that the country is at present in a period of depression. We should seek employment for American labor; and we have sought to aid American labor by means of several bills which have been passed by the Senate. We are trying to secure statistics of unemployment; we are trying to find means to help keep American labor employed, so far as possible; but here we have set up in the Shipping Board a bureau which is called a "crimp" bureau, the expenses of which are paid by the Government from taxes wrung from the people. This bureau is preventing American seamen from securing the employment they ought to get. It is no wonder that organized labor is opposed to any such proceeding; it is no wonder that organized labor is protesting; it is no wonder that organized labor in the present situation wants to do all it can to prevent such an organization under the Shipping Board being continued further by the Government.

I regret it is too late to take action which would do away with the bureau to which I have referred, for the independent offices appropriation bill has been passed by Congress and the appropriation has been made; but I want to say that when another similar bill shall be brought before the Senate next winter, as it will be, if it shall propose to appropriate $120,000 or any other sum to set up an infamous organization such as that now operating under the Shipping Board, I am going to oppose it to the last ditch, because that bureau ought not to be continued in operation. The American laborer who depends upon his daily toil for the support of himself and his family is entitled to better treatment than he is getting at the hands of that organization. That is a matter which ought to be investigated by the committee, the activities of which the Senator from New York is holding up by reason of his motion to reconsider.

I desire to state to the Senate some further facts.

The British Shipping Federation shipping offices likewise have their own medical examiners. The seamen believed, and their belief was based upon some bitter experience, that those examinations were used, so far as they were concerned, for ulterior purposes; and, nonunion as they were, they went on strike all over Great Britain between the Elbe and Brest. The American seamen have the same feeling with reference to the Shipping Board's physical examinations.

With reference to these examinations, Mr. Sanders further says:

> The medical work tends to protect the sea personnel from the evil effects of close daily association with sufferers from noxious disease.

Seamen coming from foreign ports are examined under the hospital act for loathsome and contagious diseases; and if they are found suffering from such diseases the immigration inspector, under authority of the Department of Labor, has these men sent to hospitals at the expense of the vessel, which, under the law, is not permitted to recoup itself from the seaman's

wages. The Shipping Board fought this act in every way it could. It made the seaman pay if he had any money; and where the Shipping Board could not get it from the seaman's wages it refused to repay the Department of Labor the cost of the hospitals, claiming that the law was unconstitutional and void. When it got to the Supreme Court of the United States the court decided that it was constitutional and beneficial. Following that decision, the Shipping Board sought to have the law repealed. In this they failed, and then they had to pay out not only the current expenses but also what they had refused to pay previously.

The real seaman is rarely on shore more than two weeks; and when he is examined in coming on shore, the examination on going out again is useless expense. If it is the seaman that they are so anxious about, they ought to have the men examined before leaving Asia, South America, and Europe; but no one ever heard of this being done, nor even contemplated.

The sea service bureau, of course, would claim that these examinations increased the health of American seamen, and therefore decrease the number of seamen seeking relief from the Public Health Service. The fact, however, is that the reports of the Public Health Service for 1924 and 1929, in tables entitled "Relief Furnished at United States Marine Hospitals and Other Relief Stations, Classified by Beneficiary," have the following totals for 1924 and 1929.

Here, Mr. President, I ask unanimous consent that this table be inserted as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Relief furnished at United States marine hospitals and other relief stations

	Total number of patients treated	Total number treated in hospital	Died	Remaining in hospital June 30, 1924	Number of days relief in hospital	Number of patients furnished office relief	Number of times office relief was furnished	Number of physical examinations
Grand total, 1924	163,100	40,981	882	3,282	1,232,754	122,119	403,864	62,709
Grand total, 1929	265,459	44,461	1,058	3,900	1,462,715	220,998	741,103	114,272

Mr. McKELLAR. In 1924 the number of physical examinations was 62,709, of which 412 were rejected for venereal disease. In 1929 more than 100,000 physical examinations were made, of which 447 were rejected for venereal disease.

The increase in sickness is very great, in some instances almost 50 per cent, while, as a matter of fact, there was but very slight increase in the actual number of so-called seamen employed, again showing the turnover and degeneration.

These figures are given here as an indication of the sources from which the men come; and be it remembered that the sea service bureau is almost alone in applying physical examinations.

The sea service bureau may be defended, and it quietly is, on the ground that it is an aid to the political machine in the ports where it exists, and on the further ground that the shipowners want it because it can and does take the place and does do the work of the crimping system in procuring the men; and this will explain the petitions coming from shipowners to establish the sea service bureau in several ports, or to maintain it in others.

The sea service bureau is, in the opinion of the seamen—and, having the shoe on, they know where it hurts—a reorganization of the crimping system, undertaking to govern by force, to create fear. It creates disgust and hate, and thus drives from the sea the very men whom the United States ought to be anxious to get to sea, and to keep there.

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

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

Mr. McKELLAR. I do.

Mr. COPELAND. If the Senator is so disturbed over the sea service bureau, why has he not amended the various appropriation acts and abolished it? It has been before us time and time again, year after year; and I have observed no activity on the part of the Senator to get rid of that, which would destroy the crimping system.

Mr. McKELLAR. I will give the Senator the facts in the case.

Mr. COPELAND. It does not take an investigation for that.

Mr. McKELLAR. Yes, it does; and one of the very purposes of the investigation which the Senate has already ordered, and which the Senator from New York is holding up by reason of a motion to reconsider, is to do away with this crimping system.

I notice the Senator from Wisconsin [Mr. LA FOLLETTE] in the Chair. Years and years ago—I think I can give the dates—when his distinguished father was a splendid Member of this body—one of the ablest and one of the strongest and one of the best Members that this body ever had, as courageous a man as I ever knew in all my life, afraid of nothing, always for the right and against the wrong—he stood here and fought for weeks for the seamen's act. He fought for those things that would give employment to the American seaman. He fought every effort of this kind. He fought every bill of the kind known as the White bill here; and he fought against great odds. He made a wonderful fight. He carried it to a successful fruition. He won that fight; and the law is still on the statute books. After the passage of that law, however, when the war came on, the shipping interests got busy, and they organized, not a crimping system—because they knew they could not get by with that—but they organized a sea service bureau, which took the place of the old system that the late Senator from Wisconsin had destroyed; and now that system is in full blossom. It has been going on for years.

Mr. COPELAND. Mr. President——

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

Mr. McKELLAR. Just a moment.

One of the purposes, one of the objects of the investigation that has been ordered here, is to see just what this bureau does, to get all the facts in regard to this sea service bureau. That is one of the many purposes of this resolution which the Senator from New York is holding up. If the Senator will withdraw his motion to reconsider, let the investigation be made, and let all the facts be brought out here—facts under oath, facts after a fair, impartial investigation—then we can determine whether these appropriations should be made.

The Senator from New York is a member of the Appropriations Committee, just as I am. He knows the difficulty, as I know the difficulty, in defeating these lump-sum appropriations that are being used. They may come under the head of the sea service bureau. They may come under some other head. It is difficult to understand about them. I did not know the full force and effect of them at the time of the last appropriation bill.

I gave notice just a few moments ago that if we can not do anything by an investigation, if the Senator from New York is going to have his way and hold up this investigation, it may be necessary to make the fight in the Appropriations Committee when the matter comes up the next time; and I have already given notice that I am going to make that fight.

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

Mr. McKELLAR. I will yield in just a moment.

The Senator knows, however, that that is a difficult fight. After the department has sent down the item, after the board has made the recommendation, after the Budget Director has O. K'd it, and after the President has O. K'd it, the Senator knows how difficult it is to get it stricken out; but if we have the facts investigated, we will pass a law that will prohibit it in the future.

I now yield to the Senator from New York.

Mr. COPELAND. Mr. President, the Senator paid a beautiful tribute to the late Senator La Follette. I want to say that I take second place to no man in the Senate in my admiration for that hero. One reason why I am opposed to everything that the Senator from Tennessee is arguing about to-day is because I am unwilling to have the American merchant marine destroyed, as it will be unless it is subsidized, because otherwise those splendid laws which were fathered by the late Senator La Follette will mean nothing to American seamen. It is because of those laws, and other things, that we have to have aid given our merchant marine to enable it to compete with the bottoms of other countries.

Now I want to go further. I want to pay just a little tribute to the younger LA FOLLETTE. He has fought, in season and out of season, against this sea service bureau. Why has not the Senator from Tennessee, a member of the Appropriations Committee, carried on the fight of the younger LA FOLLETTE in order to destroy this bureau which he says is so evil?

We do not need any investigation. The Senator now in the chair has made all the investigation that is needed; but it is

just the failure of the Senator from Tennessee to act when there was a possibility of doing something that puts us in this position. Now he comes and talks to high Heaven about an investigation, and founds his argument largely upon a thing already settled by the Senator from Wisconsin. I think I should chide the Senator from Tennessee a little bit about his failure to act in this "nefarious" thing—to quote him—which might have been remedied by the same energetic activity in the Appropriations Committee that the Senator is manifesting in behalf of this useless investigation.

Mr. McKELLAR. I am afraid I should have the same opposition from my distinguished and handsome friend from New York that I am having now.

Mr. COPELAND. The Senator has not tried, at least.

Mr. McKELLAR. I have stated that. I have stated why. It had not been brought to my attention at the time.

Now I just want to say this:

The Senator has had something to say about the junior Senator LA FOLLETTE, who is now occupying the Chair. I want to say to the Senator from New York that I am just as certain as I am that I am living that if the senior Senator La Follette were now sitting in the chair which he adorned so long here in front he would be fighting shoulder to shoulder with me for the very things for which I am fighting now. I can assure the Senator from New York further that I have not the slightest doubt in my own mind that the junior Senator LA FOLLETTE, now occupying the chair, is made of the same splendid fiber that his distinguished father was made of, and that he will be found fighting on my side in this matter. I have not the slightest doubt about it; so we will leave that matter there.

Mr. VANDENBERG. Mr. President——

Mr. McKELLAR. I yield to the Senator.

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

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

Mr. McKELLAR. I do.

The PRESIDING OFFICER. The clerk will call the roll.

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

Blaine	Gillett	McCulloch	Phipps
Borah	Glass	McKellar	Ransdell
Bratton	Hale	McMaster	Sheppard
Capper	Harris	McNary	Stephens
Connally	Hatfield	Metcalf	Swanson
Copeland	Heflin	Moses	Vandenberg
Couzens	Johnson	Norbeck	Walsh, Mass.
Cutting	Jones	Norris	Walsh, Mont.
Deneen	Kendrick	Nye	
Fess	Keyes	Oddie	
George	La Follette	Overman	

The PRESIDING OFFICER. Forty-one Senators having answered to their names, a quorum is not present.

Mr. McNARY. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names: Mr. BARKLEY, Mr. BROCK, Mr. FRAZIER, Mr. SHIPSTEAD, Mr. BROUSSARD, and Mr. BLACK.

Mr. BARKLEY. Mr. President, I move that the Senate now adjourn until 12 o'clock to-morrow.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. The motion is not debatable. The question is on agreeing to the motion of the Senator from Kentucky.

On a division, the Senate refused to adjourn.

Mr TRAMMELL and Mr. HOWELL entered the Chamber and answered to their names.

Mr. McNARY. Mr. President, I observe a quorum present.

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

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER laid before the Senate a message from the President of the United States making nominations of officers in the Marine Corps, which was referred to the Committee on Naval Affairs.

SPANISH WAR PENSIONS—THE PRESIDENT'S VETO MESSAGE

Mr. CONNALLY. Mr. President, I want to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. When will it be in order to call up the Spanish war veterans' pension bill and have a vote on passing the bill notwithstanding the President's veto?

The PRESIDING OFFICER. The veto message is on the table, and the motion is in order at any time.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. The Senator from Tennessee has the floor. Does he yield to the Senator from Oregon?

Mr. McKELLAR. I yield.

Mr. McNARY. I was going to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. Did I understand the Presiding Officer to state that we could vote at any time upon the motion to pass the pension bill notwithstanding the veto?

The PRESIDING OFFICER. The veto message has been entered in the Journal, and therefore it is in order at any time to move to proceed to pass the bill notwithstanding the veto.

Mr. McKELLAR. Mr. President, does the Senator from Oregon desire to proceed with the motion now? If he does, I am perfectly willing to yield to him, because I think the veto should be overridden.

Mr. McNARY and Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Tennessee yield; and if so, to whom?

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

Mr. McNARY. Has the Senator from Tennessee concluded his remarks on the pending amendment?

Mr. McKELLAR. Oh, no; I have not.

Mr. McNARY. I was going to suggest that we may adjourn early this afternoon by first coming to some agreement as to a time to vote on the bill to-morrow.

Mr. McKELLAR. I do not desire to make an agreement about it.

I now yield to the Senator from Alabama.

Mr. HEFLIN. I was going to suggest to the Senator that I think it would be better to defer action on the President's veto message until to-morrow.

Mr. McKELLAR. I am not going to make a motion to take it up now, but I want to say this about it, that the Spanish-American War veterans' bill, which passed both Houses of Congress and has been vetoed by the President, certainly ought to be passed over the veto, and I hope that whenever we do vote on the matter the Senate will unanimously disagree with the President and override the veto.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Tennessee yield; and if so, to whom?

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

Mr. HEFLIN. The reason why I suggest that it go over until to-morrow is that there is barely a quorum present at the time. I think we ought to wait until we can have practically all Senators present, which will probably be at 12 o'clock noon to-morrow.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. If the Senator from Tennessee should yield the floor at this point for the making of a motion to consider the veto of the Spanish War veterans' pension bill, would he be entitled to the floor when that matter is disposed of?

The PRESIDING OFFICER. The present occupant of the chair would hold that the rule providing for recognition would prevail and that any Senator who first addressed the Chair would probably be recognized after the disposition of that matter.

Mr. McKELLAR. Mr. President, I yield to the Senator from Texas for the purpose of making his motion.

Mr. CONNALLY. I move that the Senate proceed to the consideration of the veto message on the Spanish War veterans' pension bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

Mr. BORAH. Mr. President, is the motion debatable?

The PRESIDING OFFICER. The motion is debatable.

Mr. BORAH. I do not desire to debate it, but I would like to have time to read the veto message.

Mr. CONNALLY. I have no disposition to press for a vote right now if Senators wish to adjourn until to-morrow. I suggest to the Senator from Oregon that we adjourn and give everyone a chance to read the veto message and be here to-morrow.

Mr. McNARY. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The regular order is the motion of the Senator from Texas [Mr. CONNALLY].

Mr. SHIPSTEAD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SHIPSTEAD. If the motion of the Senator from Texas carries, will it displace the unfinished business?

The PRESIDING OFFICER. It will not. It is a privileged motion.

Mr. McNARY. Mr. President, I desire to have the message read before a vote is had on the motion.

The PRESIDING OFFICER. The message has been read; but it will be read again for the information of the Senate.

Mr. McKELLAR. The message has been read once; but I have no objection to having it read again.

Mr. McNARY. I do not anticipate disapproval upon the part of the Senator from Texas. I understand it is partly for delay and to aid the Senator from Tennessee, to which I have no objection. If we could have an agreement for a time to vote on the merchant marine bill to-morrow, I think we could probably conclude the session this afternoon, and leave the veto message open for discussion at some other time.

Mr. CONNALLY. I did not understand the Senator's reference to me?

Mr. McNARY. I do not assume it is the Senator's purpose to ask for a vote on the veto message of the President to-night?

Mr. CONNALLY. No; but my purpose is to get action on the Spanish War veterans' pension bill as soon as possible. I do not care anything about the merchant marine bill one way or the other, so far as that is concerned. It is a privileged matter that is involved in my motion.

Mr. McNARY. I understand the parliamentary situation. In view of the fact that there are so many Senators who are out of the city to-day and others who will leave the city to-morrow, and in view of the further fact that we have a unanimous-consent agreement to adjourn over until Monday after the conclusion of business to-morrow, probably we should not bring the matter up until there is a fairly good attendance of Senators, which will not be until next week.

Mr. CONNALLY. Does the Senator from Oregon anticipate that there will not be a fairly representative body of Senators here to-morrow?

Mr. McNARY. I am quite sure there will not be. A great many Senators have left this afternoon and others will leave to-morrow.

Mr. CONNALLY. Does the Senator think we should vote on the merchant marine bill if there is not a fairly representative body of Senators here?

Mr. McNARY. That bill has been discussed on the floor of the Senate for several days. I think those present are pretty well able to pass their judgment upon it, and I know that most of those who have left are paired on the particular unfinished business; so the two propositions do not come within the same category.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

Mr. NORRIS. Mr. President, may I inquire what the motion is?

The PRESIDING OFFICER. The motion is to proceed to the consideration of the veto message of the President on the Spanish War veterans' pension bill.

Mr. NORRIS. Before action is taken on that motion I want to read a constitutional provision. I think the Senate has decided the question that is here involved. I read from the Constitution, as follows:

> Every bill which shall have passed the House of Representatives and the Senate shall, before it becomes a law, be presented to the President of the United States; if he approve it he shall sign it, but if not he shall return it with his objections to that House in which it shall have originated, who shall enter the objections at large on their journal and proceed to reconsider it. If after such reconsideration two-thirds of that House shall agree to pass the bill—

And so forth. The point I want to make is—and I think it was held by Vice President Marshall, although I have not looked up the decision to-day—that before it is entitled to consideration at all we must first comply with the provision of the Constitution which says that the President's objections shall be entered "at large on the Journal." That must be first complied with, and it is out of order to take it up until that is done. Then, it becomes a question of privilege. This is a constitutional provision and not a rule of the Senate.

The PRESIDING OFFICER. The Chair will state that he previously announced that the spreading of the message upon the Journal has already been completed, and therefore the Chair held, this being a privileged motion, that it is in order to move to proceed to its consideration. The question is on the motion of the Senator from Texas.

Mr. PHIPPS. Mr. President, I believe a request was made for another reading of the veto message. I should like to renew that request.

Mr. McNARY. Mr. President, I move that the Senate adjourn until 12 o'clock noon to-morrow.

The motion was agreed to; and the Senate (at 4 o'clock and 7 minutes p. m.) adjourned until to-morrow, Thursday, May 29, 1930, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 28, 1930

The following-named midshipmen to be second lieutenants in the Marine Corps from the 5th day of June, 1930:

James M. Daly.
Charles H. Hayes.
Harold K. Felock.

HOUSE OF REPRESENTATIVES

WEDNESDAY, *May 28, 1930*

The House met at 11 o'clock a. m.

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

O Thou who art everlasting love, refining and redeeming the checkered nature of man, hear our prayer and bless us with Thy spirit; move out and up thought's highway, and may we reach that wonderful calm that is beyond understanding. Keep us as honest as daylight, as sincere as nature, and as open as the love of God. Put us in league with excellence and with an idealism that knows no compromise and is as divinely true and constant as the breath of heaven. How imperfect we are, yet in Thy sight how beautiful and significant are the weakest fingerings on the keyboard of life. How marvelous Thy condescension, for he who shares his crumbs with a Lazarus or places the goblet of water to the lips of a Dives is star-rayed according to Thy holy will and purpose. In the name of the Galilean Teacher. 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 a bill and concurrent resolutions of the House of the following titles:

H. R. 11430. An act granting the consent of Congress to the State of New York to construct, maintain, and operate free highway bridge across the Hudson River at or near Catskill, Greene County, N. Y.;

H. Con. Res. 35. Concurrent resolution rescinding the action of the Speaker of the House of Representatives and of the Vice President in signing the bill (H. R. 185) entitled "An act to amend section 180, title 28, United States Code, as amended, and providing that in the reenrollment of said bill the word 'Richmond' be stricken out and the word 'Richland' be inserted in lieu thereof"; and

H. Con. Res. 36. Concurrent resolution rescinding the action of the Speaker of the House of Representatives and of the Vice President in signing the bill (H. R. 3975) entitled "An act to amend sections 726 and 727 of title 18, United States Code, with reference to Federal probation officers, and to add a new section thereto," and providing for corrections in the reenrollment of said bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11965) entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1931, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the joint resolution (S. J. Res. 77) entitled "Joint resolution providing for the closing of Center Market in the city of Washington."

THE 1930 TARIFF AND THE FARMER

Mr. WILLIAMSON. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. WILLIAMSON. Mr. Speaker, there has been a vast amount of propaganda against the tariff bill now in conference, in which an attempt has been made to show that the bill does not in any way benefit agriculture. I have made a very careful analysis of the bill with reference to that particular matter and am thoroughly convinced that from the standpoint of agriculture the bill is one of the best that has ever been before the House and certainly is much better than the act of 1922. [Applause on the Republican side.]

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

Mr. WILLIAMSON. For a short question.

Mr. RANKIN. What benefit will the wheat growers get from this bill?

Mr. WILLIAMSON. Mr. Speaker, the wheat growers of the Middle West have gotten a benefit under the existing law averaging 18 cents a bushel over the Canadian price ever since it has been on the statute books. The act has been of great benefit, and I shall insert a table which will give the gentleman the data.

The effect of the protective tariff upon agriculture, labor, and industry is much discussed and little understood, except by those who have devoted much time and attention to an impartial study of the subject. Most of our professional economists, internationalists, and financiers with heavy foreign investments oppose it on what they term "principle." That principle may be defined as the free interchange of commodities so as to enable the consumers to buy in the cheapest market. In other words, they contend that if South America can produce cheaper beef, the Argentine cheaper wheat, Australia cheaper wool, Cuba cheaper sugar, Japan, Italy, Germany, France, and England cheaper manufactured goods, our people should be free to purchase in those markets regardless of the effect upon our competitive production. The inescapable result of this free-trade or low-tariff philosophy is to compel our farmers, laborers, and other primary producers to meet the conditions of production in foreign countries. With a wage scale in England less than one-half, France and Germany about one-third, and Italy and Japan one-fourth of what is paid in the United States, it can readily be appreciated what would happen to labor in this country should this policy be put into operation; nor would the farmer fare much better in trying to compete for the home market against foreign imports from countries where peon farm labor conditions prevail.

COST OF TARIFF TO CONSUMER

The cost of the tariff to the consumer, while a considerable factor, has been greatly exaggerated in my judgment. It is the common practice of those opposed to any particular item of duty to multiply the total number of units used or consumed in the United States by the duty upon each unit whether any of such articles are imported or not, and then insist that the product of the two is the total added cost to the country. If this method were to be applied to all dutiable items, the gross total would run into astounding figures. It is self-evident that this method gives a totally false result. The truth of the matter is that in a considerable percentage of cases the duty is either wholly or partially ineffective so far as the domestic price is concerned. Market and competitive conditions within the United States have much more to do with the price than the duty. As a typical illustration, sugar may be cited. In spite of a comparatively high tariff since 1922, sugar has been steadily going down in price and is now the cheapest it has been in a quarter of a century. You can buy a 10-pound sack anywhere in Washington, D. C., for 49 cents. This is a much lower price than we paid when sugar was on the free list, and when it is remembered that the purchasing power of the dollar is less than before the war, it becomes clear that sugar is the cheapest item that goes upon the table. Sugar is a farm product, and the one-seventh of a cent a pound increase it gets in the present act is amply justified. The tariff on sugar has stimulated home production, created a local competitive factor, and rescued us from the famine prices under free trade. Remove protection and the industry in this country is crushed and we shall again be at the mercy of the importer. The industry is also important from the standpoint of soil conservation and diversification. If the sugar beet and cane farmers are not permitted to survive they will go into production of commodities of which we already have a surplus.

The actual result of a tariff in many cases is to build up a home industry so keenly competitive within the country and against foreign imports that it results in a lower price for its products than was enjoyed when they were on the free list. In other words, the tariff is largely absorbed by the foreign manufacturer or producer in order to compete in our domestic markets. If time permitted, I could cite numerous examples to illustrate these results. While the sum total effect of any tariff law is to increase prices, the increase is rarely in proportion to the duties levied.

Another element in lowering prices under protection is the increased domestic demand and enlarged market due to decreased imports. The larger volume of sales reduces manufacturing and sales costs which are frequently passed on to the consumers by reason of competitive or other factors, or for the purpose of stimulating buying, thereby making mass production possible.

UNDERLYING PURPOSE OF TARIFF

The underlying purpose of such a law is to preserve the home market for American producers and manufacturers, thereby giving employment to our labor and creating a high consumptive demand for our farm products. That consumption is increased by workers in almost direct proportion to the increase of the wage scale is well known as a matter of common experience. As a result of unemployment in 1920–21 the annual consumption of wheat and beef was enormously decreased, resulting in a demoralized market in these commodities in this country and huge exports. Part of the present depression in farm prices is clearly traceable to the same cause. As soon as the depression set in following the stock-market crash, people commenced to tighten their belts. It was quickly reflected back to the farm, with serious results to both the dairy and poultry industry. Per capita beef consumption fell 2.8 per cent and the consumption of pork was reduced 1.35 per cent. Wheat and other farm commodities also felt the evil effects of the slump. People whose earnings are cut not only resort to the cheaper kinds of food but materially reduce consumption. The precipitous fall in the price of butter was largely due to people resorting to the use of the cheaper substitutes, the sales of which very greatly increased. The dairy interests were quick to sense the situation and commenced an advertising campaign showing the inferior quality of substitutes as food and urged a return to the use of butter. In this campaign they received extraordinary cooperation from the newspapers of the country. Both dailies and weeklies by means of front-page articles and editorials attacked the use of substitutes with such vigor that merchants refused to handle them. But for the energetic support of the press, disaster would have befallen the dairy industry.

MOST IMPORTS DUTY FREE

Another fallacy is the quite general belief that a duty is levied on all imported goods. Under the act of 1922 about two-thirds of all imports have come in duty free. As an index of the period since 1922, the figures for the last two years are typical. During the fiscal year ending June 30, 1929, we imported free goods worth $2,795,384,000, duty paid, $1,458,071,000. For the last six months of 1929 the value of duty-free imports amounted to $1,389,760,000, duty paid, $718,196,000. For the first three months of 1930 duty-free imports aggregated $605,825,000; dutiable, $295,140,000. Among duty-free imports are most of the items of which the farmer is a heavy purchaser. I shall have occasion to revert to this later.

TARIFF BASIS OF AMERICAN PROSPERITY

I am not unmindful of the contention of those who say—and this includes most of our professional economists—that the farmer could afford to take a lower price for his products and labor less money for its services if goods could be purchased duty free from the world markets.

The best answer to that argument is the fact that the United States, under a policy of protection which has been coeval with the Government, has made more material progress, been more prosperous, and has brought to each of her citizens more of well-being than any other country. As a tangible evidence of that prosperity I need only call your attention to the fact that the American people are better housed, better fed, and better clothed than any other people. The people of this country own 77 per cent of all the automobiles, and an even larger percentage of all the radios and talking machines in the entire world. We attend more moving-picture shows, take longer and more expensive vacations, and get more kick out of life than anybody else.

All of our people have not been prosperous all of the time. It is doubtful if our farming and industrial structure can ever be so perfected as to make this possible, though some progress is being made in the direction of stabilization, but as compared with the condition of the people of other countries we are comparatively well off. Agriculture has suffered, and it is still suffering, and every possible effort should be made to restore it to its rightful place as one of our most prosperous industries. The farm schedules in the present tariff bill are a step in that direction.

It is easy to pick out isolated items and exaggerate their importance. This vicious practice is too often indulged in by foes of the tariff. A butcher knife or other article of trifling value is thrust out with a dramatic flourish and the duty on it decried. The duty on a butcher knife or even kitchen utensils is of little importance to the farmer. Once or twice in a lifetime he supplies himself with these articles, but he sells highly protected butter and eggs every day.

BIG BUSINESS AGAINST TARIFF

Big business and international finance and industry are against an adequate tariff. The bankers want their foreign loans repaid and international industry wants big profits. Hence their fight for a low tariff and a free market in this country. Not content to go abroad and steal our foreign markets, they seek to destroy our domestic markets for goods produced from American raw material and by American labor. For months our markets have been flooded with foreign goods. Is it

at all remarkable that there is unemployment under these conditions?

The Wall Street Journal and the Journal of Commerce, and practically every great metropolitan newspaper in the country dependent upon big business, have set up a howl against the 1930 tariff act. We are told that the present tariff bill will increase the cost of living $1,000,000,000 annually, that it will prohibit the importation of foreign merchandise, that it will destroy our foreign trade, and that it will lead to foreign retaliation. These canned arguments have been in vogue for 125 years. They were freely made when the 1922 act was under consideration.

The invalidity of this cumulative oratory and newspaper attack is best answered with a plain statement of fact. Since the enactment of the 1922 act wholesale prices of manufactured commodities have steadily gone down, the average price of farm commodities has slowly increased, and our imports and exports have been more than double those of any like peace-time period in our history, and there has been no visible retaliation by foreign nations. Until the recent slump, industry has been humming, labor has been employed at good wages, domestic-market demand for all kinds of goods and farm products has been excellent, and while it is true that the farmer has not fully recovered his former status, the debt-paying value of his products is greater than before the war and the purchasing power of his dollar has increased from a low of 69 cents in 1921 to from 90 to 95 cents for the past few years, the exact value fluctuating slightly from month to month, according to the market value of commodities. Once the tariff is settled, conditions will improve. The uncertainty created by its long consideration has been a factor in the recession.

MENACE OF AMERICAN CAPITAL ABROAD

One of the most sinister developments of recent years has been the very rapid transfer of American capital and industry into foreign lands. Our international bankers and financiers are financing foreign industries that directly compete with our own. The gigantic proportions of this development can be fairly gaged by the fact that our private foreign loans are well beyond the $12,000,000,000 mark. This is in addition to the $11,000,000,000 due us from foreign governments.

Nor is this all. Many of our great industrialists have built and are operating large industrial plants abroad in order to take advantage of the low wages which prevail in foreign countries. These same people for months have fought by every avenue known to the lobbyist and propagandist to discredit the present tariff bill with a view to making of this country a free market for their foreign-made goods produced under American supervision by American machinery and cheap foreign labor. What do these internationalists care for the domestic producer and workmen? Without an adequate protective tariff our factories must either go out of business or labor must accept a wage scale so low as to destroy the American standard of living.

Lest the above statement be challenged, I recently called upon the Department of Commerce for data showing the amount of American capital invested in manufacturing plants abroad. The total for the foreign countries for which the figures are available is $2,600,000,000, divided as follows:

Europe	$800,000,000
Canada	1,200,000,000
Latin America	500,000,000
Far East and rest of the world	100,000,000

The above figures are by no means complete, but are sufficient to indicate the trend. It should be remembered that these factories not only compete with our domestic establishments for the market in this country but tend to destroy the market for American-made goods abroad. They carry with them our efficiency and mass-production methods, and by reason of the cheap labor available make it impossible for the domestic manufacturers and American labor to compete. A substantial part of these funds goes into agricultural production. The least we can do is to protect the American farmer and workman by an adequate tariff against this kind of an onslaught.

As a typical example of the international industrialists, Henry Ford may be cited. The other day he came out with a broadside against the tariff. It is not necessary to bring out a magnifying glass to discover the reason. In order to take advantage of the European low-wage scale he has abandoned the manufacture of tractors in this country and erected a factory in Cork, Irish Free State. This factory has a capacity of 150 tractors a day, but will have a much larger capacity when completed. During December, 1929, and January, 1930, the United States took 1,048 of the 1,677 tractors exported. During February 2,177 tractors, or about 66 per cent of the total exports, were shipped to the United States. To permit this development to proceed indefinitely is to bring ruin to American industry and labor and to destroy the best and most available market for the product of our farms. At present 90 per cent of these products are sold in this country. To protect that market for the farmer is the first duty of every Member of Congress.

Raskob and General Motors have their factories in Germany, and have joined the procession with their paid propagandists.

FARM REPRESENTATIVES' VOTE

Let me now turn to a consideration of the present tariff law with a view to ascertaining whether it is worthy of our support as representatives of the great agricultural industry of this country. The record vote on the bill discloses that every Republican in the typically agricultural region of the United States, including the great bread-basket area of the Middle West, with six or seven exceptions, voted for the bill.

In this vote they were joined by the Democratic vote of the great agricultural States of Louisiana and Florida, including the distinguished gentlewoman, Mrs. RUTH BRYAN OWEN, daughter of the late William Jennings Bryan. Most of the Democrats elsewhere fought hard for protection upon the products of their particular States, and then did the rather inconsistent thing of voting against the bill as a party policy after the Republicans had given them the best protection they have ever enjoyed. We all understand this party strategy. They must have some issue. At home they brag about the protection "we" or "I" got for "our" home products, and condemn the bill as a whole.

FARMERS' FREE LIST

However, I realize that votes are not necessarily conclusive as to the wisdom of any measure. The bill must stand on its own feet, if at all. Because this is so, I have been at some pains to study the probable effects of the bill as a whole upon the agricultural industry, with particular reference to that section of the country that I and my mid-western colleagues have the honor to represent. My final judgment is that, while there are many items in the industrial schedules, of which I heartily disapprove, the bill as a whole meets the present situation in both industry and agriculture much more effectively and adequately than the act of 1922 now in force. Conditions of production here and abroad have materially changed since 1922, and a revision is necessary.

There has been too much boosting of industrial schedules beyond what appears to me necessary as to many individual items or classes of manufactures. However, if the flexible provisions are retained these errors and excessive rates can be corrected.

The present bill very definitely gives to the American farmer his home market by placing duties on farm products sufficiently high to exclude imports from abroad, except where there is a clear shortage in this country—in which case the domestic price must necessarily rise to a high point before imports are possible. It carries the highest and best balanced farm rates in our history. Some of our city colleagues have bitterly complained that the rates on farm products are "outrageously high." They are high, but our farmers are entitled to the home market at an American price.

While not quite as favorable as the 1922 act in admitting duty-free articles largely bought by farmers, it is worth while to call attention to the following items which, among others, remain on the free list: Shingles, logs, agricultural implements such as plows, harrows, headers, harvesters, reapers, drills, planters, horserakes, cultivators, threshing machines, and farm tools; barbed wire, plain and galvanized; milk cans, cream separators valued at more than $50 each; breeding animals, poultry for breeding purposes; asbestos, stucco, binding twine, fertilizers, lime, soda, borax, nitrate, lime nitrogen, calcium arsenic, tar and oil spreading machines for road work, citron peel, coal, coke, briquets, coal-tar products, creosote oil, pitch, tar, cocoa, coffee, tea, copper, sulphate or blue vitriol for spraying, cyanide, emery and corundum ore, grindstones, sisal, manila, jute, guano, hones, whetstones, rubber, iron, mineral salts, oakum, mineral oil, petroleum, gasoline, pads for horses, Paris green, phosphates, plaster rock or gypsum, saltpeter, sago, sheep dip, spices, sulphur, and tapioca.

With others of the farm group, I did my best to keep all tariff off cement, but a duty of 6 cents a hundred was voted. However, it will not affect the price in South Dakota or near-by competitive territory, as the price is controlled by the South Dakota State cement mill at Rapid City. This same group won its fight for free lumber in the House, but the conferees finally compromised, on the insistence of the Senate, on $1 per 1,000 board feet.

DUTIABLE FARM-PRODUCTS LIST

There can be no adequate discussion of the present tariff bill without a comparative table showing the duties levied upon the importation of the principal farm products. The following table has been compiled from the Underwood Act passed in the early part of the Wilson administration, the Fordney-

McCumber Act passed during the second year of the Harding administration, and the Hawley-Smoot bill now being considered:

Comparison of protection afforded farm products under the Underwood Act, 1913, the Fordney-McCumber Act, 1922, and Hawley-Smoot Act, 1930

Commodity	Underwood Act	Fordney-McCumber Act	Hawley-Smoot Act
Wheat	Free	30 cents per bushel	42 cents per bushel.
Corn	do	15 cents per bushel	25 cents per bushel.
Oats	6 cents per bushel.	do	16 cents per bushel.
Barley	15 cents per bushel.	20 cents per bushel	20 cents per bushel.
Rye	Free	15 cents per bushel	15 cents per bushel.
Flaxseed	20 cents per bushel.	40 cents per bushel	65 cents per bushel.
Buckwheat	Free	10 cents per 100 pounds	25 cents per 100 pounds.
Alfalfa seed	do	4 cents per pound	8 cents per pound.
Sweet clover seed.	do	2 cents per pound	4 cents per pound.
Red clover seed	do	4 cents per pound	8 cents per pound.
Cattle weighing less than 700 pounds.	do	1½ cents under 1,050 pounds.	2½ cents per pound.
Cattle weighing more than 700 pounds.	do	2 cents per pound over 1,050 pounds.	3 cents per pound.
Beef and veal	do	3 cents per pound	6 cents per pound.
Swine	do	½-cent per pound	2 cents per pound.
Pork	do	¾-cent per pound	2½ cents per pound.
Bacon, ham, and shoulders.	do	2 cents per pound	3¼ cents per pound.
Lard	do	1 cent per pound	3 cents per pound.
Lard substitutes	do	4 cents per pound	5 cents per pound.
Sheep	do	$2 per head	$3 per head.
Mutton	do	2½ cents per pound.	5 cents per pound.
Wool, scoured	do	31 cents per pound	37 cents per pound.
Poultry, live	1 cent per pound.	3 cents per pound	8 cents per pound.
Poultry, dressed	do	6 cents per pound	10 cents per pound.
Eggs, fresh	Free	8 cents per dozen	10 cents per dozen.
Eggs, dried	10 cents per pound.	18 cents per pound	18 cents per pound.
Butter	2½ cents per pound.	8 cents per pound	14 cents per pound.
Oleo and butter substitutes.	20 per cent	do	Do
Cream	Free	20 cents per gallon	56.6 cents per gallon.
Milk	do	2½ cents per gallon	6½ cents per gallon.
Cheese and substitutes.	do	5 cents per pound	8 cents per pound.
Honey	10 cents per gallon.	3 cents per pound	3 cents per pound.
Potatoes	Free	50 cents per 100 pounds	75 cents per 100 pounds.
Beans, dried	25 cents per bushel.	1¾ cents per pound	3 cents per pound.
Onions	20 cents per bushel.	1 cent per pound	2½ cents per pound.

NOTE.—The average increase of import duties in the 1930 act as compared with the 1922 act on the above-named farm products is 97 per cent.

Under the flexible provisions of the 1922 act, President Coolidge, by proclamation, increased the duty on wheat from 30 to 42 cents per bushel; butter and butter substitutes from 8 to 12 cents per pound; cream from 20 to 30 cents per gallon. Flax was increased from 40 to 56 cents per bushel by President Hoover in May, 1929.

The farm schedules deserve much more detailed discussion than it is possible to give them here, but a mere recital of the principal ones will convince anyone that they are sufficiently high to afford real protection as to all products where there would be large imports under free-trade conditions. A study of imports of farm products before and after the enactment of the 1922 act will show conclusively that it greatly curtailed these imports. The present bill is intended to practically exclude them except under conditions of clear shortage in this country. The terrible slump in farm prices which overtook the farmer in 1920 and 1921 was due in large measure to the fact that these products were then on the free list. Notwithstanding a surplus at home on a number of important farm products, huge imports from abroad were dumped on our markets, creating complete demoralization. A comparative study of foreign and domestic markets in producing areas will show a very large advantage in price to the American farmer on such staples as cattle, sheep, wool, flax, dairy products, and poultry and poultry products. It has at times been decidedly effective on the high-gluten wheat produced in the spring-wheat areas of North and South Dakota, Wyoming, Montana, and Minnesota.

Despite these patent facts, the propagandist organization operating under the name of the Rawleigh Tariff Bureau weekly sheds propaganda and crocodile tears because, as it insists, the tariff fails to help the farmer. At the same time it insists that the tariff robs the consumer. Just how it does both at the same time is hard to understand. This same bureau has operated hand and glove with big business and the international banking and industrial group, who, through the Wall Street Journal, has declared that the present tariff law makes the American people "the economic gunmen of the world." Then GRUNDY and his crowd go into a fit because the percentage of increase, according to this same Rawleigh Tariff Bureau, is only 4½ per cent for silk manufactures, 2 per cent for rayon manufactures, 6 per cent for paper and book manufactures, and less than 4 per cent for metal manufactures, and if manganese is deducted, the increase is less than nothing. No wonder the bill, exposed to this converging fire, has not met with popular acclaim.

TARIFF HELPS FARMER

It is impossible, without extending this address to a burdensome length, to furnish tabulated data as to all items showing the advantage to the American farmer as a result of the present law. According to the data supplied me by the United States Tariff Commission, the average price received by the American farmer above his Canadian competitor for comparable quality of wheat at Minneapolis as compared with Winnipeg, the chief Canadian market, was 18 cents per bushel for the period of 1921 to 1929. (Data for 1921 and 1922, Department of Agriculture.)

For flaxseed the average differential in favor of the American producer in the same market was 32.4 cents per bushel for the years 1922–1929. Canada imposes a duty of 10 cents a bushel on flax. The differential is considerably greater as against other producing countries.

On cattle the average price received by the American grower per hundred pounds, as compared with the foreign grower in the markets named, was as follows for the years 1920–1928: Chicago, native beef steers, $10.60; stockers and feeders, $7.67; western range cattle, $8.07; Toronto, good beef steers, $8.22; Winnipeg, good beef steers, $6.76; stockers and feeders, $4.59; Buenos Aires, prime chilled beef steers, $5.23. It will be observed that the average differential of the different classes in favor of the American producer for the period was $3 a hundred pounds as against Canada, and $4 a hundred as against Buenos Aires.

For the years 1921–1930, the price of wool at Boston, the chief American market, as compared with London, the leading foreign market, has averaged 16 cents per pound higher for fine territory staple; 19½ cents per pound higher for territory half-blood combing; 19 cents higher for territory three-eighths blood combing, and 16.7 cents higher for territory one-fourth blood combing, giving us a general average for all classes 17.9 cents per pound above the world market.

Under leave granted to extend my remarks, I will append the tables upon which the above data is based.

A similar comparison for the same period for the other farm products for which the comparative duties are given would disclose a considerable advantage in price to the American farmer as compared with his foreign competitor.

Considering the fact that most of the things that a farmer buys that run into large figures annually are on the free list, and the further fact that he derives a distinct advance in price on most of the things that he has to sell as a result of the tariff, it seems to me that there can be no possible question that he was much the gainer by the present 1922 tariff law. The new 1930 tariff bill retains a long list of the things he must buy on the free list and increases his protection on the products listed above on the average, 97 per cent over the 1922 act.

According to calculations just made public by the Tariff Commission the total increase of import duties that will be collected annually under the new tariff bill, on the basis of 1928 imports of comparable items, will be $106,426,769. Of this total increase, $72,181,314 is the result of increases in duties on agricultural raw materials and the compensatory part of the duties on industrial products that are made from such raw materials. I am confident that a careful comparison of the bill before the House will show conclusively that it has greater possibilities for the farmer than any bill so far passed by Congress.

FARM INDEBTEDNESS AND THE TARIFF

The farmers of this country are heavily indebted. Farm mortgages amounted to $9,468,526,000 on January 1, 1928. Chattel and other loans would probably run these figures up to $12,000,000,000. It is of infinitely more importance to the farmer that he receive a high price for what he has to sell than that the comparatively small amounts of his purchases of articles on the protected list should be reduced. The demand in his home market, where he must sell 90 per cent of his products, and the price received depend largely upon the purchasing power of labor, and the purchasing power of labor depends on steady employment and good wages, neither of which can obtain without proper protection against manufactured competitive imports. The tariff is a mutual, reciprocal proposition and must be applied where needed to be the most beneficial to all the people, including the farmers.

TARIFF ESSENTIAL TO SUCCESS OF COOPERATIVE MARKETING

The cooperative marketing now being built up by the farmers under the auspices of the Federal Farm Board is absolutely dependent upon the tariff for its success. Once in control of his own marketing, the farmer can add to the effectiveness of the present rates on his products.

The recent action of the United States Chamber of Commerce in attempting to destroy the Farm Board and in bitterly condemning "the use of Government funds in providing capital for the operation of agricultural cooperatives, for the buying and selling of commodities for the purpose of stabilization," shows the extent to which some big business is willing to go to prevent the farmer getting a square deal. Fortunately in this fight the farmer has the active backing of both the President and Congress. If ever a good licking was deserved, the chamber of commerce has it coming in this case. Fortunately the chamber found its match in Chairman Legge, of the Farm Board, and Secretary of Agriculture Hyde, and it is unlikely that it will get very far in its campaign against the cooperatives.

MINERAL SCHEDULES

Of special interest to my own district is the tariff of 1 cent a pound on all manganese ore containing more than 10 per cent of metallic manganese, the duty of $1 a ton on crude feldspar, and the 25 per cent rate on rare minerals, including lithium, beryllium, and caesium that have heretofore been without protection. The mining of these minerals is just getting under way and the protection afforded should enable them to develop.

TABLES

Following are the tables referred to in my address:

Wheat: Average price per bushel of dark northern spring No. 1 at Minneapolis and northern No. 3 at Winnipeg, 1923–24 to 1928–29 and part of 1929–30

Crop year [1]	Minneapolis dark northern spring No. 1 [2]	Winnipeg northern No. 3 [3]
	Per bushel	*Per bushel*
1923–24	$1.25	$0.95+$0.30
1924–25	1.64	1.57+ .07
1925–26	1.67	1.42+ .25
1926–27	1.51	1.35+ .16
1927–28	1.47	1.33+ .14
1928–29	1.28	1.12+ .16
1929—average differential for period 1923–1929		+ .18

[1] Crop year begins July 1 and ends June 30.
[2] Source: Crops and Markets, U. S. Department of Agriculture.
[3] Source: Monthly Bulletin of Agricultural Statistics (Canadian).

Flaxseed: Average price per bushel of No. 1 at Minneapolis and No. 1 northwestern Canadian at Winnipeg, 1921–22, 1928–29, and part of 1929–30

Crop year [1]	Minneapolis No. 1 [2]	Winnipeg No. 1 northwestern [3]
	Per bushel	*Per bushel*
1922–23	$2.58	$2.27 +$0.31
1923–24	2.44	2.15 + .29
1924–25	2.63	2.41 + .22
1925–26	2.52	2.14 + .38
1926–27	2.24	1.95 + .29
1927–28	2.20	1.88 + .32
1928–29	2.46	2.09 + .35
1929:		
September	3.23	2.84
October	3.32	2.91 + .44
November	3.24	2.72
Average differential for period 1922–1929		+ .324

[1] Crop year begins Sept. 1 and ends Aug. 31.
[2] Source: U. S. Department of Agriculture Yearbook and Crops and Markets.
[3] Source: Monthly Bulletin of Agricultural Statistics, Canada.
[4] Average.

The course of cattle prices per 100 pounds in the United States, Canada, and Argentina for the years 1920–1928, inclusive

Calendar years	Chicago			Toronto, good beef steers	Winnipeg		Buenos Aires, prime chilled beef steers
	Native beef steers	Stockers and feeders	Western range cattle, July–December		Good beef steers	Stockers and feeders	
1920	$13.30	$8.95	$8.80	$12.98	$10.13	$6.67	$7.43
1921	8.20	6.45	6.15	6.89	5.51	3.79	4.86
1922	9.00	6.65	6.60	7.05	5.36	3.49	3.49
1923	9.55	6.55	6.65	6.78	5.26	3.33	3.60
1924	9.60	6.35	6.50	6.61	5.12	3.29	4.38
1925	10.35	6.80	8.35	7.28	5.94	3.78	6.16
1926	9.70	7.40	7.35	7.33	6.16	4.30	5.16
1927	11.70	8.75	10.70	8.33	7.60	5.20	5.52
1928 [1]	14.05	11.15	11.55	10.75	9.76	7.51	6.47
Average	10.60	7.67	8.07	8.22	6.76	4.59	5.23

[1] First 9 months.

Wool: Average prices per clean pound for comparable grades of domestic wool at Boston and of imported (colonial) wool at London, 1922–1929, and also January, 1930 [1]

Calendar year	Boston, fine territory staple	London average, 64–67s and 70s	Boston territory, one-half blood combing	London, 60–64s	Boston territory, three-eighths blood combing	London, 56s and 50–60s	Boston territory, one-fourth blood combing	London, 56s
1921	$0.851	$0.724	$0.738	$0.556	$0.535	$0.446	$0.419	$0.387
1922	1.259	1.038	1.101	.856	.859	.649	.748	.543
1923	1.496	1.168	1.258	1.014	1.052	.856	.886	.772
1924	1.425	1.359	1.300	1.194	1.118	1.003	.972	.896
1925	1.396	1.258	1.254	1.027	1.090	.866	1.002	.761
1926	1.157	1.029	1.039	.867	.921	.692	.823	.594
1927	1.100	1.003	1.000	.888	.895	.757	.805	.680
1928	1.158	1.013	1.112	.925	1.042	.817	.976	.756
1929	.982	.787	.978	.699	.934	.625	.848	.583
1930 [2]	.815	.578	.825	.487	.770	.426	.690	.406
Average differential		+.1605		+.1949		+.1928		+.1674

[1] Domestic prices from Commercial Bulletin, Boston; foreign prices (subject to revision) are the simple average of auction prices in London (approximately monthly) as prepared by Kreglinger & Fernan, converted to United States money at current rates of exchange. Boston market quotations are on the same dates or on the dates nearest each London auction date.
[2] Jan. 21.

NOTE.—The consolidated average differential for the 4 classes of wool in favor of the American grower for the period 1921–1929 is 17.89 cents per pound.

EXTENSION OF REMARKS

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject of old-age pensions, and to include therewith an article from the New Republic entitled "Freedom for the Aged."

The SPEAKER. The gentleman from Maryland asks unanimous consent to extend his remarks in the RECORD upon the subject of old-age pensions, and to include an article from the New Republic. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, I have no objection to the gentleman extending his own remarks, but I do object to the part containing the article from the New Republic.

The SPEAKER. Objection is heard.

TREE PLANTING IN NATIONAL FORESTS—CHANGE OF CONFEREE

Mr. HAUGEN. Mr. Speaker, the gentleman from Louisiana [Mr. ASWELL] is one of the managers on the part of the House, appointed by the Speaker, on the conference on the bill (S. 3531) authorizing the Secretary of Agriculture to enlarge tree-planting operations on national forests, and for other purposes. He is unavoidably absent, which creates a vacancy. I ask unanimous consent that the Speaker appoint a conferee in his place.

The SPEAKER. The gentleman from Iowa states that the gentleman from Louisiana [Mr. ASWELL], one of the conferees upon the bill S. 3531, is unavoidably absent, and asks that the vacancy be filled. Without objection, the Chair will appoint the gentleman from Kentucky [Mr. KINCHELOE] to fill that vacancy, and the Clerk will report that fact to the Senate. Is there objection?

There was no objection.

MUSCLE SHOALS

Mr. RANSLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of Senate Joint Resolution 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.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of Senate Joint Resolution 49, with Mr. MAPES in the chair.

The Clerk read the title of the joint resolution.

Mr. WAINWRIGHT. Mr. Chairman, I move to strike out the last word. It is a profound regret to me not to be able to support this bill. It is an excellent measure in most of its provisions, and reflects great credit upon the subcommittee which drafted it, and provides a sensible way to dispose of the nitrate plants, but there is one feature I do not like, and on account of which, or rather unless amended in regard to it, I shall feel constrained to vote against the bill, and that is in that it provides for leasing for a term of years of the great Wilson Dam to a private company.

This dam is one of the greatest in this country, if not in the world, and it was built with public moneys, and belongs to the

people, and we were told yesterday that the proposed Cove Creek Dam would be the key to the water power of the Tennessee River. Whoever shall hold both these dams will practically control that water power. I am not willing to lend myself to the proposal to turn this great natural resource to any private company. As I understand it, it will not be possible to do any such thing with regard to the Boulder Dam or the power there to be generated. The committee recognizes the objection to parting with the possession of this dam to any utility corporation by forbidding it. It will be equally objectionable in my judgment to turn it over to any other kind of private company. It should remain in the unqualified possession of the Government.

It will be remembered that the act under which these works were constructed provided that they should be operated solely by the Government and not in conjunction with private enterprise. I am willing to revise that provision as to the nitrate plants but not as to the dam. I believe that the Government should at all times retain the physical custody of the Wilson Dam and the key of the switchboard. I am opposed as anyone to Government operation and Government in business in the usual sense, but I can not see that the fact that the Government keeps its own hand on the switchboard of its own dam involves any objectionable feature of Government operation, but on the contrary that private as well as public interest will be better conserved, and a more equitable distribution of the power insured under such circumstances.

Lease the nitrate plant with an agreement to furnish the lessee with all the power required at lowest rates to insure cheap fertilizer, and as far as their industries are concerned, they will be just as apt to be established in the Tennessee Valley with the Government in control of the Muscle Shoals Dam as if that dam was in private hands subject to the wise regulatory provisions in this bill, and the same in a greater degree will apply to the needs of States and municipalities. Unfortunately this bill can not be amended so as to omit the dam from the property to be leased.

In brief, gentlemen, I favor this bill in all respects except in its application to the Wilson Dam, but that I believe should remain where it is, in the hands of the United States, and if a dam is to be built at Cove Creek, in view of its relationship to the Wilson Dam, it also should be built and controlled for all purposes by the Government of the United States.

Gentlemen, on this ground I find that I voted against the Ford bill in committee, I voted against reporting the bill to turn these properties over to the American Cyanamid Co., and latterly in committee I voted against favorably reporting this bill. I am very regretful not to be able to agree with the majority of the committee in regard to the bill, and I am particularly regretful at not being able, as it were, to run along with the crowd, particularly with my own crowd, in regard to this bill.

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

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman may have two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. STAFFORD. Has the gentleman, in his consideration of this bill, considered those provisions which make it mandatory upon the lessee or the lessees of this water-power project to give a preferential right of leasing to municipalities, States, and counties at rates to be prescribed by and under the supervision of the Federal Water Power Commission?

Mr. WAINWRIGHT. I have, and I have considered that the rights and interests of these municipalities will be far better served if the dam remains in the hands of the Government rather than in the hands of the private corporation subject to Government regulation.

Mr. STAFFORD. It is mandatory on the lessee to let the surplus primary power to municipalities, States, and subdivisions of the State when they make demands at rates to be determined ultimately by the Federal Power Commission. What more can be asked in respect to the protection of the rights of municipalities in the matter, should they wish to use this power, whether for their own purposes or to let it out to manufacturing concerns?

Mr. WAINWRIGHT. So far as that is concerned, this bill affords what appears to be wholesome regulation.

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

Mr. WAINWRIGHT. Yes.

Mr. CRISP. I understand the gentleman says he is opposed to the Cyanamid Co. and opposed the bill in the last Congress which President Coolidge pocket vetoed, and is opposed to the present bill. Has the gentleman ever suggested any plan to dispose of it, or is the gentleman in favor of letting it remain as it is, the water running to waste?

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. CRISP. Mr. Chairman, I ask unanimous consent that the gentleman from New York may have two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WAINWRIGHT. I would say that that is the extent that I will go, either at the request of the gentleman from Georgia [Mr. CRISP] or any addition that may be imposed upon me by any other gentleman. In my judgment, if the Government retains possession of the Wilson Dam and continues the very fundamental operation involved in the generation of power, the benefits of that power will be more equitably distributed and more beneficially applied, both to the manufacture of fertilizer and to the establishment of new industries, which, of course, are desirable in that valley, than if it were turned over to a private corporation. In other words, in my judgment, the Government should keep its control absolutely upon it, and it can only do that by keeping possession of it.

Mr. CRISP. Do I understand the gentleman's position to be to let the matter remain as at present, only 2 per cent of the power being used, the Alabama Power Co. purchasing that at a very infinitesimal price?

Mr. WAINWRIGHT. No. Answering the question of the gentleman from Georgia, it is my conviction that the Government should continue in the control and operation of the dam, and in that event we would be more apt to lease these fertilizer plants and secure new industries in the Tennessee Valley.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. McSWAIN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from South Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN: Page 21, line 6, strike out all of section 1 and insert in lieu thereof the bill H. R. 12097.

Mr. STAFFORD. Mr. Chairman, I make a point of order that the amendment is not germane.

Mr. McSWAIN. Will the gentleman from Wisconsin reserve his point of order until I have ample opportunity to explain just what I am driving at?

Mr. STAFFORD. I will be very glad to do so.

The CHAIRMAN. The Chair thinks this amendment ought to be read or inserted in the RECORD by unanimous consent without reading.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent, with the approval of the gentleman from South Carolina, to have the reading of the amendment dispensed with and to insert in the RECORD, where it shall be subject to a point of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CHINDBLOM. Of course a point of order would lie as to the form of the amendment. It is not in order to offer an amendment by substituting another bill. The amendment should be offered in such form as to show the language that is to be inserted instead of that in the bill.

The CHAIRMAN. The Chair upholds the suggestion of the gentleman from Illinois.

Mr. McSWAIN. Then, Mr. Chairman, I move to strike out all of section 1 and insert the printed language of the bill.

Mr. CHINDBLOM. Let the Clerk report the amendment.

The CHAIRMAN. Without objection, the gentleman from South Carolina will be permitted to modify his amendment and insert in lieu thereof the language of the bill H. R. 12097.

Mr. McSWAIN. Commencing on line 3 of the bill H. R. 12097.

Mr. STAFFORD. Under the reservation of the point of order, I ask unanimous consent that the reading of the substitute be dispensed with and that it be printed in the RECORD. I understand it is already printed in the RECORD. Does the gentleman desire to have it printed again?

Mr. McSWAIN. I desire to have it printed at this point.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the reading of the substitute be dispensed with, that it may be considered as having been read, subject to a reservation of a point of order, and that it be printed in the RECORD at this point. Is there objection?

There was no objection.

The amendment of Mr. McSWAIN reads as follows:

Page 21, line 6, strike out all of section 1 and insert in lieu thereof the following:

"TITLE I. LEASING PROVISIONS

"SECTION 1. That the board of directors hereinafter authorized to be appointed, and hereinafter described merely as the board, shall, upon appointment and confirmation, proceed to organize as hereinafter directed, and shall first of all cause to be made a true and correct inventory of all the property now known as the Muscle Shoals project, including Wilson Dam, described generally as Dam No. 2, nitrate plant No. 1, nitrate plant No. 2, Waco Quarry, together with all real estate and all other property belonging to the United States, in said vicinity, used or intended to be used in connection with said properties and generally understood and considered as part and parcel thereof; and shall appraise the value thereof, and said appraisal shall be made upon the basis of the actual present commercial and economic value of said property, and said appraisal shall not include a reasonable allowance in the valuation of Dam No. 2 as a contribution for navigation, nor shall such appraisal include such part of nitrate plants Nos. 1 and 2 as is used, after the fixation of nitrogen, for the oxidation of such nitrogen in converting the same into nitric acid and nitrates for the reason that such parts of said nitrate plants Nos. 1 and 2 are useful only in producing a component part of explosives for ammunition.

"That after all said property shall have been appraised, the board is hereby authorized and empowered for and during the period of six months after said appraisal shall have been completed and shall have been approved by them, to enter into negotiations with any such person or persons, firm or corporation that shall indicate a desire to lease said property for a period not exceeding 50 years; and the terms, conditions, and restrictions that shall be included in said lease, together with such other terms, conditions, and restrictions as shall appear to the board to be desirable and proper for the protection of the interests of the public and of the Government and consistent herewith and in furtherance of the provisions and purposes of this act, shall be as follows:

"(a) That the property shall at all times be subject to the absolute right and control of the Government for the production of nitrates as ammunition components, and that nitrate plants Nos. 1 and 2 and/or their capacity equivalent and any other nitrogen-fixation plant or plants, using any method or process of fixation whatsoever that may be installed by the lessee, together with any additions, alterations, and improvements that may be made upon nitrate plants Nos. 1 and 2, shall at all times during the period of said lease be kept available and in stand-by condition, ready and capable at all such times to be employed by the Government, or for the Government, in the production of nitrates or other explosive ammunition components.

"(b) That the lessee or lessees of said property shall be obligated in the strictest terms to the manufacture and sale to the public of a nitrogenous fertilizer complete and ready for use by the farmer by direct application to the soil and crops in concentrated form.

"(c) That any lease of the said Muscle Shoals property shall be for the entire plant as the same now exists, but not to include the navigation locks, canal, and appurtenances thereof, and shall not include Dam No. 3 if and when the same shall be constructed, and shall not include the Cove Creek Dam if and when constructed, but the lessee shall be bound in the strictest terms to make additional compensation for increased primary power made available by the construction of Dam No. 3 and/or of Cove Creek Dam, either or both, as shall be hereinafter more specifically set forth, but the board shall operate Dam No. 3 and Cove Creek Dam and their corresponding power houses and plants, as hereinafter directed.

"(d) That any such lease as may be entered into shall contain a clause or clauses providing and requiring that the lessee shall return to the Government in cash or account for the same by the reduction in the price of fertilizer or in fertilizer components part or parts, as the board shall decide and declare, for such profits from the sale of power which may result from the temporary and unavoidable discontinuance of the manufacture of fertilizer and/or fertilizer component part or parts, and that such manufacture of fertilizer or fertilizer parts may be discontinued only when there is an excess accumulation of fertilizer stocks unsold, in excess of the reasonable and probable demands for such fertilizer, as found and declared by the board, and thereafter when such accumulated stocks shall have been reduced to a reasonable degree the lessee shall be bound to resume the manufacture of such fertilizers.

"(e) That any such lease shall provide absolutely and unequivocally for the forfeiture of all rights of the lessee in the event of the failure to keep in good faith its obligations under the terms of the lease, and the lessee shall be bound by the lease to the production and manufacture of fixed nitrogen of a kind and quality and in a form available as plant food and capable of being applied directly to the soil in connection with the growth of crops, of 10,000 tons of fixed nitrogen per year for the first two years of said lease period, and 20,000 tons of fixed nitrogen for the third and fourth years of the lease period, 30,000 tons per year for the fifth and sixth years of the lease period, 40,000 tons per year of fixed nitrogen for the seventh and eighth years of the lease period, and thereafter at least 48,000 tons of fixed nitrogen for each and every year; and no diminution nor reduction of the amount of manufacture and fixation of such nitrogen shall be permitted or allowable under any circumstances, act of God, public enemy, and vis majeur strikes, lockouts, and like unavoidable forces only excepted, except and unless the board shall find as a matter of fact that there is an excess amount of such fixed nitrogen on hand and in storage in excess of the reasonable and probable demands for same, and in such event the board shall have the power to permit by written order and authority the reduction in the volume of such nitrogen to be fixed and manufactured for any one year, subject to the condition herein stated that due credit and allowance shall be made for the use of such power otherwise, or the sale of such power, as shall be released by reason of such temporary discontinuance of the manufacture and fixation of nitrogen for agricultural use.

"(f) The board shall lease such properties only to such persons, firm, or corporation as shall be, in its judgment, best qualified and prepared to carry out the purposes of this act by the manufacture and sale at reasonable prices of fertilizer and/or fertilizer ingredients in concentrated form, available as plant food and capable of being applied directly to the soil in the production of crops, the manufacture of electrochemicals and ferro-alloys, and for the sale, transmission, and equitable distribution of such surplus power as may be developed at said plant, among the several States, counties, and municipalities within transmission distance. Said fertilizer and/or fertilizer ingredients in concentrated form to contain nitrogen of the gross aggregate volume and weight as are hereinbefore stipulated, shall be produced and sold by the lessee at a profit not exceeding 8 per cent above the actual cost of production, which shall include 6 per cent interest on any fertilizer-plant equipment installed by lessee at its expense, and such profit shall be based upon the cost of the turnover in production, and such cost shall be ascertained annually by a careful and thorough audit of the items of cost entering into the production of such fertilizer and/or fertilizer ingredients in concentrated form as above defined, and such audit shall be made annually by one reputable firm of certified accountants selected by the lessee and by another reputable firm of certified public accountants selected by the board, and these two shall work in cooperation and in conjunction at the same time and place, in the auditing of such costs of producing such fertilizer and/or fertilizer ingredients in concentrated form; and in the event of any dispute, or differences of opinion as to any item or items entering into such cost or correct method of accounting by the said two firms of certified public accountants employed in the auditing of such costs, a third firm of certified public accountants shall be appointed by the President of the United States upon certificate of such disagreement and difference of opinion, and the facts and figures relating to such dispute or disputes and differences of opinion shall be laid before such third firm of certified public accountants so appointed by the President, at a public hearing at which any person or persons having information of facts relating to such cost of manufacturing such finished fertilizer and/or fertilizer ingredients in concentrated form shall be heard, and after full hearing and oral argument or discussion by both sides the firm of certified public accountants so appointed by the President shall then and there render its decision, and such decision shall be final as to the costs for such manufacture of fertilizer, and by adding 8 per cent thereto the price for the sale of such fertilizer shall be ascertained and fixed and publicly declared, and the actual expenses shall be paid by the lessee.

"(g) No lease shall be made to any person, firm, or corporation unless such person, firm, or corporation shall demonstrate by the deposit, subject to the order of the board, of the sum of $10,000,000 in such place and of such forms of securities as shall satisfy the board of the absolute and undisputed solvency and good faith of the lessee, and of the financial ability of the lessee to carry out the terms of its lease; and if the lessee shall fail or neglect to carry out in good faith any of the terms and provisions of such lease, all such money and all such securities representing money as shall have been deposited as herein directed shall be declared forfeited by the board for the use and benefit of the United States, and shall be applied in satisfaction of damages for such breach of contract, which are hereby declared to be liquidated damages, and if said $10,000,000, or any part thereof, shall have been invested by the lessee in any buildings, machinery, equipment, or other property used in connection with the property hereby leased, then all such property shall be forfeited to the United States for the purposes herein stated.

"(h) If and when Dam No. 3 on the Tennessee River, located about 15 miles up said river from Dam No. 2, known as the Wilson Dam, shall be constructed by the United States Government in aid of navigation and of flood relief and for the purpose of increasing the primary power of the power-generating plant now belonging to the United States at Muscle Shoals, then the lessee and the board shall, respectively, appoint competent engineers to ascertain the extent to which the existence of said Dam No. 3 shall increase the primary power at said Dam No. 2, and the lessee shall be bound by the lease to pay to the United States Government the reasonable value of such increase of power as said engineers shall ascertain; and if said two engineers appointed by the board and the lessee, respectively, shall disagree either as to the amount whereby said power shall be increased or as to the value thereof, then the President of the United States upon certificate of such disagreement shall appoint a third engineer who shall hear the facts that shall be presented by both sides, and such facts as shall be presented by any other person having knowledge of

the facts, at a public hearing, of which due notice shall be given, and after such hearing and after a full discussion by both sides, such engineer so appointed by the President of the United States shall make decision and shall make public announcement of such decision, and such decision shall be final and binding on both parties, and the actual expenses shall be paid by lessee.

"(i) If and when the United States shall build a dam in and across Clinch River in the State of Tennessee, commonly designated as Cove Creek Dam, for the purpose of regulating commerce by promoting navigation in the Tennessee River and its tributaries, and of flood control, and for the purpose of increasing the value of its property now at Muscle Shoals, then the lessee shall be bound by the terms of said lease to pay to the United States Government the reasonable value of such increase of primary power at Wilson Dam as shall result from the construction and operation by the Government of said dam in Cove Creek; and in order to ascertain the extent of such increase of primary power and the reasonable value thereof, the lessee and the board shall, respectively, appoint engineers to study the facts and to ascertain the extent of such increase of primary power, and the value thereof, and in the event of any disagreement by the said engineers so appointed, and upon certificate of such disagreement, the President of the United States is hereby authorized and directed to appoint a third engineer, who shall study the facts and shall at a public hearing hear the facts as the same shall be presented by both sides, including said engineers and any other person that may have knowledge of any facts relating to the question, and at such public hearing said engineer so appointed by the President of the United States shall make and render his decision and make public announcement thereof, and such decision shall be final and binding upon both parties, and the actual expenses shall be paid by lessee.

"(j) The lessee shall be bound by the terms of said lease to pay to the United States as rent for the use of said property a sum of money that shall represent 4 per cent per annum upon the present ascertained and appraised value of said property so leased as herein required to be appraised, said payment to be made semiannually, and the lessee shall further be bound to keep the property in good condition and in a good state of repair, reasonable wear and tear and inevitable depreciation by time excepted and loss by fire, flood, storm, earthquake, or other natural disturbance excepted, and any failure by the lessee to make any of said payments or to pay semiannually for the value of the increase of power by reason of the construction of either Dam No. 3 or the Cove Creek Dam, as herein specified, or for the failure and neglect of the lessee to keep, observe, and perform any of the other conditions and stipulations of the lease, shall operate as a forfeiture of all rights of the lessee under the lease, and upon such forfeiture the United States shall have the right upon the request of the board to institute by the Attorney General of the United States suit in any district court of the United States to declare the rights of the lessee forfeited and to eject the lessee from the premises and to put the United States, by its agent, the board, in possession thereof.

"(k) All power used by the lessee for the manufacture of fertilizer and/or fertilizer ingredients in concentrated form shall be charged at the actual cost of production of such power, without including any profit to the lessee but including rental herein required to be paid, and such cost, including the auxiliary steam power employed to increase the volume of primary power, shall be ascertained annually and computed in the manner prescribed for ascertaining the costs of fertilizer and shall constitute one of the elements of such ascertainment of costs. All that portion of the property that shall be used by the lessee for the fixation of atmospheric nitrogen and for the conversion of same into plant food suitable for agricultural use by direct application to the soil and to the crops shall be separately appraised in the manner herein prescribed for such appraisement, and in computing the costs of fertilizers only the rental herein required to be paid to the Government for such part of the entire plant as shall be used for such purpose shall be included and computed as one of the elements of the cost of such fertilizer and/or fertilizer ingredients in concentrated form, and the same shall not include any profit to lessee on account of the power so employed but including rental on the dam and steam-power plant. The lessee shall employ in its fertilizer-manufacture processes, or in such part of them as may be feasible and practicable, secondary power wherever and whenever available, because of its cheapness, when the board shall find that the use of such cheap secondary power shall reasonably enable the lessee to produce such fertilizer and/or fertilizer ingredients in concentrated form at a cost below what would be the cost if primary power exclusively were employed in producing and manufacturing the same. Primary power is hereby defined to be such power as shall be available from the combined and cooperating sources of water and the steam plant for 95 per cent of the time during any one year.

(l) The lessee shall be authorized and permitted to construct new buildings and to enlarge the steam plant and install other hydrogenerating units upon the land belonging to the Government at Muscle Shoals for use in connection with the fixation of nitrogen and the conversion thereof into fertilizer and/or fertilizer ingredients in concentrated form, and for the manufacture of electrochemicals, and for the manufacture of ferro-alloys, and upon the expiration of the period of the lease, if lessee shall have performed all of its covenants and agreements, the lessee shall be permitted to remove the machinery in said buildings installed and used by it for the purposes aforesaid, or to sell said machinery to the succeeding lessee or to the Government, but the lessee shall not remove the steam plant or generating units installed by it, nor the buildings nor any outside fixtures, equipment, appliances, such as power-transmission lines, railroad tracks, water and gas pipes, and other such property, including warehouses, storage tanks, and storage bins, nor shall the lessee remove any house or machinery installed therein and used for any purpose other than the purposes above stipulated, but all such property belonging to the lessee and constructed upon the land of the Government, and all machinery, equipment, fixtures, and appliances installed and used in connection herewith, shall belong absolutely and in fee simple to the Government as a part of its property, but this shall not include stock in process, nor manufactured products, nor its tools, implements, and instruments, nor its office furniture and fixtures, which lessee may remove.

"(m) The board shall have the right and it shall be its duty to advise the lessee from time to time, as it shall see fit, as to the nature, kind, and quality and composition of the fertilizer and/or fertilizer ingredients in concentrated form to be manufactured by lessee, so that same shall be reasonably acceptable to the consuming public, either as a dilute fertilizer or in concentrated form, as the board may require and the trade demand; and if the lessee shall refuse to comply with such advice, and if in consequence of such refusal the fertilizer product or products of the lessee shall not be sold in sufficient volume to justify the continuance of its manufacture in the volume herein required, and if the manufacture of such fertilizer and/or fertilizer ingredients shall thereafter be discontinued by the lessee, the board shall thereupon have the right to request the United States Attorney General on behalf of the Government to institute proceedings in any district court of the United States to declare the lease to be null and void on account of the failure of the principal and paramount purpose of the lease, and in considering such facts as shall be alleged by the Government in the suit, the court may consider the refusal of the lessee to follow the advice of the board in the matters herein mentioned, as some evidence upon the issue of good faith or bad faith of the lessee.

"(n) The lessee shall be bound by the terms of the lease to recondition nitrate plant No. 1 so that the same may be effective and useful in the fixation of nitrogen by direct synthesis and to operate the same to capacity for that purpose so as to increase the volume of nitrogen available for agricultural purposes, and, the demands of agriculture being supplied, then for industrial purposes. The lessee shall be bound by the terms of the lease to use all of the primary hydraulic power now available at Dam No. 2 for the fixation of atmospheric nitrogen; and if the demands first of agriculture and second of industry for nitrogen and nitrogen products shall be sufficient to justify the same, the lessee shall also employ the available steam power in connection with secondary hydraulic power to enable the lessee to increase the quantity of such nitrogen and nitrogen products.

"(o) The lessee shall be bound to determine by research whether by means of the electric-furnace methods and industrial chemistry, or otherwise, there may be produced on a commercial scale fertilizer compounds of higher grade and at lower prices than farmers and other users of commercial fertilizers have in the past been able to obtain, and to determine whether in a broad way the application of electricity and industrial chemistry may accomplish for the agricultural industry of the Nation what these forces and sciences have accomplished in an economical way for other industries; and the lessee shall be bound to conduct experimental researches to ascertain whether or not by a compound and mutually reacting process or method of manufacturing it is practical and economical to employ as raw materials phosphate rock, and coal, limestone, and potash shale in producing a concentrated fertilizer containing three elements of plant food, to wit, nitrogen, phosphorus, and potash, in useful proportion and in available form, and at reasonable cost.

"(p) No lease shall be made to any person, firm, or corporation except to American citizens and to a corporation owned and controlled by American citizens, and the lease shall provide that if at any time the lessee or the lessee corporation shall cease to be under the direct, free, and legal control of American citizens, then all rights under the lease shall immediately cease, and the United States by order of the President shall have the right of reentry and recapture without any compensation whatever to the lessee on any account whatsoever.

"(q) The Muscle Shoals property hereby and herein authorized to be leased shall not include the navigation facilities, including the canal, the locks, the lifts, and any other appliances and equipment now existing or hereafter to be installed in aid of navigation, on the Tennessee River, and/or its tributaries.

"(r) The sale and distribution of fertilizer and/or fertilizer ingredients shall be subject to and in accordance with general regulations to be formulated and promulgated by the board. In said regulations formulated by the board preference shall be given in the way of sales and deliveries, first to farmers or groups of farmers, or cooperative farm associations, and next to States and State agencies engaged in buying, mixing, selling, and distributing fertilizers for farmers; and any sur-

plus left over after these priority claims are supplied may be sold to fertilizer manufacturers, mixers, and dealers.

"(s) The lessee shall be bound upon the requisition of the Secretary of War, or the Secretary of the Navy, to manufacture for and to sell to the United States in peace nitrogeneous contents of explosives at a cost not exceeding 4 per cent, based upon the same methods of accounting and calculation as are applied for the ascertaining of the costs and the fixing of the prices of fertilizer and/or fertilizer ingredients. There shall be reserved to the Government of the United States, in case of war or national emergency declared by Congress, the right to take possession of all or any part of the property described and leased by authority of this act for the purpose of manufacturing explosives or the nitrogeneous contents of explosives or for other war purposes; but if the Government shall exercise this right it shall pay to the lessee fair and reasonable actual damages that it may suffer by reason of such taking by not including profits or speculative damages, and the amount of such actual damages shall be fixed in proceedings instituted in the United States Court of Claims by the lessee, or its assigns, in accordance with the rules and regulations prescribed by that court for such proceedings.

"(t) The lessee shall not charge in the cost of the manufacture of fertilizer and/or fertilizer ingredients any sum of money whatsoever for the use of any patents or patent process belonging to or controlled by it or belonging to or controlled by any officer or agent of it, or belonging to or controlled by any affiliated or subsidiary corporation, or belonging to or controlled by any agent of any subsidiary or affiliated corporation, and the lessee shall not purchase any patent right or process or contract to pay any royalty for the use of any such patent right or patent process without the previous authority and consent of the board as to the amount to be paid for such patent right or patented process or for the right to employ any such patent right or patented process.

"(u) The lessee shall be bound by the terms of its lease to submit annually to the board a list of all of the officers, agents, and employees, and charged as a part of the costs of manufacturing fertilizer and/or fertilizer ingredients, and the board shall have the right to criticize and protest against any salary or salaries that may be paid for said purpose; and if the lessee shall fail to meet the reasonable criticisms of the board and shall fail to satisfy the board as to the reasonableness of any salary or salaries finally fixed, and if the fertilizer and/or fertilizer ingredients manufactured and offered for sale by the lessee are not purchased by the consuming public in sufficiently large volume to take the capacity production of the lessee, and if in consequence thereof a discontinuance of the manufacture of such fertilizer and/or fertilizer ingredients shall result, and if the United States Government by its Attorney General shall at the request of the board institute proceedings to declare the lease null and void for these reasons, along with any other reasons, then such failure of the lessee to reduce the salaries paid to its said officers, agents, and employees, in accordance with the protest of the board, shall be considered by the court as a circumstance bearing upon the good faith or bad faith of the lessee.

"(v) The lessee shall have the right to install an addition to the steam plant built along and in connection with nitrate plant No. 2, and to use the power produced by such addition, estimated to be 40,000 horsepower, in connection with secondary power developed at Wilson Dam No. 2, and in such event the lessee shall be bound to pay to the United States the reasonable value of such secondary power thus made available for use as primary power; and if the lessee and the board shall be unable to agree upon the reasonable value of such secondary hydraulic power, they shall each appoint a competent and disinterested engineer, and if these two engineers fail to agree, then the President of the United States shall appoint a third engineer who shall consider the facts and hear arguments presented by both sides and after such hearing, shall, within a reasonable time, render his decision in writing and the same shall be binding, final, and conclusive upon all parties. In like manner if the lessee shall build at its own expense any other steam plant for use in connection with secondary power so as to increase the total volume of primary power, then in such case the lessee shall be bound to pay to the board the reasonable value of such secondary hydraulic power, and in the event of dispute the amount shall be ascertained and fixed in the manner above prescribed.

"(w) In general, the parties to the lease, the Attorney General, and the courts shall at all times construe the lease in the light of the powers and duties hereinafter conferred upon the board for the purposes of accomplishing the aims and objects of this act, and it shall be the general purpose and intent of the lease to effectuate and carry out the purposes and reasons for this act as a whole, and of section 124 of national defense act of June 3, 1916.

"(x) If and when the board shall have negotiated the terms of a lease with any person, firm, or corporation the parties shall prepare a draft of said lease in conformity with the provisions of this act and of the powers herein contained and of the purposes herein expressed, but before signing, executing, and delivering the same such draft shall be submitted by letter of the board and of the lessee to the Attorney General of the United States, who shall permit inspection of the same and furnish copies thereof to public press or any citizen of the United States who shall apply for same, and if written objections to any portion or portions of said lease shall be filed with the Attorney General within 20 days after the lease shall have been submitted to him, he shall thereupon fix a time, not more than 10 days deferred, and place for a hearing of any and all such objections as may be made and shall within 10 days after such hearing render his conclusions and opinion in writing, and the same shall be binding on all parties, except the proposed lessee, who shall be privileged to refuse to conclude the lease. If negotiations are thereupon renewed, and if a new draft shall be agreed upon between the parties, then like proceedings shall be had before the Attorney General with the like result.

"(y) If the board shall fail to negotiate, execute, and conclude a lease for the Muscle Shoals property within six months after its appraisement of said property shall have been completed, then the board shall proceed to operate the plant pursuant to the powers and directions of this act. Nevertheless, if at any time after the expiration of said six months' period and after such operation of said property by the board shall have been commenced, any person, firm, or corporation shall offer to negotiate with the board for the lease of the property subject to all the provisions and limitations herein contained, the board shall consider the offer, and if the board shall be able to agree with the prospective lessee as to the terms and conditions of a lease, then a draft thereof shall be submitted to the Attorney General of the United States and the like proceedings be followed as set forth in the preceding section. If the board shall fail to negotiate a lease and shall refuse to accept the offer of any proposed lessee, the board shall nevertheless report the offer as a part of its annual report and shall state in writing its reasons for refusing the same. If the board shall negotiate, conclude, and execute a lease at any time after the board shall have commenced the operation of the property pursuant to the powers herein contained and subject to all the provisions and limitations herein contained, then the board shall as a part of said lease include an agreement on the part of the lessee to pay for the appraised value of any additions or alterations that shall have been made to and upon the property by the board, and to pay for the appraised value of all raw material on hand, of all stock in process and of all manufactured products, and the lessee shall thereupon be put in possession of the property without any interruption whatever to the operation of same as a going concern.

"SEC. 2. Organization of the board: 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.

"SEC. 3. (a) The board of directors of the corporation (herein 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 nitrogenous fertilizers.

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

"TITLE II. OPERATION BY THE BOARD

"SECTION 1. (a) If the board shall have not executed and delivered a lease within the time herein specified, and subject to the terms herein set forth, then in that event only shall the following provision with reference to the operation of the Muscle Shoals property by the board become effective, but in such event the board shall proceed to execute the powers and directions hereinafter conferred.

"(b) 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.

"(c) 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.

"(d) 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. 2. 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 may 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. 3. The board is hereby authorized and directed—

"(a) To operate existing plants for fixation of nitrogen in quantity available as plant food by direct application to the soil; to construct, maintain, and operate experimental plants and/or laboratories at or near Muscle Shoals for the manufacture of fertilizer, and/or of any of the ingredients comprising fertilizer, and of any useful and profitable by-products of same.

"(b) 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.

"(c) 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;

"(d) The board shall manufacture and sell 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 useful ingredients as shall make such nitrogen immediately available and practical for use by farmers in application to soil and crops.

"(e) The selling price of fertilizer ingredients and nitrogen products shall be fixed in advance from time to time by the board, and all sales shall be direct or through such intermediaries as will contract fixing the maximum prices to be charged the ultimate consumer; and such prices shall be so fixed as to include all the expenses of the board and its clerical and technical force, and of producing, marketing, and distributing such commodities, including 4 per cent on the appraised value of that part of the plant used and 4 per cent on the cost of any additions, alterations, and improvements employed for such purpose, and such 4 per cent shall be paid by the board into the Treasury of the United States. Such sales shall be only in carload and for cash free on board Muscle Shoals, Ala.

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

"(g) To establish, maintain, and operate laboratories and experimental plants, and to undertake experiments for the purpose of enabling the corporation and private manufacturers of nitrogen products to furnish nitrogen products and kinds of plant food for agricultural purposes in the most economical manner and at the highest standard of efficiency.

"(h) 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.

"(i) 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 the nitrogenous content of explosives.

"(j) 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.

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

"(l) 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. 4. 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 and Dam No. 3 and Cove Creek Dam, if and when constructed, shall be intrusted to the corporation for the purposes of this act, under the provisions of section 4 (a) 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. 5. (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 keep, maintain, and preserve complete and accurate books of accounts and all meetings and proceedings of the board.

"SEC. 6 (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. The plants and laboratories may be inspected at any time only on written permission of the board or its specially authorized agent.

"(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. 7. 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: *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 in its own manufacturing operations or to supply the demands of States, counties, or municipalities.

"SEC. 8. It is hereby declared to be the policy of the Government to distribute by sale at reasonable prices the surplus power generated at Muscle Shoals equitably among the States, counties, and municipalities within transmission distance of Muscle Shoals, and the net proceeds of such sale shall be paid into the Treasury of the United States.

"SEC. 9. 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, the Cove Creek Dam, and Dam No. 3 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 30 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: *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: *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 appropriate State utility 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 appropriate State utility 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. 10. Two 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 2 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 1 per cent shall be paid to the State of Alabama and 1 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 or delivered to the Government of the United States, or any department of the Government of the United States, or used in the operation of any navigation facilities or locks on the Tennessee River, or for any experimental purpose, or used 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.

"TITLE III. SUPPLEMENTAL PROVISIONS

"SECTION 1. 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. 2. 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. 3. 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. 4. The Secretary of War is hereby authorized, with appropriation 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 the Tennessee River at the site designated by the Chief of Engineers of the United States Army as Dam No. 3, in aid of navigation and for increasing the value of the power to be developed at Wilson Dam No. 2 and to install a power house and such hydroelectric generating machinery therein as may be justified, all according to the latest and most approved plans of the Chief of Engineers of the United States Army, and the disposal of the power so developed shall be subject to the board; and in order to enable the Secretary of War to carry out this authority in the most economical and efficient manner he is hereby authorized and empowered to exercise in the interest of national defense and in aid of navigation as an incident to interstate commerce the right of eminent domain and to condemn all such lands, rights of way, and other area as may be reasonably necessary in order to obtain a site for said dam and for the ponded water above said dam and to conclude contracts with States, counties, municipalities, and all State agencies, and with railroads, railroad corporations, common carriers, and all public-utilities commissions, and all other persons, firms, or corporations in any way interested in said dam site and pondage area.

"SEC. 5. 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, formulas, 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 of fertilizer, 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. 6. (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. 7. 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 1931.

"SEC. 8. That all appropriations necessary to carry out any of the provisions of this act are hereby authorized. This act may be cited as 'the Muscle Shoals act of 1930.'

"SEC. 9. That all acts or parts of acts in conflict herewith are hereby repealed.

"SEC. 10. That this act shall take effect immediately.

"SEC. 11. The right to alter, amend, or repeal this act is hereby expressly declared and reserved, but not to impair the obligation of any contract that may have been entered into pursuant to the powers herein conferred upon the board."

The CHAIRMAN. The gentleman from Wisconsin reserves a point of order on the amendment.

Mr. STAFFORD. How much time does the gentleman from South Carolina desire in which to make his explanation?

Mr. McSWAIN. About 10 minutes. Perhaps the Members may want to interrogate me, but I want to make progress as rapidly as possible.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield there?

Mr. McSWAIN. Yes.

Mr. WILLIAMSON. If this amendment should carry, is it the intention of the gentleman to strike out each succeeding section of the committee amendment carried in Senate Joint Resolution 49?

Mr. McSWAIN. Yes. This amendment proposes to strike out the amendment reported by the House committee.

Now, Mr. Chairman and members of the committee, the bill to which I have invited your attention is divided into three parts.

The first part proposes to carry out absolutely, as well as I can determine it, what has been the policy of the Committee on Military Affairs, and of Congress itself, as evidenced by its joint resolution of 1926, with reference to how and under what terms and limitations this property might be leased. It also provides for the setting up of one board, which board is to be appointed by the President, confirmed by the Senate, and is to be a continuing board. It is to undertake to lease the property. If the property is not leased to one lessee, subject to these strict terms and limitations, then at the expiration of the time fixed in the bill for the exercise of that power of letting under this limitation, this same board is to commence operation of the property, and the operation is provided for in title 2. Title 2 commences on page 26.

Mr. QUIN. Will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. QUIN. The gentleman means Government operation?

Mr. McSWAIN. Yes. I say the board is to operate it. The board is appointed by the President and confirmed by the Senate and constitutes the Muscle Shoals Corporation.

From that point on the bill is identical with the bill which passed the House in 1928, which passed the Senate, which was approved after the conferees had been in session for several weeks, and was pocket vetoed by President Coolidge, with this exception—and here I meet what I yesterday offered as a criticism of what we now know as the Norris bill by providing, on page 30, not merely for the experimental manufacture of nitrogenous plant food, but for the manufacture and sale in quantity, to the limit of the capacity of the plants, which is 48,000 tons of fixed nitrogen, when properly distributed as plant food of some proper and adequate character.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. MOORE of Virginia. Will the gentleman state for what period he allows the board to accept leases before the alternative plan can be put into effect?

Mr. McSWAIN. Under the language in my bill it is six months. I am not a stickler about that. I can understand where there might be perfectly plausible reasons why it should be more, and if this motion should prevail I would be perfectly willing to be open to proposed amendments on many details that might be put in here as to that. If the gentleman, in good faith, offers a perfecting amendment that six months is too short a time, I would not oppose 9 months, or 12 months, even. But that was my idea, for this reason: Everybody that will be in the market to lease this property has had it on his mind and under consideration for years. There is no doubt about that. New proposed lessees are not going to spring up over night, unexpectedly, after this becomes law. They are in communication, direct and indirect, with the proceedings of this House now, and they will be as ready, in my humble judgment, within 6 months as they will be in 12 months. The only difference is that perhaps the board ought to have 12 months. The board will be composed of new men who will want to familiarize themselves with all the different angles and possibilities of this, and they may need 12 months. The lessees will not need any longer time. You will find lessees next week. But the three men who will constitute the board may need 12 months, and for that reason I would be willing to agree to an amendment to that effect.

Mr. MOORE of Virginia. Will the gentleman yield for another question?

Mr. McSWAIN. I yield.

Mr. MOORE of Virginia. With reference to the leasing, does the gentleman provide for leasing of these properties in solido or in part?

Mr. McSWAIN. Absolutely in solido, in one unbroken unit. It was built as a unit. Its sewerage system, its lighting system, its service tracks, and its roads all constitute a unit, and I respectfully submit there will be great difficulty and inconvenience, and it will invite collision in the future as between several lessees, to try to separate it.

The third title of my bill begins on page 39, concerning supplemental provisions, and, among other things, is this; that after Government operation, as we call it, shall have commenced, perhaps lessees will come up and say, "Gentlemen of the board, we would like to lease that property." Then the board, under the law, must consider it. If they accept it as subject to the limitations already imposed in Title 1, well and good, they make a lease and the property passes over to private operation without the stopping of a single wheel, without diminution in production of a single pound of nitrogen. It passes over, eo instante from Government operation to private operation.

So that in Title 1 of this bill we have a proposal to lease it. If it can not be leased, in the middle portion of the bill there is provision for Government operation. At the end of the bill there is provision made possible for private operation, so that Government operation is sandwiched in between the leasing provision in the first part of the bill and the leasing provision in the last part of the bill.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. TAYLOR of Tennessee. The gentleman's alternative proposal is exactly the same as the Norris resolution, except that the sale of fertilizer is provided for?

Mr. McSWAIN. Yes, sir. I think that my bill is the Norris resolution made more perfect; not absolutely perfect, but made more perfect.

Mr. TAYLOR of Tennessee. I think the gentleman has improved on the Norris resolution.

Mr. McSWAIN. I thank the gentleman. Now, let me make my position plain.

Mr. McREYNOLDS. Will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. McREYNOLDS. The gentleman goes further than the Norris bill, however, because if the Government operates it, then they can lease part of it?

Mr. McSWAIN. Exactly. Mine is a proposition that anybody can support, and support consistently, and they can do so for this reason:

It settles the thing forever, and it does not have to come back to Congress. If you pass the Norris resolution, then the matter will continue in Congress, and at every session my good friends from Alabama will be here proposing to amend the Norris resolution, and maybe some of us from South Carolina will be proposing to amend it, too. We will be here proposing to amend it. It will be before us forever. If we pass the committee leasing bill, and it does not become operative, then

we have got to handle it again. But if you pass my bill Congress says good-bye to the proposition for 50 years, and it is in the hands of the three men, whom the Senate must confirm, or in the hands of their successors. They are the three men who will be continued in office, and they may continue in office for 10 years. They will study it and become familiar with it. They will know what the problem implies, and after they once become familiar with it they will be better prepared to protect the interests of the Government. So I submit that if we adopt this substitute for the language of the proposed amendment and it becomes law it will dispose of the question fairly and squarely in accordance with the fixed policy of the Congress for all these years.

Mr. COLE. Will the gentleman yield?

Mr. McSWAIN. For a question.

Mr. COLE. Would it not be possible for this board to refuse to lease it and continue it under Government operation forever?

Mr. McSWAIN. Yes, it would. However, I anticipated that. What must they do? If an offer is made to them, and if they will not accept it they have got to report that offer, with their reasons for refusing it, to the President and he transmits it to the Congress. Of course, they must have some discretion, but I undertake to limit the exercise of the discretion, so there could not be any abuse of the discretion. If there were any abuse of the discretion then we could impeach them and dismiss them.

Mr. ALMON. Will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. ALMON. Has it not always been the policy of the Committee on Military Affairs that if the property were leased there should be one lease, and is not this the first bill ever reported by that committee which provided for more than one lease?

Mr. McSWAIN. That was said a number of times yesterday and it is in the RECORD. It is printed in the CONGRESSIONAL RECORD and it is in my report. It is a fact that the Military Affairs Committee, of course, has no right to dictate the policy, but the Congress, by the joint resolution adopted in 1925——

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. McSWAIN. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McSWAIN. The Congress by its joint resolution set up a joint congressional committee which undertook to lease this property as provided by the instructions and contained in the law thus enacted in 1925, that it should be leased to one lessee, subject to these provisions.

Mr. WURZBACH. Will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. WURZBACH. Does not the gentleman feel, in view of the fact that perhaps not a half dozen Members of the House know what the amendment contains, that it would be very unbusinesslike for the committee to adopt this amendment?

Mr. McSWAIN. I will answer the gentleman. I put my bill in the RECORD of May 26, and it is printed in full. I called attention to it yesterday in the Committee of the Whole, and in the House itself I gave notice that the first thing I would do this morning would be to introduce this thing as a whole. So I have undertaken, so far as I could, to advise the House of the fact that this bill would be up for consideration, and I gave every Member an opportunity to familiarize himself with the provisions of my bill.

Mr. WURZBACH. Assuming that this amendment was not subject to a point of order, does not the gentleman think it would have been more appropriate to have introduced this amendment after the House bill had been read, section by section, and understood, and perhaps perfected by other amendments?

The CHAIRMAN. The time of the gentleman from South Carolina has again expired.

Mr. STAFFORD. Mr. Chairman, I make the point of order against the amendment offered by the gentleman from South Carolina, because it is not germane to the section under consideration, and, further, is not germane to the substitute amendment as a whole, which the committee is now considering.

Under the rule adopted yesterday, the House made an order—notwithstanding the general rule of the House as found in clause 7, Rule XVI—for the consideration of the bill reported by the Committee on Military Affairs as a substitute for the Senate joint resolution. The committee bill is now the matter under consideration in accordance with the rule adopted yesterday. That bill, as the Chair knows, and as every Member of the House will know, as the consideration of that bill is proceeded with under the 5-minute rule, is exclusively a leasing proposition. A majority of the committee deemed it better for the welfare of the Government and of the country to provide for the establishment of a leasing board, with authority limited as to time, to enter into a contract or contracts of demise for these various properties, under certain specified directions or limitations. There is not one line or single thought of Government operation anywhere in that proposal. It is directly opposite to the proposal sent to the House as embodied in the Senate joint resolution.

What does the amendment offered by the gentleman from South Carolina [Mr. McSWAIN] purport to do? It purports to put the Government into not only the mild socialistic proposal that was embodied in the Senate resolution, but it "out Herods Herod" in having the Government go to the socialistic extreme of using this power for the manufacture and sale exclusively of fertilizer.

Parenthetically, I may say I could subscribe to the principle enunciated in the NORRIS resolution to create a board to sell the power and only use the existing nitrate plants for experimental purposes in the development of fertilizer, but I was not elected as a socialist from the Fifth Congressional District of Wisconsin. I was elected as an individualist, believing in our present economic theory, and I would have to use every power at my command to oppose the socialistic proposal embodied in this amendment.

Mr. Chairman, noting that this proposal would be brought up for consideration this morning, I took occasion last evening to read over the 44 pages of this proposed amendment. I studied it very carefully, and I find that, even if this board is created—this permanent board, not a temporary board as is provided in the House bill—and under the powers vested in the board they should enter into a lease, the board would exercise supervisory power in the operation of these properties.

I am not now going to discuss the merits of this proposal, but am only pointing out that the board as provided in the proposed substitute, is a board that would have at all times supervisory authority to determine the character of the fertilizer and to determine the price thereof. I can not see how any private lessee would be willing to enter into a lease, with this board always having the sword of Damocles over its head to smite it.

Furthermore, having called the Chair's attention to the fact that this board is virtually a Government supervising board, if the property should be leased, I next wish to direct the attention of the Chair to the fact—and I shall not go into the details farther than to point out how the board exercises control of the actual operations of the lessee in the conduct of the properties, but I call further to the attention of the Chair the provisions beginning in section 26, as embodied in Title II.

There, Mr. Chairman, this board is created as a governmental agency; a corporation with all the powers incident to a corporation, to manage, construct, and operate, and go into the business of fertilizer production.

Further, there are some supplemental provisions embodied in Title III which compel the Government—and it is absolutely mandatory—to build not only Cove Creek Dam but Dam No. 3, and to this end authorizes an appropriation of $10,000,000, of which $2,000,000 shall immediately be available for the building of Cove Creek Dam.

Why, Mr. Chairman, if this proposed substitute only had that which is embodied in Title I, it would violate the rule of germaneness, because the board's powers are such that it is virtually a governmental agency supervising the operation of the plant. But Title II makes it absolutely vicious, under that rule, because it creates a board to act as a governmental agency; and Title III further offends the rule in providing for the Government to supervise these dams.

Mr. Chairman, I now also direct attention to the question of the opportuneness of this amendment as suggested by the gentleman from Texas [Mr. WURZBACH]. It would be most ill-advised and not in harmony with good legislative practice.

Mr. BANKHEAD. Mr. Chairman, under the rules I do not think the gentleman is permitted to go into a discussion of the opportuneness of the amendment.

Mr. STAFFORD. Oh, yes; in connection with the germaneness of the amendment to section 1.

Mr. BANKHEAD. I think in addressing his remarks to the Chair the gentleman must confine his statement to the point of order and the parliamentary principles involved in the point of order.

The CHAIRMAN. The gentleman from Wisconsin had not proceeded very far upon this point, but the Chair assumes the gentleman was going to discuss the question of whether the amendment is germane to this particular section.

Mr. STAFFORD. That is the very point at issue, whether under the rules of the House, I will say to my friend, who is a distinguished parliamentarian, it is good practice when the first section of a bill has been read to offer an entire bill as a substitute before all the provisions of the pending bill have been read.

Mr. MOORE of Virginia. That is done frequently.

Mr. STAFFORD. Whether it is done frequently or not, I will call the attention of my learned friend from Virginia to the following:

Under the later practice an amendment should be germane to the particular paragraph or section to which it is offered—

Citing five precedents.

Mr. MOORE of Virginia. That is all right.

Mr. STAFFORD. Now, Mr. Chairman, that is the section under consideration, and I am submitting this because it has been my thought these many, many years, that if a general bill is offered as a substitute to another general bill, the proper place for the consideration and offering of that bill is at the conclusion of the bill that has been submitted to the House by the committee having jurisdiction.

I now respectfully contend that the bill which has just been offered is not a substitute to section 1. It is much more. I can conceive, and I can see it is a proper concept of a rule, that if a substitute is offered to the first section, and the person offering the amendment says he proposes to strike out all the other sections, I can conceive of a case where the substitute that is offered may be only in one paragraph that will be germane to the first section and, perhaps, irrelevant to all the other sections. This condition might arise, and it would be proper to offer one small, substantive proposition to the first section of the general bill and then give notice that a motion would be made to strike out subsequent paragraphs or sections as read. But that is not the proposal which is now being submitted. The proposal submitted is not fair to the House, its unfairness having been pointed out by the gentleman from Texas. It is not fair to the House before the bill has been read in full and the House acquainted with its provisions; it is not fair to throw into the House a general bill embodying various amendments, and even if this bill is germane—which I believe it is not—the proper place for its consideration would be at the conclusion of the bill reported from the Committee on Military Affairs rather than at the initial consideration of the first section.

Mr. CRISP. Mr. Chairman, I would like to discuss briefly this point of order. In doing so I am not going to discuss the merits or demerits of the amendment. I will confine what I say directly to the parliamentary situation.

Now, Mr. Chairman, the parliamentary law is like all law—it is supposed to be based on common sense. I am going to discuss this from a common-sense viewpoint.

What is the situation? The Senate passed a bill providing for Government operation of the plant at Muscle Shoals. That went to the Committee on Military Affairs, and the committee considering the Senate bill recommended an amendment striking out all after the enacting clause and substituting a different method of dealing with Muscle Shoals.

What is the Committee of the Whole House on the state of the Union considering to-day? The Senate Norris bill, for a Government operation plant for Muscle Shoals, and a proposed amendment by the Military Affairs Committee for its lease. To-day, before this committee, both propositions are pending for the consideration of this Committee of the Whole House on the state of the Union. If the Committee of the Whole House on the state of the Union should make an adverse report on this Reece amendment, when you get back in the House and the House sustains the report you would have your original Norris bill before the House for consideration, and the House could pass it. Both of them are before the committee to-day.

Now, I do not see how a thing can be more germane when the two propositions are pending before the committee without action determined by the committee, with the Norris bill for Government occupation, and the other, the Reece amendment for a lease—than to adopt an amendment harmonizing them, reconciling them, putting both in the bill to be enacted. How can anything be more germane?

I am not familiar with the details of the bill of the gentleman from South Carolina, but I understand from him and others—and I think it is conceded—that it is in effect simply the Norris bill, which bill is now up for consideration by this committee.

The bill you are considering is Senate Joint Resolution 49. The amendment of Mr. McSWAIN against which the point of order is made, is in substance that bill with a few beneficial amendments.

Mr. STAFFORD. Will the gentleman yield?

Mr. CRISP. I yield to the gentleman.

Mr. STAFFORD. Will the gentleman kindly state to the committee how under any parliamentary procedure we can consider the Senate joint resolution—how can we proceed to amend it in any way at all?

Mr. CRISP. It is very simple. Suppose the Whole House on the state of the Union should make a recommendation to the House that the Reece amendment be adopted. The committee rises, the Chairman of the committee will report to the House that the Committee of the Whole House on the state of the Union recommends the adoption of the Reece amendment. If the House then votes down the previous question, and if the House refuses to accept the recommendation of the Committee of the Whole House on the state of the Union to adopt the Reece amendment, then the original Norris bill is before the House, and it will be subject to debate, subject to amendment, subject to the passage by the House.

Mr. STAFFORD. But the gentleman has not answered my question. I asked in what way under the rules we are considering the committee amendment, this committee operating under the rules, how can the House consider the Norris amendment and amend it in any particular.

Mr. CRISP. I do not think the Committee of the Whole House on the state of the Union can consider it, but the gentleman overlooks the act that the Committee of the Whole House on the state of the Union is the lesser body; it is the creature of the House. One hundred Members of the House constitute a quorum of the Committee of the Whole to consider a bill, but the House is the principal. The committee makes its report to the House, and the House can accept it or reject it. I apprehended that some technical gentleman would make the very point that the gentleman from Wisconsin [Mr. STAFFORD] made, when we adopted the amendment to the rule proposed by the gentleman from New York, for consideration of the Muscle Shoals subject, yesterday. I apprehended that some gentleman would say that that amendment makes the consideration of the Reece amendment the same as an original bill, and that it was to be considered in the Committee of the Whole House on the state of the Union as an original bill. I thought some one would try to argue that, being an original bill, the Norris amendment was eliminated, and that we would be confined to offering germane amendments to the Reece amendment. I interrogated the gentleman from New York [Mr. SNELL] to make that clear, because, in construing any law, one of the cardinal rules of consideration is to consider the old law and the intent of the legislative body, and, therefore, I propounded a question to the chairman of the Committee on Rules when he offered the amendment, and the colloquy that ensued is to be found on page 9670 of the RECORD of yesterday. It is as follows:

Mr. CRISP. I want to ask the gentleman a parliamentary question, because a good many of the Members have asked me about it since an amendment to the rule has been adopted. Of course, they are many men on this side who will desire to offer an amendment to the Reece amendment, providing the alternate proposition of the Norris resolution. I am not asking the gentleman to express any opinion as to the parliamentary situation with respect to whether that would be in order or not, and neither would I ask the Speaker, but I do want to ask the gentleman this question: It was not the intention of the Committee on Rules in offering the amendment providing that the Reece amendment should be considered in the Committee of the Whole as an original bill to in any way curtail germane amendments that might have been offered to the Reece amendment if it were considered in the Committee of the Whole as one amendment.

Mr. SNELL. The purpose was exactly the opposite of that. The purpose was to open it up and give more liberal opportunity for amendment.

Mr. CRISP. I did not think the gentleman had that intention, and I asked the question simply to clarify the question.

Mr. SNELL. There is absolutely no question about that.

So, Mr. Chairman, in good faith, when the author of the rule, the chairman of the Committee on Rules, representing his committee on the floor of the House, says that the committee did not intend to limit or restrict the right of amendment, but on the contrary, to liberalize it, it is absurd to hold that the rule eliminated the real bill pending before the House, the Norris bill for Government operation, and confined amendments to the Reece amendment.

The gentleman from Wisconsin [Mr. STAFFORD] had much to say about the inopportune time at which the gentleman from South Carolina [Mr. McSWAIN] offered his amendment. I am not going to discuss whether he offered it at the right time or the wrong time, whether he used good judgment as to the place where to offer it, though I think he did, but I shall discuss the parliamentary precedents of the House and his right to offer it when he did. It is the practice of this House when we are

considering a bill in the Committee of the Whole House on the State of the Union, if one desires to offer an amendment in the nature of a substitute amendment, and a substitute amendment is nothing in the world but an amendment for the whole proposition, when the first section is read, to offer the amendment to strike out that section and give notice if that prevails and the substitute is adopted, he will move to strike out each succeeding section of the original bill. That is exactly what has happened here.

The gentleman from South Carolina moved to strike out the first section and offers to insert this complete bill as a substitute, giving notice, if his amendment prevails, that he will move to strike out all of the remaining sections of the bill. Clearly he has the right to do so, and if this point of order is overruled then there is nothing in the proposition of the gentleman from Wisconsin that the House is being forced to vote on something with which it is not familiar. If this amendment is held in order, it will have to be read, unless the waiving of it is ordered by unanimous consent, and it is subject to amendment, and amendments can be offered to any part of it before the Committee of the Whole House on the state of the Union would be called upon to vote as to whether or not it would substitute it.

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

Mr. CRISP. Yes.

Mr. WILLIAMSON. If the Reece amendment should be adopted, would the House have the privilege of having it read by sections so that amendments could be offered to the sections as they are read?

Mr. CRISP. Unquestionably, and I think the gentleman from South Carolina had he so elected might have waited until the Reece amendment had been perfected, and then offered his amendment as a substitute for the Reece amendment, but I do not think that he is confined to that method of procedure. He would have the right also to do exactly as he has done, and, if his amendment is germane to the bill, he has clearly offered it within his right.

I am not going to be tedious, I am not going to tire the Chair. I can add practically nothing to what I have already said. It seems to me there can be no question of its germaneness, because this Committee of the Whole House on the state of the Union has before it to-day two propositions for disposing of Muscle Shoals. One is the Norris Government ownership proposition and the other is the leasing proposition. Both are before this committee. This committee is considering Senate Joint Resolution 49, dealing with Government operation, and this amendment simply proposes to put in the alternative two plans, and I do not see, to save my life, how it can be ruled out as not being germane.

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

Mr. CRISP. Yes.

Mr. LOZIER. In view of the colloquy between the gentleman from Georgia and the gentleman from New York, the chairman of the Committee on Rules, is it not a reasonable conclusion that the House adopted the rule with the understanding and belief that it would be construed in that manner as indicated.

Mr. CRISP. I think there is no question about that. Nobody challenged it and I asked the question anticipating that very position to be taken by some one.

Mr. STAFFORD. The very question the gentleman propounded was whether there would be germane amendments in order to the Reece amendment. That is all, and I have not taken any contrary position. My argument is bottomed on the fact that the McSwain amendment is not germane to the Reece amendment.

Mr. CRISP. Then I did the gentleman an injustice, but I understood him to be arguing that with the adoption of the rule, this committee was confined to considering the Reece amendment as an original bill, ignoring the Norris bill which is before us being now considered. I understood him to contend all amendments must be germane with leasing and, therefore, that a proposition of Government ownership was not germane.

Mr. STAFFORD. That is my argument.

Mr. CRISP. I concede freely that so far as the germaneness of this amendment is concerned, the amendment adopted to the rule has nothing to do with the question before the Chair. If the amendment of the gentleman from South Carolina is in order, if we were considering this bill without the rule, it is in order now, notwithstanding you have a rule. If it was not in order without the rule, it is not now in order.

Mr. McSWAIN. Mr. Chairman, may I make one observation only?

The CHAIRMAN. Yes.

Mr. McSWAIN. If I understand the philosophy of the rule of germaneness, it is to prevent surprise or confusion and to insure the careful consideration by the appropriate committee of the subject matter to be considered by the House. That being so, what did the Committee on Military Affairs have before it? It had what we call the Norris bill and what we call the House committee amendment to the Norris bill. That committee had both those things before it, and they are both here in Senate Joint Resolution 49 to-day.

The amendment proposed by myself takes those subjects, and those subjects alone, and deals with them merely in the inverse order in which they appear. So that there is no surprise whatever to the House or to its legislative committee as to the subject matter contained in the amendment proposed by myself. And it is my desire, should the Chair hold to my contention, that this bill now offered by me as a substitute should be read section by section, and amendments offered thereto as might appear appropriate to the Committee of the Whole House on the state of the Union.

Mr. CHINDBLOM. Mr. Chairman, I think it is perfectly clear that the so-called Reece amendment could have been held out of order as not being germane to the Senate bill; but for the purpose of preventing that point of order being made the amendment to the rule was offered yesterday, and that was its main purpose. That amendment reads:

> It shall be in order to consider without the intervention of a point of order, as provided in clause 7 of Rule XVI, a substitute committee amendment recommended by the Committee on Military Affairs, now in the bill, and as a substitute for the purpose of amending it shall be considered under the 5-minute rule as an original bill.

The rule itself, House Resolution 222, from the Committee on Rules, provides:

> At the conclusion of the reading of the joint resolution for amendment the committee shall rise and report the joint resolution to the House with such amendments as may have been adopted.

That language has nothing to do with the question of germaneness, but simply with the procedure by which amendments should be considered.

Mr. CRISP. Does not the position the gentleman takes strengthen my contention? Now the House has the Norris proposition before it, and that is what the gentleman from South Carolina proposes, and the gentleman from Illinois concedes his case away.

Mr. CHINDBLOM. The Reece amendment is here only on account of the provision of the rule adopted yesterday; that is to say, it would not be in order, in my opinion, under the general rules of the House, but the special rule adopted yesterday made it in order and permitted its consideration. But so far as amendments to it are concerned, all such amendments must be germane to the Reece amendment.

Mr. MOORE of Virginia. May I call the attention of the gentleman to the position of the chairman of the Committee on Rules yesterday? If there is any doubt as to the germaneness of the amendment of the gentleman from South Carolina, it seems to me you have to attach tremendous weight to what the chairman of the Committee on Rules said, if you concur in the opinion laid down by the Supreme Court as to construction of legislation—and the rule is legislation—where there is doubt as to its meaning. The chairman indicated that the purpose was not to hobble the House by adopting the amendment to the rule, but to enlarge the liberality of proceedings in the House.

Mr. CHINDBLOM. Of course, the amendment liberalizes the opportunity for amendment, because under it there may be an amendment to an amendment to the committee amendment. Otherwise the Reece amendment would be treated as an original amendment and no amendments could be offered to amendments to it. The general rules of the House are liberalized by making the Reece amendment subject to amendments like an original bill, but the rule did not change the germaneness of the Reece amendment. It simply made it in order notwithstanding its lack of germaneness.

The CHAIRMAN. The Chair is ready to rule. The amendment offered by the gentleman from South Carolina [Mr. McSWAIN] by way of substitute, as he has explained, includes a leasing proposition somewhat similar to the bill reported by the committee, and as an alternative proposition it provides for Government operation of Muscle Shoals, or includes in substance the Norris plan as passed by the Senate.

While it is true, as the gentleman from South Carolina states, that one purpose of the rule relating to germaneness is to protect the House against surprise and from being obliged to consider legislation which has not been considered in committee, it is also the rule that committee amendments to a bill must be germane, the same as amendments offered by individual Members.

The present occupant of the chair paid close attention to the colloquy between the gentleman from Georgia [Mr. CRISP] and the gentleman from New York [Mr. SNELL] yesterday during

the debate on the rule and has read it in the RECORD this morning. The gentleman from Georgia asked the chairman of the Committee on Rules, in effect, if the rule he was presenting would in any way prohibit the introduction and consideration of germane amendments, and the gentleman from New York replied in substance that it would not. The Chair does not think that that colloquy is of any particular help to him in this situation. It merely reaffirmed the rules of the House. The gentleman from New York did say that what was desired was that the committee substitute should be considered as an original bill, so that amendments might be offered to it the same as they can be offered to an original bill.

It seems to the Chair that the clear assumption of the amendment to the rule which was adopted yesterday was that without such amendment the committee substitute would not be in order or germane as an amendment to the Senate resolution. Furthermore, it seems to the Chair that the consensus of opinion of those who participated in the debate yesterday was to the same effect.

The gentleman from Alabama [Mr. OLIVER] particularly stressed this point and requested the chairman of the Rules Committee to offer an amendment which would make in order the Senate resolution to the committee substitute.

Mr. OLIVER of Alabama. Since the Chair has referred to the question I asked, will the Chair permit an interruption?

The CHAIRMAN. The Chair intends to quote the gentleman's language so that there will be no misunderstanding about it.

Mr. OLIVER of Alabama. Will the Chair permit me to make a suggestion?

The CHAIRMAN. Yes.

Mr. OLIVER of Alabama. Considerable doubt had been expressed as to whether or not amendments similar to the one now pending would be in order. The chairman of the Rules Committee had stated he did not care to pass on that question. I inquired of him whether it would not be well to clear that up by having a rule that would remove all uncertainty. It was in connection with the discussion that had preceded, showing there was some uncertainty about it that prompted my statements.

The CHAIRMAN. The Chair read what the gentleman from Alabama said and concluded that there was not much uncertainty in the mind of the gentleman from Alabama about the point of order. Inasmuch as the gentleman has interrupted the Chair, the Chair will read more fully from the record containing the statement of the gentleman from Alabama than he otherwise intended to do.

The gentleman from Alabama said—I quote from the RECORD:

> There are some provisions which the Senate has passed on which some Members of the House desire to have an expression on by the House. Since that is true, the Committee on Rules should consider liberalizing the rule so as to make it possible to offer provisions of the Senate bill as amendments to this bill; otherwise you will not make effective the right to offer important amendments.

The gentleman from Alabama [Mr. OLIVER] proceeded:

> The Rules Committee could make in order——
>
> Mr. SNELL (interrupting). Any amendment a Member might desire to offer?
>
> Mr. OLIVER of Alabama. Well, you should make in order parts of the bill now pending before the House and which this bill seeks to amend. The committee could provide that the Senate bill might be considered as germane for the purpose of offering amendments in the Committee of the Whole, and surely that would not be a dangerous precedent.

The gentleman from New York [Mr. SNELL] replied that that had never been done by the Rules Committee, and he did not think it was desirable to do it.

The fact that that was the assumption of the amendment to the rule and the general consensus of opinion, as the Chair gathered it, of the Members of the House who debated the question is not, of course, altogether controlling, but the Chair would not feel like rendering a decision in opposition to what seemed to be the general consensus of opinion of the Members without a firm conviction that he was right in doing so.

The gentleman from Georgia [Mr. CRISP] has called attention to the fact that both propositions are before the committee—both Government operation and the leasing bill reported by the Committee on Military Affairs. That is true, but they are before the committee because of a special rule, and not necessarily because of the general rules of the House.

It is also true that no matter what the decision on this point of order may be the Members of the House will have two opportunities to express themselves upon whether they desire the Norris resolution which provides for Government operation, or whether they desire the leasing proposition. If the committee substitute is voted down in the Committee of the Whole, then the Senate resolution is before the committee. If the committee substitute is voted up and goes to the House, then the vote will come on the report of the committee. So, the Members will have two different occasions upon which to express themselves as to whether they desire the Senate resolution or the substitute of the Committee on Military Affairs.

The rule as to germaneness provides that if anything in an amendment is subject to a point of order, that voids the whole amendment.

The amendment of the gentleman from South Carolina [Mr. MCSWAIN] contains a provision for Government operation, the same in substance as passed by the Senate. It seems to the Chair that the precedents which control in the consideration of this question are well established and perhaps better stated during the consideration of the farm relief legislation than at any other time. The Chair will refer briefly to some decisions of the chairman of the committee, Mr. Sanders, during the consideration of one of the first farm relief bills. The Chair will read from the precedents:

> The Committee of the Whole House on the state of the Union was considering the bill H. R. 9033, the farm relief bill, declaring an emergency in respect of certain agricultural commodities and providing for the creation of a corporation to continue for a period of five years, with authority to buy and sell agricultural products and authorizing an appropriation for that purpose.
>
> The first section of the bill having been read, Mr. JAMES B. ASWELL, of Louisiana, moved to strike out the section with notice as to subsequent sections, and insert a new bill proposing to relieve the declared emergency through a comprehensive system of cooperative marketing.

Chairman Sanders, in passing upon the point of order in that case, said:

> The amendment offered by the gentleman from Louisiana by way of a substitute undertakes to deal with the agricultural problem. However, the mere fact that it tackles the same problem does not necessarily make it a germane amendment. The gentleman from Missouri calls attention to some of the details of the bill offered by the gentleman from Louisiana, which make it, it seems to the Chair, not germane.
>
> The bill under consideration by the committee creates a Government corporation, and through the agency of that corporation—by the aid of other agencies—undertakes to artificially provide a means of taking care of the surplus exports in such way as to raise the price of agricultural commodities up to the point where the ratio will be the same on agricultural commodities as on other commodities over a fixed period of time, and it carries out that plan.
>
> Now, this proposition, while it undertakes to relieve agriculture, undertakes to do it in an entirely different way and in such manner as would not be proper by way of a substitute.

Chairman Sanders, in passing upon another amendment at that time, said:

> The object sought, of course, is farm relief, but that does not necessarily make the bill germane. The method is so entirely different in the bill offered by the gentleman from Illinois from the method of the bill under consideration that it seems to the Chair that it is not germane.

Again he said:

> It is not possible to offer a substitute for a bill which undertakes to give the same relief and yet departs entirely from the method of the bill under consideration.

Following those precedents, which the Chair believes correctly state the rule, the Chair feels that the amendment of the gentleman from South Carolina is not germane to the committee substitute. The two bills relate to Muscle Shoals, but they treat the subject matter in totally different ways. There is no similarity in the two bills—they have nothing in common. No one can read them without being struck with the fact that they are entirely dissimilar.

Therefore the Chair sustains the point of order.

Mr. CRISP. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CRISP. I am not going to appeal from the decision of the Chair. I differ with the Chair, but I know the Chair is honest and sincere in his ruling. I rise to make this parliamentary inquiry: The Chair stated it was within the power of the House to have the right to vote on the Norris resolution and on the Reece resolution by virtue of the House, when the committee rises, not accepting the recommendation of the committee. I grant you that is true; but some Members of the House desire to have an opportunity to vote to put both the Norris and Reece plans into effect in an alternative way. Can the Chair answer the question as to how the House will have an opportunity to do that?

The CHAIRMAN. The Chair feels that under the precedents the two propositions are not germane to each other.

Mr. COX. Mr. Chairman, I offer the following amendment:

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. Cox: Page 22, line 2, before the word "involved," insert: "except that all properties adapted to the fixation of nitrogen in the manufacture of fertilizer in time of peace for sale for use in agriculture, and of explosives or the essential ingredients therefor in time of war, and to the extent of their use for such purposes shall be appraised at a nominal value."

Mr. COX. Mr. Chairman, ladies and gentlemen of the committee, I do not share the view expressed by some that this is a power bill. I am confident that those responsible for proposing this measure had the purpose of devoting this property to the benefit of agriculture in time of peace and to the national defense in time of war.

I have proposed an amendment that should challenge the interest of every advocate of devoting some part of the property to the manufacture of concentrated nitrate suitable for use in fertilizer.

The provisions of the Reece amendment as written provides, in effect, that the board shall appoint three appraisers who shall appraise the property in such a manner as may be directed by the board, which appraisal shall represent the "present fair value" of the property.

Now, let me say to you that the value is put upon the property capable of being used in the manufacture of nitrates will determine absolutely the question as to whether cheap fertilizer will be manufactured.

It has developed in the discussion that there are those who believe that the Wilson Dam, Dam No. 2, has a valuation of $50,000,000.

Let me say to you that if you put a valuation of $10,000,000 on it, it will not be possible to devote it on an economical basis to the manufacture of concentrated nitrates, and therefore you will have no fertilizer.

It might be urged on the part of some that there is a provision in the bill which says that no amount shall be set aside for the amortization of the value of that part of the property that may be devoted to the manufacture of nitrates.

I submit to you that only saves the consumers of any nitrate that may be used the difference between the original cost and the increased amount represented by a sufficient sum to take care of the amortization.

Mr. McSWAIN. If the purpose of the gentleman's amendment, and I appreciate the purpose and sympathize with it, is to relieve agriculture of the burden of having to pay a rental on the appraised value, would it not be more logical either to eliminate that branch of the property from appraisal altogether or let it be appraised, and provide that it shall pay no rental. If it eliminates the matter of amortization, why not eliminate the matter of rental also, and why ask the Board of Appraisers to appraise something and tell them what it shall be appraised at? It seems to me the logical thing is to offer the amendment to cut out the rent, and if the gentleman will offer that, I shall be glad to support it.

Mr. COX. I think that the amendment which has been offered by myself and the suggestion made by the gentleman from South Carolina amounts to identically the same thing. It must be understood that if a high appraisal is made, which represents investment, upon which there is a certain fixed income, as provided by the bill, shall be exacted of the lessees, that there can be no manufacture of fertilizer on an economic basis, or on such a basis as will enable the lessee to compete with private manufacturers in the sale of their products.

Mr. McSWAIN. Does not the gentleman see any force in the discretion now vested in the board to fix the rental? Even though the property were appraised nominally, that would not preclude the board from fixing an inordinate rental. The way to do it, in order to prevent the board from exercising the arbitrary discretion, to the detriment of agriculture, is to say to that part of the property, whether it is worth $10,000,000 or $40,000,000, shall pay no rental when devoted to agricultural purposes.

The CHAIRMAN. The time of the gentleman fom Georgia has expired.

Mr. COX. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COX. Every implication of the bill is that the rental to be exacted by the board will be based on valuation or upon assessed valuation of the property. With a nominal valuation, no exaction will be made by the board, I take it, of the lessee, or one offering to take the property as a lessee, of an exorbitant rental, or for any rental of consequence whatever.

If you want fertilizers, gentlemen, or if you are interested in an honest experimentation in the making of concentrated nitrates for use in agriculture and for the benefit of agriculture, then you must see the importance of adopting the amendment that is pending, or some other amendment taking care of the same thing. A high appraisal, let me repeat, an appraisal which necessarily might be regarded as high, will follow as a result of the enactment of the Reece amendment in the language in which it is written, because in fixing the value—and value is a relative term—you necessarily take into consideration the cost of the thing, and yet the value of a thing is not the cost. Neither is it in every instance the price that a prospective or interested buyer is willing to pay. The cost of a thing, however, does enter into it. If you approach a manufacturer and offer to buy a yard of cloth, the first thing that the manufacturer does is to figure on the cost of that yard of cloth to him and then add to it a profit. If you approach a distributor or a retail merchant with respect to the price of that same yard of cloth, the thing that enters the mind of the merchant is what the cloth will bring in the open market. While the bill in this instance exacts of the board—the appraisers—that they shall fix the value of the property, yet, as I have said, many elements enter into the determination of that all-important question, so far as the proposal to devote some part of the property to the manufacure of concentrated nitrates is concerned.

Mr. OLIVER of Alabama. There is nothing inconsistent in the adoption of the gentleman's amendment with the suggestion of the gentleman from South Carolina. The adoption of his suggestion will simply reinforce the purpose of the amendment.

Mr. COX. That is true. I am sure that the membership of this House is sympathetic with the proposal to make some sort of honest disposition of this piece of Government property. There are those of us who wish to avoid putting the Government in business, so far as the operation of the plant is concerned. There are others who hold different views. The committee offering this amendment I am persuaded have honestly endeavored to bring you a proposal that is fair, that is reasonable, that is worthy of your sympathetic consideration, endeavoring as the agents of this body to work out a proper solution of the problem, and I submit that the proposal is by many believed to be reasonable. I am sure that with the amendment that I offer adopted, that those of you who are interested in cheap fertilizers will have the opportunity of getting them. [Applause.]

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. WURZBACH. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Texas is recognized for five minutes.

Mr. WURZBACH. Mr. Chairman, I merely want to call attention to the provision on page 37 of the bill, providing for the annual payment to the United States of a sum sufficient to amortize the appraised valuation of all of the property. A further proviso is made, as follows:

Except that the lessee or lessees of nitrate plant No. 1 and nitrate plant No. 2 shall not be required to make payments to amortize the appraised valuation of said plants as long as they or either of them may be employed by the lessee or lessees for the fixation of nitrogen for agricultural purposes.

Now manifestly the purpose of the amendment of the gentleman was to make fertilizer manufacture more attractive to a lessee by not requiring him to pay on too high an appraised value of the nitrate plants. But that amendment does not go nearly as far as the language in the present bill, because the bill provides that no value shall be placed on the nitrate plants when such plants are used in the manufacture of fertilizers. Therefore the amendment does not go as far as the bill, and is wholly unnecessary.

It is true that during the discussion of that amendment the question of the charge of rent has been brought up, but that is not proper to take up at the present time under the present amendment. I think that this amendment should be voted down for the reasons I have stated.

Mr. McSWAIN. I think the appropriate place for the gentleman's amendment to accomplish the purpose he has in view is on page 27, line 12, after the word "plants," because there is no essential relation between that and the appraised value. There is a relation between amortization and appraised value. This property might be appraised at the nominal value of $1, for instance, and the board could fix the rent at a million dollars. These two plants might be employed not for commercial purposes but for the manufacture of heavy chemicals for industrial purposes, and the lessee ought in such case to pay the Gov-

ernment a reasonable sum on the appraised value. I am going to offer an amendment at the proper time in the proper way.

Mr. COX. The gentleman from South Carolina [Mr. McSWAIN] has suggested a way to amend the pending amendment. The question arose as to the proper way and the proper time for offering the amendment. It was my opinion that the amendment should be offered at this time and at the place designated in the amendment. However, there is a difference of opinion, and it is pretty generally conceded that it might come in at the place indicated by the gentleman from South Carolina. Therefore I ask unanimous consent to withdraw my amendment and have it offered, together with the amendment of the gentleman from South Carolina, at a later time.

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

There was no objection.

Mr. BYRNS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BYRNS: Page 22, lines 23 and 24, after the word "bond," in line 23, strike out the words "effective for the first five years of the lease or leases," in lines 23 and 24.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The amendment was again read.

Mr. BYRNS. Mr. Chairman and ladies and gentlemen of the committee, it is my intention to support the bill reported by the Committee on Military Affairs.

I have never been in favor of the Federal Government entering into competition in private business with its citizens. Of course I realize the force of the argument made with reference to this particular property at Muscle Shoals, in that the Government has a large expenditure there, amounting to $160,000,000 and more, and if a proper lease can not be made under proper restriction, restrictions protecting the public, then I shall vote for the Government to operate it. But, so far as I am concerned, I want to see every opportunity given to lease that property before that is done, if it can be done under proper terms and proper restrictions.

For nine years Congress has been endeavoring to make a lease, and without success. Now, the Committee on Military Affairs in a carefully prepared bill recommends to the House a bill to give the President of the United States, through a board appointed by him, the power to lease under the terms and restrictions contained in the bill. I believe that opportunity should be given, and, as I stated, I hope this bill will be passed with certain amendments, including one which I have offered. I would like to see the Norris bill adopted as a final alternative in the event the President is unable to make a lease within a reasonable time, so that the question may be finally disposed of at this session.

It seems to me if the President can not make a lease nobody could object to the Government operating its own property at Muscle Shoals. I do not understand that the bill presented by the committee is a power bill. I have the fullest confidence in the members of the Committee on Military Affairs and the members of the subcommittee, which originally considered and reported the bill to the Committee on Military Affairs. I am satisfied without a doubt that those gentlemen have had in their minds in the preparation of this bill the interests of agriculture as set forth in the law passed in 1916, and that they have made an earnest endeavor to secure for agriculture the benefits which were promised to agriculture when that bill was passed in 1916.

I regard this bill as being of infinitely more benefit to agriculture than the Norris bill. The able gentleman from South Carolina [Mr. McSWAIN], who as a member of the committee, has given these bills so much thought and whom we all know is a firm friend of agriculture, made this very clear in his remarks on yesterday. The Norris bill, as has been stated, makes no provision whatever for the sale of fertilizer. It provides for the manufacture of fertilizer for experimental purposes. This bill makes provision for the manufacture of 10,300 tons of fertilizer.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Without objection, the gentleman from Tennessee may proceed for five additional minutes.

There was no objection.

Mr. BYRNS. This bill makes provision for the manufacture of 10,300 tons of fertilizer in the first three years of the operation of the lease, and after that it is to be increased if commercial conditions justify.

The statement has repeatedly been made that this bill does not make provision for agriculture but, in order to support that statement those who make it assume that the President of the United States will not appoint honest and capable men who are interested in carrying out the intent of the law and the intent of Congress in so far as the manufacture of fertilizer is concerned. I do not believe the President will pursue any such course. [Applause.]

I am satisfied that the President will make an earnest endeavor to carry out the intent of Congress as expressed in this bill, through the board to be appointed by him.

Therefore, I repeat that this bill, giving opportunity, as it does, for the manufacture of fertilizer, is of infinitely more benefit to the farmers than the Norris bill, which makes no provision whatever for the sale of fertilizer.

There is another reason for my support of this bill.

Mr. CLARK of Maryland. Will the gentleman yield?

Mr. BYRNS. I yield for a question.

Mr. CLARK of Maryland. The gentleman has proposed to strike out the limitation of the bond. Will the gentleman give his reasons for that?

Mr. BYRNS. I am coming to that, but, not having an opportunity in the general debate, I wanted to briefly state my position with reference to this bill.

The Members of the Tennessee delegation have been making efforts, in bills looking to the disposal of Muscle Shoals, to preserve at least some of the inalienable and constitutional rights of that State with reference to Cove Creek Dam, which is to be built upon a nonnavigable stream within its borders. I would not support this bill, I would not support the Norris bill, or any other bill which did not make provision for the building of the great dam at Cove Creek, which means so much to the industrial development of my State and to the entire South.

This bill, as reported from the committee, does recognize the sovereign rights of Tennessee. This can not be claimed for the Norris bill. Let me say to you, gentlemen, while Tennessee is particularly involved, it is a matter that should appeal to you and every State in this Union. It provides for recapture at the end of the lease, on the part of the State, by paying the net investment in the dam. It preserves to the State the right to tax, which is an inherent right, and a very important right, to every State. Under the Norris plan, the State would not have the right to tax during all of the years that will come.

This bill further gives to the State the right to control rates for power which may be generated at the Cove Creek Dam.

In addition to this, it gives to the State the right to determine, in cooperation with the Federal Water Power Commission, the royalty to be collected from the dams which are located downstream, by reason of the increased power due to the storage of water at Cove Creek. There is not a semblance of those rights reserved to the State of Tennessee under the Norris bill.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BYRNS. Mr. Chairman, I do not like to ask the further indulgence of the committee, but I ask unanimous consent to proceed for five more minutes.

The CHAIRMAN. Without objection, the gentleman from Tennessee is recognized for five additional minutes.

There was no objection.

Mr. BYRNS. These are some of the reasons, gentlemen, which I think should appeal to every Member of the House, as to why this bill should be passed.

I am sorry an alternative bill was not proposed, because I would like to see this consideration end the matter, and if the President, within a reasonable time, finds he can not make a lease, then I would like to see the Government begin operations at Muscle Shoals, rather than to see this great property and this great investment continue to go to waste.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. BYRNS. I yield for a short question.

Mr. TAYLOR of Tennessee. The Norris resolution does recognize the rights of the State of Tennessee, in according to the State a certain percentage of the gross revenue derived from the operation of the plant.

Mr. BYRNS. Yes; but I want to ask the gentleman if he thinks the very small percentage which will accrue to the State of Tennessee under the Norris bill is commensurate to any extent in value to the right preserved in this bill to the State to tax this property within its borders?

Mr. TAYLOR of Tennessee. I think it would far exceed the revenue that the State would derive from taxation.

Mr. BYRNS. How much does the gentleman understand will come to the State by reason of the construction of this dam under the Norris bill?

Mr. TAYLOR of Tennessee. I am not speaking with reference to Cove Creek only. I have reference to the other dams that will be constructed.

Mr. BYRNS. My understanding is that about 8,000 primary horsepower will be generated at Cove Creek Dam. At $25 per horsepower, that will amount to $200,000. The Norris bill provides for only 5 per cent to be paid to the State of Tennessee, or $10,000, per annum. Surely, the gentleman will agree with me that that small sum will not compensate the State for the loss of its taxing power.

Mr. TAYLOR of Tennessee. That is Cove Creek only.

Mr. BYRNS. The dam will cost $37,000,000. In addition to that, the machinery and generating equipment will add many more millions of dollars to the plant. Then something like 54,000 acres of land will be flooded. None of this would be taxable under the Norris bill. All of it is subject to taxation by the State under the bill reported by the Military Affairs Committee. Nature has given the State this great site and resource. Why, in all fairness, should the State be required to surrender its inherent right of taxation for the benefit of other States? I am not willing to acquiesce in the proposal of some to deprive my State of its sovereign rights, and especially when the passage of either bill will insure the building of the Cove Creek Dam.

Mr. TAYLOR of Tennessee. Not without making some return; but, as I construe the Norris bill, it does make adequate return. But does the gentleman think that this bill that is before the House is workable, and that the Government can negotiate a lease under its terms?

Mr. BYRNS. I hope so. I believe that if it is possible to do so it will be done. Certainly a reasonable time should be allowed to enable the President to effect such a lease under the terms of this bill which, as I have said, gives promise for the manufacture of considerable fertilizer, insures the building of the Cove Creek Dam, and preserves to this State its sovereign right of taxation, the right to control the rates and distribution of power generated within its own borders, a voice in the price to be paid for increased power on dams downstream on account of the Cove Creek Dam, with the right of recapture.

Mr. TAYLOR of Tennessee. That is the reason I am advocating the same thing the gentleman is advocating, namely, the alternative plan, to take care of that contingency.

Mr. BYRNS. That is the only reason I have for saying I would like to see the alternative plan adopted rather than this bill alone; but since I can not get the alternative plan I prefer this bill to the Norris bill, hoping when it gets into conference the Senate and House conferees may come to some agreement and work out the very thing the gentleman and I would like to have done.

Mr. TAYLOR of Tennessee. I agree with the gentleman.

Mr. REECE. Referring to the query propounded by the gentleman from Tennessee, my colleague [Mr. TAYLOR], as to the workability of this authorization to lease these properties, after having given very careful consideration to all the questions involved there is no question in my judgment but that a lease or leases for the entire property can be and will be executed under its terms if it should receive the favorable action of the House, and there will not only be one bidder but there will be many, and it will be a question of the board using discretion as to which one they will give the lease to rather than hunting up a lessee.

Mr. BYRNS. I hope and believe that is true, and for that reason I can not understand why anyone, even though he may be violently opposed to Government operation, should object to the addition of the Norris bill to this bill as an alternative proposition.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. McSWAIN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Without objection the gentleman from Tennessee will be recognized for five additional minutes.

There was no objection.

Mr. McSWAIN. Would not the tying of the two together give an additional opportunity to lease, providing that if the leasing provisions should not become operative by the execution of a lease, that then Government operation shall follow automatically? Would not that stimulate and encourage the execution of the leasing provisions?

Mr. BYRNS. I think so.

Mr. McSWAIN. So if they are tied together, with Government operation behind it, that will insure the execution of a lease, and therefore those who favor the leasing provisions should favor the tying of the two together.

Mr. BYRNS. I agree with the gentleman. However, if it did not have that effect and no lease was executed, I think we should now once and for all dispose of this question, which has been hanging around Congress for at least nine years, and, since Congress has been unable to dispose of it, I think we should give the President a reasonable time within which to make a lease; and if he finds he is unable to make a lease, then it seems to me the Government should take charge of its own property and operate it.

I want to repeat what I said in the beginning. I want to congratulate the members of the Military Affairs Committee, who for years have labored upon this proposition in an effort to bring out some effective legislation. I know something of the labor which has been involved in the preparation of this bill. I believe they have proposed a bill which is workable, as was stated by the gentleman from Tennessee, my colleague [Mr. REECE], who was an influential member and chairman of the subcommittee which drafted it, and which will enable a proper lease to be made.

Now, as to my amendment, on page 22 this bill provides for the execution of an adequate performance bond by the lessee, effective for the first five years of the lease or leases. As a matter of fact, that must be left to administration. It is a question for the board as to what is an adequate bond. I can see no reason, gentlemen, why Congress should tell the board that it shall only take a bond for five years at the beginning of the lease. It seems to me we ought to leave with the board the question as to what shall be an adequate bond. I believe the bond ought to be sufficient, in the opinion of the board, to insure that the lease which will be made will be carried out to the fullest extent and during its entire duration.

Mr. STAFFORD. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. STAFFORD. Is it the gentleman's intendment that the bond should be so worded that it shall be of continuing effect to last during the term of the lease?

Mr. BYRNS. That would not necessarily follow, as I read this language, because the language is:

> When the leasing board shall have negotiated a lease or leases for the Muscle Shoals properties as hereinafter authorized, they shall require an adequate performance bond—

And then the bill adds—

> effective for the first five years of the lease or leases.

Now, it is left to the board as to what they regard to be an adequate performance bond. They might feel they ought to have a bond for 10 years or 25 years or even 50 years, or they might feel that a bond for a term of 5 years is sufficient. I do not think the House or the Congress should undertake to fix the time for this bond, but rather leave it to the administration to do what it thinks best in the matter.

Mr. WURZBACH. Then does not the gentleman think that if the word "shall," in line 23, was changed to "may"——

Mr. BYRNS. No; I would rather see an absolute requirement for a bond of some kind, leaving it to the board to fix the time as well as the amount and character of the bond.

Mr. STAFFORD. Mr. Chairman, I take the floor largely to interrogate the proposer of the amendment.

At first blush I thought the effect of the amendment would be to compel the lessees to furnish a bond for the entire term of the lease, and I was wondering whether it would be agreeable to the gentleman to substitute for his amendment the language "for such period of time as the board may determine," so that the provision would read, "an adequate performance bond for such period of time as the board may determine."

I would be very much averse to having any language written into this bill that might make it compulsory to require a bond for the entire term of the lease from a responsible tenant. It would really be an added charge on fertilizer production. If the bond were given by a surety company, and such bonds these days are usually furnished by surety companies, the premium might run into thousands of dollars. There would be no occasion for requiring a bond if the lessee is of responsible financial standing. So leave it as I have suggested, and take out the date from the amendment proposed by the gentleman and provide "for such period of time as the board may determine."

Mr. BYRNS. I will say to the gentleman I thought by striking out this language every purpose would be served, because it would then be within the discretion of the board to require what it considered to be an adequate performance bond.

Mr. STAFFORD. I agree with the gentleman's purpose, and I think we should not circumscribe the discretion of the board by providing mandatorily a bond for five years, because the

lessee may be of such financial standing—Henry Ford or any of the large chemical interests—that it would be ridiculous and almost an insult to require them to furnish a bond. Why not leave it in the discretion of the board "for such period of time as the board may determine."

Mr. BANKHEAD. That is exactly the effect of the gentleman's amendment.

Mr. STAFFORD. I only want to make it explicit. If that is the effect, then there is no pertinency in my proposal.

Mr. BYRNS. I think that is the effect of striking out this language.

Mr. BANKHEAD. It would be entirely in the discretion of the board.

Mr. BYRNS. I am perfectly willing, however, to write that into the bill, but I think it is not necessary.

Mr. STAFFORD. I agree with the gentleman's position, that it is wrong to require a stated period. The lessee may have a financial standing, so that it would be ridiculous to exact any performance bond at all, so I am rising to inquire whether under this language there could be any doubt about the board having discretion to waive the furnishing of the bond.

Mr. BYRNS. I would not like to see it, and it was not my intention to provide, for any waiver of the bond, so far as that is concerned. I want to require the board to exact an adequate performance bond, but I want to leave it with the board as to the time during which the bond shall be effective.

Mr. STAFFORD. Then it will clarify the intendment of the gentleman by adding "for such period of time as the board may determine."

Mr. BYRNS. I do not object to that, Mr. Chairman, and I therefore ask unanimous consent to modify my amendment to strike out the language after the word "effective" and insert "for such period of time as the board may determine."

The CHAIRMAN. Without objection, the gentleman from Tennessee will be permitted to modify his amendment as indicated, and the Clerk will report the amendment as modified.

There was no objection.

The Clerk read the amendment, as follows:

Modified amendment by Mr. BYRNS: Page 22, line 23, after the word "effective," strike out "for the first five years of the lease or leases" and insert "for such period of time as the board may determine."

The amendment was agreed to.

Mr. McSWAIN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from South Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. McSWAIN: Page 21, line 6, after the enacting clause, on page 1, strike out all language of the amendment proposed by the Committee on Military Affairs and insert in lieu thereof the following: "All language beginning at line 3 of page 1 of H. R. 12097, through line 16 on page 26."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order to the amendment, and I ask unanimous consent that the amendment be considered as read.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the amendment proposed by the gentleman from South Carolina be considered as if it were read and inserted at this point in the RECORD.

Mr. LAGUARDIA. Reserving the right to object, if the point of order is going to be made——

Mr. McSWAIN. I think we might as well dispose of the point of order now.

Mr. STAFFORD. The gentleman from South Carolina has had his bill printed in the RECORD. It was printed several days ago. The gentleman from New York was out of the Chamber attending committee meetings at the time. His amendment is title 1 of his bill, leaving out title 2 and title 3, to which I make the point of order that the amendment is not germane. In making this point of order I shall be obliged to go into detail as to the reasons why I consider this amendment not germane.

I wish to call the attention of the Chairman, as I did slightingly in my former argument on the former point of order, to the fact that the board that this bill provides for is a continuing board. The board, as provided for in the Military Affairs Committee bill, is a temporary board, whose powers expire December 1, 1931. The board created in the amendment of the gentleman from South Carolina is a governmental agency exactly similar to the board that is created in the Senate resolution, only having greater powers.

I now direct the Chairman's attention, seratum, to the respective powers vested in the board of a continuing character, even if the leasing bill is entered into.

I first direct the attention of the Chair to page 4, lines 11 to 13, which read as follows:

But the board shall operate Dam No. 3 and Cove Creek Dam and their corresponding power houses and plants, as hereinafter directed.

There is a Government-operating provision. Independent of the lease that board is to have the power to operate these dams.

Next, on page 4, lines 18 to 25:

The board shall decide and declare, for such profits from the sale of power which may result from the temporary and unavoidable discontinuance of the manufacture of fertilizer and/or fertilizer component part or parts, and that such manufacture of fertilizer or fertilizer parts may be discontinued only when there is an excess accumulation of fertilizer stocks unsold, in excess of the reasonable and probable demands for such fertilizer.

Next, beginning at bottom of page 5:

Except and unless the board shall find as a matter of fact that there is an excess amount of such fixed nitrogen on hand and in storage in excess of the reasonable and probable demands for same, and in such event the board shall have the power to permit by written order and authority the reduction in the volume of such nitrogen to be fixed and manufactured for any one year, subject to the condition herein stated that due credit and allowance shall be made for the use of such power otherwise, or the sale of such power, as shall be released by reason of such temporary discontinuance of the manufacture and fixation of nitrogen for agricultural use.

Next, on page 13, line 13, and following:

When the board shall find that the use of such cheap secondary power shall reasonably enable the lessee to produce such fertilizer and/or fertilizer ingredients in concentrated form at a cost below what would be the cost if primary power exclusively were employed in producing and manufacturing the same.

On page 15, at the top of the page:

(m) The board shall have the right and it shall be its duty to advise the lessee from time to time, as it shall see fit, as to the nature, kind, and quality and composition of the fertilizer and/or fertilizer ingredients in concentrated form to be manufactured by lessee, so that same shall be reasonably acceptable to the consuming public, either as a dilute fertilizer or in concentrated form, as the board may require and the trade demand.

I will continue reading that provision showing the wide powers of the board as to supervising the property and the lease, acting as a governmental agency as if the Government engineers were operating the plant through subsidiary lessees. I am going to continue reading so as to present clearly to the attention of the Chair the full cause of this governmental board:

And if the lessee shall refuse to comply with such advice, and if in consequence of such refusal the fertilizer product or products of the lessee shall not be sold in sufficient volume to justify the continuance of its manufacture in the volume herein required, and if the manufacture of such fertilizer and/or fertilizer ingredients shall thereafter be discontinued by the lessee, the board shall thereupon have the right to request the United States Attorney General on behalf of the Government to institute proceedings in any district court of the United States to declare the lease to be null and void on account of the failure of the principal and paramount purpose of the lease, and in considering such facts as shall be alleged by the Government in the suit the court may consider the refusal of the lessee to follow the advice of the board in the matters herein mentioned as some evidence upon the issue of good faith or bad faith of the lessee.

The board shall thereupon have the right to request the United States Attorney General—

On behalf of the Government to institute proceedings in any district court of the United States to declare the lease to be null and void on account of the failure of the principal and paramount purpose of the lease, and in considering such facts as shall be alleged by the Government in the suit * * *.

That is on page 15. Next let us take page 18:

The board is given power to prescribe regulations as to the manner in which the fertilizer shall be sold and the deliveries.

Next, on pages 19 and 20, the board is given authority to supervise the salaries that are to be paid by the lessee in its operation of the lease.

On page 23 there is a very potent argument against its being germane, to show that it can not be considered for a minute that it has any relevancy to the leasing proposition as provided in the committee bill. I ask the Chair to revert to the provision contained in subparagraph (y).

If the board shall fail to negotiate, execute, and conclude a lease for the Muscle Shoals property within six months after its appraisement of said property shall have been completed, then the board shall proceed to operate the plant pursuant to the powers and directions of this act.

That is Government operation by the board as provided in the Norris resolution.

Mr. McSWAIN. Is not the gentleman reading from Title II?

Mr. STAFFORD. I am not. I am reading from page 23. The gentleman submits his bill to page 26, as I understand it. I am not reading from Title II, I am reading from the amendment offered by the gentleman, and I direct the Chair's attention again to just what I have read on page 23, subparagraph (y):

If the board shall fail to negotiate, execute, and conclude a lease for the Muscle Shoals property within six months after its appraisement of said property shall have been completed, then the board shall proceed to operate the plant pursuant to the powers and directions of this act.

I submit again that there are the very provisions of the Norris bill, and it surely vitiates the bill as a leasing proposition when that provision is included. If the gentleman says that that vitiates it, I shall conclude my argument, and if he is going to offer another amendment, I will be compelled to again make my argument.

Mr. McSWAIN. Mr. Chairman, I concede that so far as subsection (y), on page 23, is concerned, it does impinge upon the ruling already made by the Chair, and I ask unanimous consent to strike from my amendment subsection (y). I had in mind that it was at the bottom of page 26 that I provided for the transfer. The gentleman from Wisconsin is correct in calling my attention to the fact that subsection (y) is an infringement of the rule already laid down by the Chair.

The CHAIRMAN. Without objection, the gentleman from South Carolina will be permitted to modify his amendment by striking out subsection (y) on page 23 of the bill.

Mr. STAFFORD. With the understanding that the amendment is still subject to the point of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. STAFFORD. Further, Mr. Chairman, I direct the attention of the Chair to the provision on page 24 providing for the organization of the board. The instant bill under consideration by the committee provides for a temporary board with certain powers. This section 2 on page 24 of the amendment offered by the gentleman from South Carolina [Mr. McSWAIN] provides for the constitution of a corporation:

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.

Then the board is granted certain powers and terms of office and the like. Mr. Chairman, I think I have said enough to show that this bill is entirely different in concept from the bill under consideration—the committee amendment, to which germane amendments are in order. First, it is a continuing board. More, it is a Government corporation, with certain governmental powers. Those powers, as I have set forth, are the right to determine the price at which the fertilizer shall be sold, and to whom it may be sold, and to supervise the salaries that may be paid by the lessee, and if in any or all of those conditions the lessee does not comply, then the board—this superboard—as any other Government agency, and as the board in the Norris resolution, has the right to come in and begin proceedings to set aside the lease. I think it is clearly not germane to the bill under consideration.

Mr. McSWAIN. Mr. Chairman, it occurs to me that the propositions advanced by my distinguished friend relate more to the merits of the question than to the parliamentary question. The objection he raises may be classified under two heads: First, the board, as to how it is created; and, second, the powers of the board. Let us first take the board, as to how it is created. The provision brought in by the majority of the Committee on Military Affairs sets up a board appointed by the President. The provision that I now offer here sets up a board appointed by the President, but to be confirmed by the Senate. How can it be said that a board appointed by the President with the power of leasing, confirmed by the Senate, is not germane to a proposition to appoint a board by the President, with powers to lease, but not confirmed by the Senate? The matter of confirmation or nonconfirmation is a detail as to the necessary and essential legal machinery by which to bring the board into existence. But the proposition advanced here in the committee amendment is a board, and the proposition that I advance is a board.

The next question is the power. It is true the board that I propose is vested with more power than the board set up by the amendment of the committee, and a great deal more power, but the board set up by the committee also has power. The supervising board, the Department of Agriculture, and the Department of War have power under the amendment proposed by a majority of the committee to supervise this lease.

First of all, what does the amendment offered by the committee suggest as to the supervising power? It gives the Government, through the Secretary of War, the right to go into these plants and inspect them without invitation. It gives the Department of Agriculture the same right. It also gives the right to the President to have the books of the lessee audited. I am calling particular attention to the fact that the board, or the equivalent thereof, the supervising power of the President, shall have power to supervise the operations. The amendment offered by the committee is to the effect that every year there shall be impartial auditors going into the books of this private operation and saying, "Is this a fair item? If you are juggling your accounts or falsifying your books or are proposing an increased price to be charged for fertilizer, we will find it out."

Mr. STAFFORD. Is there any power given to the board to terminate the lease?

Mr. McSWAIN. No; not by the board; but it is provided that if it is thought proper by the President, who is at the head of the supervising power under the committee bill, that the lease should be terminated, he shall instruct the Attorney General to institute proceedings to have the lease declared void, or at least vacated.

Mr. HILL of Alabama. In section 9 of the committee bill we see where the committee has set up an administrative board composed of the Secretary of Agriculture and the Secretary of War and the Secretary of Commerce, and that board is charged with the responsibility of supervising and seeing to it that every provision in the lease is carried out. In the event they are not carried out, they make their report as required, and the President proceeds to forfeit the lease. Is that right?

Mr. McSWAIN. Yes. The continuing board, as my friend calls it, is cut out—first, the leasing board; second, the supervising board; and third, the President—so that that power which is cut up is to be combined under my amendment, so that I do not see any objection, parliamentary or otherwise, involved in my amendment.

The CHAIRMAN. The amendment of the gentleman from South Carolina [Mr. McSWAIN] provides for one board which is directed to lease the property, and after it is leased to supervise the work of the lessee. The committee bill creates two boards for this purpose. The leasing board to lease the property and after it is leased it provides for the administrative board, consisting of the three Secretaries, to supervise and administer the lease and the work under it. Both bills set forth in detail the general principles which are to guide the different boards in negotiating the leases and in supervising the work afterwards. While the two propositions are not identical, it seems to the Chair that they are closely related and that one is germane to the other. The Chair therefore overrules the point of order.

The question is on agreeing to the amendment offered by the gentleman from South Carolina.

Mr. STAFFORD. Mr. Chairman, can we have some understanding as to the number of gentlemen who wish to speak on the amendment?

Mr. McSWAIN. There are two or three gentlemen that desire to speak on this side.

Mr. HILL of Alabama. Some important amendments are to be offered.

Mr. STAFFORD. I want to have some fair adjustment of time, but it is to be hoped that the bill will be disposed of to-day.

Mr. McSWAIN. After this amendment is disposed of another will follow. If the judgment of the House is against my contention, I will not employ dilatory tactics, so far as I am concerned. I will recognize that I am run over.

Mr. STAFFORD. Can we not arrive at some amicable agreement as to the time to be given to this amendment? How much time does the gentleman desire on his side?

Mr. McSWAIN. I would like to have 30 minutes over here.

Mr. STAFFORD. I ask unanimous consent, Mr. Chairman, that the debate on the pending amendment be limited to 30 minutes, one-half to be consumed by those in favor and one-half by those against the amendment. I will not add "all amendments to the section," because that might be unfair.

Mr. McSWAIN. I said 30 minutes on this side.

Mr. STAFFORD. That would be an hour. I misunderstood the gentleman. Would it not be agreeable to the gentleman to make it 40 minutes, 20 minutes on a side?

Mr. CROSSER. Later on I shall want 10 minutes.

Mr. STAFFORD. Let us limit it to 40 minutes. I would not wish to foreclose discussion under any circumstances.

Mr. HILL of Alabama. At the end of 40 minutes the vote to be taken on the amendment?

Mr. STAFFORD. Yes.

The CHAIRMAN. The gentleman from Wisconsin [Mr. STAFFORD] asks unanimous consent that the debate on this amendment be limited to 40 minutes. Is there objection?

Mr. McSWAIN. I want to testify that in the committee and in this debate in the Committee of the Whole the gentleman from Wisconsin has shown an open mind. I want to testify to that.

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

There was no objection.

Mr. McSWAIN. Mr. Chairman, I will ask the Chair to notify me when I have consumed five minutes.

The CHAIRMAN. The gentleman from South Carolina is recognized for five minutes.

Mr. McSWAIN. Mr. Chairman and ladies and gentlemen of the committee, we are now at the crossing of the road. We have come to the question as to whether or not the policy of the committee in all these years and the policy of Congress as expressed heretofore shall be followed strictly and fairly, or whether we shall depart from those principles and enter upon new and only recently studied methods and principles governing the leasing of this property. I submit that the policies that have been laid down by the committee and by the House through these years are sound, namely, that the property should be leased as an entirety, and that it should be done to insure to agriculture a fair and even break in the final disposition of this great property.

The gentleman from Wisconsin, in discussing the question of the point of order, called attention to the great powers reposed in the board under the amendment now under consideration. That is true. I submit that those powers are justified, because whatever may be the exact and strict terms of the lease, and although it be technically between the lessor and the lessee, the Government and the lessee, in substance the relation is a partnership. Here is the Government with $167,000,000, which says to the lessee, under my bill "You must put up $10,000,000 as a guaranty of good faith. You come and lay your enterprise, your initiative, your knowledge, your patent rights, and whatever else you may have, together with your $10,000,000, against my $165,000,000 and we will go into partnership." And to insure that this relation is properly preserved the Government will create an agent, a board, and a continuing board, to be appointed by the President and confirmed by the Senate, which shall constitute the board of directors of the Muscle Shoals Corporation. That board shall continue in office from year to year. They shall, therefore, be familiar with the whole proposition. They study it throughout the years, as the Committee on Military Affairs has been studying it for 8 or 10 years.

Gentlemen, there are serious and involved and complicated problems wrapped up in connection with this whole proposition. How else could you explain the difference of opinion among the membership of the committee itself? How else could you explain the fact that the distinguished and learned gentleman from New York [Mr. WAINWRIGHT] finds that he is unable to go along with his party in this proposition as a whole? Why? Because after studying it for eight years he sees things in it that the ordinary Member does not see. We are here proposing to create a board that shall have the right to say what the lessee shall pay; how much he shall pay as rent; what he shall do about amortization; what kind of fertilizer he shall make; how much he shall make; but I prescribe that the minimum must be 48,000 tons of fixed nitrogen every year within the first 10 years. We start at the minimum and go up.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. LAGUARDIA. All that the gentleman's amendment does is to provide by legislation, in detail, the extent of the supervision?

Mr. McSWAIN. Of course.

Mr. LAGUARDIA. While the other bill leaves the supervision rather general?

Mr. McSWAIN. Well, I think there is something in that.

The CHAIRMAN (Mr. BARBOUR). The time of the gentleman from South Carolina has expired.

Mr. DOUGLAS of Arizona. Mr. Chairman and gentlemen of the committee, I rise in opposition to the amendment for the following reasons: In the first place, the amendment provides that the leasing board must be confirmed by the Senate. I have no objection to confirmation by the Senate were it not for the fact that to provide for confirmation means a delay of about six months. We are in the closing days of this session. Any legislation which might be passed now, providing for confirmation of appointees by the Senate, will delay the operation of any prospective board until that board has, as a matter of fact, been confirmed at the next session of Congress.

That is my first reason for opposing the amendment.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. DOUGLAS of Arizona. I only have five minutes. I am sorry I can not yield.

My second reason is that this amendment provides that the period within which a lease can be made is limited to six months after the appraisal of the properties has been completed.

I submit to the members of this committee that six months is not an adequate time within which negotiations for a lease of this magnitude can be consummated. The effect of that provision, then, is that no lease will be made, and we will be faced with the same proposition that faced us at the beginning of this session—Government operation or not Government operation.

My third objection is that the provisions with respect to fertilizer will, in all probability, defeat the very purpose which the gentleman says the amendment will accomplish; namely, the making of a lease. It provides that there must be produced annually, within 10 years, a given amount of fertilizer, 48,000 tons, or rather fertilizer containing 48,000 tons of nitrogen. No person will lease these properties when the lessee must produce a given amount, regardless of what conditions may be.

So, my third reason for opposing the amendment is, in effect, that it will defeat the making of the lease.

My fourth objection is that there is no provision in the amendment whatsoever for the construction of the Cove Creek Dam.

Mr. McSWAIN. Will the gentleman yield?

Mr. DOUGLAS of Arizona. I yield.

Mr. McSWAIN. I should have stated to the committee that I have interlined in pencil an amendment to this amendment, providing for the construction of Cove Creek Dam.

Mr. DOUGLAS of Arizona. By whom?

Mr. McSWAIN. By the lessee, under the same general provisions as provided in the committee amendment. I should have called that to the attention of the committee, because not being told that, the committee was not in possession of the full facts.

Mr. DOUGLAS of Arizona. Finally, gentlemen, I submit to you that the language of this amendment is relatively new. A subcommittee of the Committee on Military Affairs considered it some six or eight weeks ago. That committee was charged with the duty of drafting Muscle Shoals legislation, and they considered a bill very much along the lines of the amendment offered by the gentleman from South Carolina [Mr. McSWAIN]. Since that time the subcommittee has not considered the provisions of that legislation, and now it is proposed, without mature consideration of it, to submit to the House an amendment long and lengthy, involving many things of which I have no intimate knowledge; and I venture to say not 10 men on the floor of this House to-day have intimate knowledge—it is now proposed to submit an amendement of that kind and ask the members of the committee to accept it without having given them even the opportunity of mature consideration of its provisions. Thirty minutes is not sufficient time in which to consider the language of this amendment. That is my final and ultimate objection to the amendment.

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

Mr. HILL of Alabama. Mr. Chairman, I regret to find myself in so much disagreement with the gentleman from Arizona. He is always so eminently fair and so very able that I like to be in agreement with him.

As the gentleman from South Carolina, the author of the amendment, has stated, we are at the crossroads. The vote on this amendment will determine whether or not Muscle Shoals is to be put to work according to the purposes for which it was built and be of real benefit to the farmers of this country, or shall be diverted from those purposes and go into other hands than those which would use it for the benefit of the farmers.

The gentleman from Arizona says he is opposed to the amendment because it provides that the board would have to be confirmed by the Senate. I think that the board should be confirmed by the Senate, and I think if we do not require that the board be confirmed by the Senate we run counter to the spirit and the intent of the Constitution of the United States itself. There is not a single great board set up in the Government to-day the membership of which does not have to be confirmed by the Senate of the United States, be it the Federal Radio Board, the Shipping Board, the Interstate Commerce Com-

mission, or any of these other great boards. Why, gentlemen, even a third-class postmaster has to be confirmed by the Senate of the United States.

As to the objection of the gentleman from Arizona [Mr. DOUGLAS] that the bill only gives the board six months in which to make a lease, that is a mere matter of detail, and if this amendment be adopted it will be subject to amendment itself and the six months can be changed to provide a different period of time.

With reference to the gentleman's objection that this amendment is a new proposition, this amendment is as old as Muscle Shoals itself. There is not a thing written in the amendment proposed by the gentleman from South Carolina that has not been before the Committee on Military Affairs and before the Congress ever since the Congress has been considering Muscle Shoals. All the amendment of the gentleman from South Carolina does is simply to apply and to carry out the principles laid down in 1922 by the Committee on Military Affairs for any leasing of the Muscle Shoals properties. Those principles came to this floor when the Ford offer was considered. They came again when the Muscle Shoals inquiry was set up by this House, and they came a third time when the joint committee was set up by this House, with the concurrence of the Senate. There is nothing new in this proposition. The leasing provisions of the Underwood bill, which passed the Senate of the United States in 1925, were substantially the amendment offered by the gentleman from South Carolina. The amendment is merely an adherence to the principles laid down by the Committee on Military Affairs and ratified by this House for any leasing of the properties at Muscle Shoals, and unless we adopt the amendment we can look for no fertilizer at Muscle Shoals.

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

Mr. REECE. Mr. Chairman and gentlemen of the committee, a subcommittee was appointed from the Committee on Military Affairs to draft an authorization to lease the Muscle Shoals property. The gentleman from South Carolina, who now offers the proposed substitute, was a member of that subcommittee. I wish to say that the gentleman from South Carolina made very valuable contributions in the framing of the plan which has been proposed by the Committee on Military Affairs. The subcommittee sat in session for almost three weeks and worked most assiduously in an effort to draft legislation which would enable the Government to lease the Muscle Shoals properties on a businesslike basis. Bear in mind at all times that we wanted to draw an authorization under which the board could negotiate and execute a lease. At the same time we placed in the draft every safeguard which we felt we could place in the legislation without hampering the board in such a manner that it could not execute a lease. The adoption of the amendment offered by the gentleman from South Carolina would mean one thing, that the board could not execute a lease and that the enactment of legislation along the line of his proposed substitute would avail nothing. The board would be impotent to accomplish anything, and the ladies and gentlemen of the House who are in favor of making a disposition of this question can only vote to reject the proposition of the gentleman from South Carolina.

The proposal of the gentleman provides that regardless of circumstances there shall within 10 years be produced 48,000 tons of fixed nitrogen, and that that amount shall be produced annually thereafter. That will make it impossible to negotiate a lease. The authorization which is proposed by the committee provides that the power there shall be dedicated to fertilizer, that the plants adopted to the production of fertilizer on an economic basis shall be used for that purpose. That is only one example of the extreme to which the proposed substitute goes.

Mr. McSWAIN. Will the gentleman yield?

Mr. REECE. Yes.

Mr. McSWAIN. Did not the American Cyanamid Co. agree in its offer to make 48,000 tons of fixed nitrogen?

Mr. REECE. If there was a market demand for that amount.

Mr. McSWAIN. Mine is the same way.

Mr. REECE. The Cyanamid proposal provided that when there were in storage 2,500 tons of fertilizer they had authority to stop and not produce another pound.

I wish to emphasize again that the adoption of the substitute means no disposition of the problem will be made.

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

Mr. QUIN. Mr. Chairman, this McSwain amendment is a bona fide offer to all the world that wants to engage in the production of fertilizer at Muscle Shoals. This amendment ought to be adopted by the House. Every man who believes that the great plant at Muscle Shoals should be operated for the production of fertilizer and for the distribution of the excess power should vote for this amendment. This takes in all of the property which the Government has—the nitrate plants, the quarries, and the construction of Cove Creek Dam by the lessees—in order that the original intent of the national defense act shall be carried out.

My good friend from Tennessee [Mr. REECE] stated we could not make a lease if this amendment were adopted. We ought not to want to pass a bill for any lease which is not for the benefit of this Government. We should not want to pass any lease or contract through this Congress that would permit combined capital or the Power Trust to take charge of this plant and make no fertilizer but continue their excessive charges for the current produced by this Government dam. Yet the gentleman says you could not lease this property under the proposed amendment, when we had before the committee an offer from the American Cyanamid Co. to make 48,000 tons of fertilizer a year. We had a bid that was made to a joint committee of this House and the Senate by the 13 associated power groups wherein they guaranteed to make 50,000 tons of fertilizer per year, and this without Cove Creek Dam being built. Yet my friend from Tennessee in the face of these facts asserts that such a lease can not be made.

It is the duty of this Congress to guarantee the rights of all the people. It is the duty of every Member of this House to unhold the rights of the Government, and instead of a makeshift provision, such as the one that was brought in here by the committee, you now have a chance to vote for a leasing bill. All of you who are against Government ownership now have a chance to vote for an honest leasing bill where you will have a chance to produce fertilizer and to distribute the excess power at Muscle Shoals.

You have a chance now to vote for this McSwain amendment that will keep the Government from being juggled, that will keep the taxpayers from being robbed, and will protect the farmers of this Republic in so far as the production of nitrates at the full capacity of all the organized forces at Muscle Shoals is concerned.

Every man on this floor should vote with his eyes open. We who have studied this matter for years, in spite of what my good friend the gentleman from Arizona [Mr. DOUGLAS] has said, know that the principles of this bill have been before us for six long years—ever since 1924. Every day in the sessions of the committee we have had these same principles with us. This is not something new. This is what we agreed on many years ago, and my good friend JAMES, who is now in the hospital, helped to draft such a provision.

This is an honest amendment and this lease, if it is carried out, will satisfy every man that really wants fertilizer produced and wants this dam to be put to use, provided he is in favor of leasing to private parties; and instead of this property being juggled around so that two or three bidders will have different sections of the plant, it all goes to one lessee, so that we may have an honest and, I may say, capable and efficient management in the production of fertilizer at this plant. I thank you, gentlemen. [Applause.]

Mr. TILSON. Mr. Chairman, the Muscle Shoals problem has been before the House for some dozen years, and it seems much longer than that. We have hoped against hope that this property might be disposed of in a manner favorable to the locality surrounding the development and yet not unjust to the taxpayers of the rest of the country.

The Committee on Military Affairs, through an able subcommittee, has reported a bill for the leasing of the property. They have embodied such requirements and limitations in the bill as they thought were justified by existing conditions and still not prevent the leasing of the property.

It is said by many of the friends of the bill who will probably vote for the amendment of the gentleman from South Carolina that they wish to lease this property. If this is a genuine wish on their part, why are they not willing to give the provisions of this leasing bill as prepared by this subcommittee a chance to operate? It gives the President a leeway of a year and a half in which to make a lease, which is surely none too much time. Why should we now adopt an amendment which so hampers the provisions of the bill with restrictions as to make it impossible, or next to impossible, to lease the properties at all?

In my judgment, the adoption of this amendment practically destroys our efforts to dispose of this problem at this session of the Congress. I trust that Members, when they come to vote on the amendment, will so vote that this bill, which has been carefully prepared, shall not be mutilated here on the floor of the House. It is a well considered, well balanced bill, and should not be thrown out of balance by restrictions which make it impossible to secure a lease of the property under its terms.

There is a provision in the amendment that the Senate shall confirm the members of this board. The original provision, as

first drafted by the subcommittee, was that the President should lease this property. Of course, it was realized that the President could not personally look up all the facts and enter into all the details of such a lease, though the final responsibility was to be his. Therefore it was proposed that a board should assist him. This amendment would require that the board, before it can assist the President, shall be confirmed by the Senate. It seems to me that this is an unnecessary requirement for a board of this character. Too many restrictions will practically destroy the work of this subcommittee, and along with it any chance of putting through Congress and enacting into law a leasing provision under which this property can be leased within the required time.

I am very earnestly in favor of putting this property into operation, but I am not in favor of the Government going into the power business; and this amendment, as I see it, is the first step in that direction, so far as this bill is concerned.

We have here a leasing provision pure and simple. In my judgment it is a good one. We should stick to it and not allow it to be amended here on the floor of the House by an amendment, the effect of which very few members of the committee can possibly understand before they are called upon to vote.

The amendment should be voted down.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. OLIVER of Alabama. The gentleman has made a very positive statement to the effect that if this amendment is adopted it will prevent a lease.

Mr. TILSON. I believe that such an amendment will do very much toward preventing a lease. I have in mind, for instance, the provision with respect to the period of six months after an appraisal is made. This is not enough time. There are other provisions, such as the one in regard to the amount of nitrates required to be manufactured.

Mr. OLIVER of Alabama. The gentleman will certainly be fair enough to concede that many, who have given as thoughtful study to this subject as the gentlemen from Connecticut, feel it will expedite and insure a better lease of the property.

Mr. TILSON. Well, it is a matter of opinion. My own opinion is based upon a somewhat prolonged study of this whole matter, and it is that if we tie up the leasing with the restrictions contained in the proposed amendment, we are going to make it next to impossible for any lease to be secured. I do not wish to see such an unfortunate outcome. [Applause.]

Mr. ALMON. Mr. Chairman, ladies and gentlemen, in answer to the objection to this amendment stated by the gentleman from Arizona, I think six months is plenty of time after the appraisal has been made to negotiate a lease.

This bill is a better bill than the committee bill. The gentleman from Connecticut [Mr. TILSON] says that the committee bill is a good bill. I say that the other is a better bill. I have given considerable thought to Muscle Shoals. The gentleman from Connecticut [Mr. TILSON] has many other things to think about; but he is not supposed to be as familiar with Muscle Shoals as some other Members, who have given much time to its consideration.

It has been the policy of Congress, and the Committee on Military Affairs since 1927, that if this property was leased it should be leased as a whole.

Here on the 27th day of March, 1927, three years ago, is a statement made and signed by Mr. JAMES, Mr. WURZBACH, Mr. WAINWRIGHT, Mr. JOHNSON, Mr. FISHER, Mr. WRIGHT, and Mr. MCSWAIN, members of the Committee on Military Affairs, in which they solemnly assert that if the property is leased it should be leased as a whole, and never until the committee reported this bill was there ever a bill providing more than one lease of the property.

Now, my friend says that another objection to the McSwain bill is that it provides for too much fertilizer. I appeal to you men who represent agricultural districts that there never was a time when the soil has been so exhausted by continued cropping that the farmers are required and it is absolutely necessary for them to use more fertilizer, and they are now compelled to buy it at prices fixed by the Fertilizer Trust which are twice what they ought to be. I appeal to you who represent the agricultural districts to support the McSwain bill, because it means real farm relief. You people who live a long way from Muscle Shoals will get the benefit of it too. Some time ago there was a representative of the Chilean Nitrate Corporation on the stand before one of the committees of the House and I made him admit that the price of fertilizer made at Muscle Shoals would control the price of all the fertilizer used by the farmers. If you live in Maine or California you are going to get the benefit just as much as we who live in Alabama, Tennessee, or Georgia.

You men who live in the cities should want to aid agriculture because it is the basic industry. Men who live in the city used to be opposed to good roads in the country. I remember in 1916 many of the Members of the House who represented city districts voted against national aid to roads, but to-day they know that if good roads benefit the farmer it benefits the city, and they all vote for national aid to roads, and for the same reason you who represent city districts ought to be vitally interested in agriculture.

If it were not for agriculture there would be no Chicago, and no St. Louis. What benefits agriculture benefits the city. I appeal to all you people to support the McSwain bill because I fully realize that it means more and will carry out the real purposes for which this great project at Muscle Shoals was created. If they can not lease it at a certain time let the Government operate it. As provided in the McSwain bill, I will vote for this amendment.

Mr. MCSWAIN. Will the gentleman yield?

Mr. ALMON. I yield.

Mr. MCSWAIN. If this amendment is approved, it will be open to corrections and minor defects and objections that may be raised.

Mr. ALMON. Certainly; they can offer amendments. They can amend it by allowing the President to appoint the appraisers, and next December let the President appoint the board. That would give six months to make the appraisement. [Applause.]

When we get back into the House, and before the vote on final passage, I will offer a motion to recommit the bill to the Committee on Military Affairs with instructions to report an amendment providing for Government operation substantially as provided in the Senate bill in the event leases are not made in the time stipulated in the bill, except that my motion directs an amendment providing for the operation of the plants by the Government for the manufacture of fertilizer and that it be sold to the farmers at cost of production. It strikes out that provision of the Senate bill providing for operation for experimental purposes and makes provision, as I have said, for the manufacture of fertilizer by the Government and that to be sold to the farmers at cost of production. It also differs from the Senate bill in that it authorizes and directs the Secretary of War not only to build Cove Creek Dam but also Dam No. 3.

However, if Speaker LONGWORTH rules as Chairman MAPES did to-day, my motion will be ruled out on a point of order for the reason that this is a leasing bill, and my amendment makes provision for Government operation in the event the leasing board fails to make leases within the time fixed in the bill. However, the provision of my motion to recommit can be added by the conference committee.

My motion to recommit is as follows: I move to recommit the bill to the Committee on Military Affairs with instruction to report the bill back forthwith with the following amendment:

SECTION 1. If the board shall have not executed and delivered a lease within the time herein specified, and subject to the terms herein set forth, then in that event only shall the following provision with reference to the operation of the Muscle Shoals property by the board as herein provided become effective, but in such event the said board shall proceed to execute the powers and directions hereinafter conferred.

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 may 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 at or near Muscle Shoals for the manufacture of fertilizer and sell the same to the farmers at cost of production.

(b) 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.

(c) 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.

(d) 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.

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

(f) 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 entrusted 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 30 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 manufacture of fertilizer and fertilizer ingredients for agricultural purposes in time of peace.

SEC. 15. 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 17 with respect to Cove Creek Dam.

SEC. 16. 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. 17. 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. 18. 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. 19. 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. 20. (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. 21. 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 and $2,000,000 with which to begin construction of Dam No. 3.

SEC. 22. That all appropriations necessary to carry out the provisions of this act are hereby authorized.

Mr. STAFFORD. Mr. Chairman, ladies and gentlemen of the committee, the crucial hour has arrived. The question is now before the committee, and I am going to address my remarks to the Democrats, as to whether they want the leasing proposition at this session of Congress, or not. The amendment now under consideration spells absolutely no lease of these properties. It was bottomed on the idea that if no lease would be entered into, the board would operate the plant. There are provisions in this amendment proposed by the gentleman from South Carolina [Mr. McSWAIN], and there may be only a half dozen Members in the House acquainted with the provisions, which the author of the bill admits in the statement just made, should be changed by amendment. That admits its imperfection. If this amendment of the gentleman from South Carolina should be adopted, no private capital will seek investment under any lease, because private capital will not permit a nosy governmental agency to supervise the salaries that it pays to its officers and clerks, and allow it to determine the price at which the fertilizer shall be sold, or the character of the fertilizer to be manufactured.

It is conceded by those who have studied this whole proposition, that the subcommittee has presented to the House a reasonable proposition of leasing. If gentlemen are in favor of leasing under favorable limitations which safeguard the interest of the public and provide utilization of the two nitrate plants, Nos. 1 and 2, for the manufacture of fertilizer, with the supervising authority of a board, which, in case the lessee does not manufacture the maximum amount, shall call the lessee to account; then they should vote for the House bill.

Capital, with the reputation broadcast throughout the country by the business men who did business with the Government during the war, will not hear to any Government agency supervising the performance of their work. To adopt the McSwain amendment spells nil so far as the leasing proposition is concerned. We have labored long in presenting to you a reasonable proposition. Most of the delegation from Tennessee who have studied our proposal agree that it is the most workable proposal that has ever been presented to the Congress. We are all agreed that a legislative lease, as provided in the Madden-Wright bill, is impossible. We are now providing a means whereby with good prospects leases will be entered into before December 1, 1931. You are now called upon to vote for a proposition that only a few know anything about, and which provides for a supervising nosing board to look after the details and the minor activities of the lessee, and if you adopt such a policy you will not find anybody in the business world who will enter into such a lease.

The crucial hour has arrived, as I said in the beginning. Do you want a lease to be entered into with limitations that safeguard the interest of the people, which provides that the surplus power, if it is not utilized in the manufacture of fertilizer, shall be subject to the call and demand of municipalities, that are to be charged a rate to be levied by the Federal Power Commission? It safeguards the matter so that the surplus power can not be leased to any power-distributing corporation, except for a period of 10 years, and then always subject to the right of call by municipalities and States, which have the prior right to use it on terms to be fixed by the Federal Power Commission. Under those circumstances who can say with candor that the bill we reported is in the interest of the Power Trust? It is in the interest of the manufacture of fertilizer for the benefit of the Government and the people of the United States.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired. All time has expired. The question is on the amendment offered by the gentleman from South Carolina [Mr. McSWAIN] in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. McSWAIN) there were—ayes 87, noes 104.

Mr. McSWAIN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. McSWAIN and Mr. STAFFORD to act as tellers.

The committee again divided; and the tellers reported—ayes 95, noes 122.

So the amendment was rejected.

Mr. HILL of Alabama. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. HILL of Alabama: Page 21, line 8, after the word "appoint," insert the words "by and with the advice and consent of the Senate."

Mr. HILL of Alabama. Mr. Chairman and gentlemen of the committee, the amendment proposed simply provides that the board set up in the bill for the leasing of the Muscle Shoals properties shall be appointed by and with the advice and consent of the Senate. We are dealing here with the disposition of $150,000,000 worth of Government properties. We are dealing here with a matter which, in the judgment of many of us, is the most important that could come before the Congress from the standpoint of real farm relief to the fertilizer-using States of the country. We are dealing with a matter which the debate upon the floor has shown to be one of tremendous importance so far as the generation and distribution of hydroelectric power in the country is concerned. We are dealing with a matter of vital importance to the national defense of the country. The big plant at Muscle Shoals, if operated to its full capacity, can produce an amount of nitrogen to meet the requirements of ammunition for 1,500,000 men. Muscle Shoals was built primarily as a national-defense project. Members of the House will recall that during the World War we had to use nearly one-third of our merchant marine to bring to this country from Chile the nitrate necessary to supply the munitions of war for our armies in France. The first naval battle of the World War was fought off the coast of Chile, when British battleships intercepted German cruisers sent to Chile to block the exportation of nitrate from Chile for the Allies.

And so we are dealing this afternoon with a matter of tremendous importance to the country in many different particulars. Why should we depart from the precedents of the past? Why should we depart from the policies of the past, and not require that this board be confirmed by the Senate of the United States?

The Secretary of War and the Secretary of the Navy, who are primarily charged with the administration of our national defense act, have to be confirmed by the Senate. Why should not this board be confirmed by the Senate? As I suggested earlier in the day in a discussion on another amendment, appointments to practically every great board or administrative body set up by the Government have to be confirmed by the Senate. That is the case with the Interstate Commerce Commission, the Tariff Commission, the Federal Trade Commission, the Farm Relief Board.

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

Mr. HILL of Alabama. May I have five additional minutes? I will modify my request to three minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to proceed for three additional minutes. Is there objection?

There was no objection.

Mr. HILL of Alabama. Every great body set up by this great Government with a few exceptions has to be confirmed by the Senate of the United States. Even a cadet graduating from West Point or a midshipman graduating from the Naval Academy before being commissioned as an officer in the Army or Navy has to be confirmed by the United States Senate, and even a third-class postmaster has to be confirmed by the Senate of the United States. The fathers of our Government, in so far as it was within human foresight to foresee future events, provided in the Constitution of the United States that in the selection of administrative and executive officers the officials appointed should be confirmed by the Senate of the United States. When we require that confirmation we simply give greater assurance that the purposes and intents of the Congress will be carried out

Why should we to-day single out this board and depart from all precedents? The principle that important administrative officers of the Government should be confirmed by the Senate of the United States is laid deep in the very genius of our Government. We must not forget that we turn all these great properties into the hands of this board, and we cut all strings and authorize and direct this board to let these properties go, and go beyond reclaim, for a period of some 50 years.

Gentlemen may say that it will bring about delay to require that this board be confirmed by the Senate. Well, gentlemen, the minute the President appoints this board it can do just what the Farm Relief Board did before the confirmation of its members. It can go to work. It can negotiate for these leases for these properties.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. HILL of Alabama. May I have one more minute?

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. HILL of Alabama. Under the provisions of this bill the board is given until December 1, 1931, in which to lease these properties. We know here to-day that there is to be a special session of the Senate following this session, and an opportunity will there be given for the consideration and confirmation of this board if this bill becomes a law during this session of Congress. And if for any reason the board should not be con-

firmed at that time, next December the Congress meets again in regular session. I say to you to-day that a man who can not get the confirmation of the Senate has no business being on this board. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto be closed in——

Mr. GARRETT. Mr. Chairman, I object. It was announced on the floor yesterday that there was no disposition to restrict discussion.

Mr. STAFFORD. I am going to try to expedite business. Do the Members on the gentleman's side wish to see this bill go through to-day or not?

Mr. GARRETT. I do not care if it never goes through.

Mr. STAFFORD. I ask unanimous consent that all debate on this amendment and all amendments thereto close in eight minutes.

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

There was no objection.

Mr. OLIVER of Alabama rose.

The CHAIRMAN. The gentleman from Alabama is recognized for four minutes.

Mr. OLIVER of Alabama. Mr. Chairman, I wish to express appreciation to those gentlemen from Wisconsin who were kind enough to support the amendment offered by the gentleman from South Carolina, and which amendment represented the views of many living near the property the subject of this legislation. Both that amendment and the pending amendment are very important. I am grateful, also, to other Members on the majority side, and especially two Members from the State of Minnesota, who were found standing when the vote was taken.

When we were legislating for Boulder Dam I recall that the House very properly gave sympathetic consideration to the wishes of a majority of those who were directly affected by that bill, and approved a plan for building Boulder Dam which many, including the gentleman from Connecticut [Mr. TILSON], now voice serious opposition to. The gentleman from Connecticut voted for the Government to construct Boulder Dam at a cost approximating $160,000,000. When the House now comes to pass on amendments to the pending bill, in which our section is so vitally interested, I hope the Members will feel that this aisle should not divide the vote. [Applause.]

I have no criticism to offer of those Members who served on the subcommittee which prepared this bill. With one of the Members, namely, the gentleman from Arizona [Mr. DOUGLAS], I have several times discussed many details of the pending amendment and have found him always considerate, frank, and helpful. I do not question that the members of this subcommittee approached the subject in an open spirit, and I hope the gentleman from Connecticut [Mr. TILSON] may be able to do likewise.

There are a few Members in favor of the bill as reported by the committee who seem to think that its merits can be shown by a mere personal declaration. Certainly a bill of this importance should not receive the support of anyone unless facts submitted clearly show that it is entitled to their support. Who here can answer the argument just made by the gentleman from Alabama [Mr. HILL] in support of the pending amendment, which seeks to require confirmation by the Senate of the President's appointees on the leasing board? The discussion of the bill clearly shows that the leasing board has the power to make this bill a success or a failure. The board is vested with authority to find that the properties at Muscle Shoals are not economically adapted for the making of fertilizers, and if they should so declare, then no lease is required to be made for the production of fertilizers at Muscle Shoals. Will anyone deny that a board vested with such broad authority should not be confirmed by the Senate? Only one member on the board is required by the terms of the pending bill to represent agriculture, and yet any two members of the board can determine that the property at Muscle Shoals is not adapted to the production of fertilizer, and thereby refuse to require the property to be so used. The House should understand that legislation which vests in any board authority to prevent the Muscle Shoals plant from being used to produce fertilizer can never be passed by the present Congress without requiring that the members appointed on that board shall be confirmed by the Senate. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama [Mr. OLIVER] has expired.

Mr. STAFFORD. Mr. Chairman, originally it was the idea of members of the subcommittee to vest the power of making this lease in the President. The subcommittee wanted to charge the President with full responsibility, but, the subcommittee came to the conclusion that the President had too many arduous duties to permit him to give consideration to the minute details of this proposition. Also, the committee felt that it was not fair to give this authority to some Army officer who would be called upon to virtually make the lease in case the President was vested with this power. So, the subcommittee decided to leave it to be determined by three citizens to be selected by the President.

The gentleman from Tennessee [Mr. BYRNS] who has such persuasive power on matters pertaining to appropriations, in his address to-day said he was not one who believed the President would not do his full duty in trying to carry out the principles and directions of the House in making a lease that would see that fertilizer was manufactured. To have the three members confirmed by the Senate spells delay. The members of the subcommittee who are from the South wanted this lease entered into as soon as possible, and I am hopeful that at this Congress some legislation may be passed by both Houses that will result in some affirmative action, but everyone knows that if this board is to be confirmed by the Senate it spells delay, and no lease will be entered into until long after the regular session in December.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. STAFFORD. Not at this time.

Now, it was the idea of the subcommittee to charge the President with responsibility, not only with the appointment of this board but with the approval of any lease that is agreed upon by the three members of the board. The subcommittee wanted the President charged with full responsibility. The gentleman from Tennessee [Mr. BYRNS] had the courage of his convictions to speak out and say that he had faith in the President that he would not do anything that would not seek the fulfillment of the pledges of Congress. I think every Member of this House should carry the thought with him of having confidence in the President that he will appoint high-grade men and not politicians to this board. As I said before the Rules Committee, I do not care whether the President appoints Democrats or Republicans, or members of any other political organization, but I want two of them at least to be men of eminent business character who will be qualified to enter into a good business lease that will safeguard the interests of the Government, and also provide for the manufacture of fertilizer as is provided in this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. HILL of Alabama) there were—ayes 68, noes 106.

So the amendment was rejected.

Mr. CROSSER. Mr. Chairman and members of the committee, from the earth's resources is derived all the wealth of the world. Without the use of these resources of nature, mankind can not enjoy the happiness which is his right, and in fact without the opportunity to use the natural resources man could not live at all.

Notwithstanding the absolute necessity of the earth's resources for human happiness and for even the continuance of human existence, many of the natural resources of the United States have been shamefully allowed to be taken and monopolized by the few for their own profit, so that the people as a whole have been robbed of the benefits which the Creator intended for the equal advantage and benefit of all men.

At the present time there is a further active and determined effort by the special-privilege seekers to get for their own advantage possession and control of the great and valuable water power, which is the property of all the people of the United States, and the benefits of which rightfully belong in common to all of the people.

We have before us to-day a proposal to turn over to private persons the great and valuable water power at Muscle Shoals, Ala. It is one of the most important subjects before the American people to-day.

Because of the loss of the opportunity to have lower prices for electricity, which under public operation would be possible, this proposal is exceedingly important to the people living anywhere within hundreds of miles from Muscle Shoals, who could be supplied with electric current from the Muscle Shoals power house. Far more important still is it, however, because of the very harmful effect which would surely be caused by adopting the policy of giving to a few for their private profit the great and valuable resources which belong to all the people and who should benefit from them equally.

We hear men constantly shouting their desire to serve the people and to see that they get justice, but then when a specific, definite proposition comes before Congress they vote to give the valuable rights of the people into the hands and control of a few private persons. The justice and individual

liberty urged by Jefferson are not promoted by scraping and bowing before the possessors of great wealth, and while kowtowing to them, giving solemn assurances that the representatives of the people would not think of having the public operate and manage the public's property for public benefit.

We hear loud and labored speeches about the importance and righteousness of encouraging private initiative. My friends, private initiative has its proper field, its right place. I, too, believe in private industry in its proper place.

Private persons may very properly, and for the best interests of society, engage in any industry or business when it is possible for other persons to engage in like industry or business—that is, when competition is possible. In an industry or business of that kind, those who buy the products of the industry are protected against unreasonable demands or prices for such goods or service by one producer or dealer for the reason that others in the same business desiring to sell their products or goods will offer to sell for less than the person who asks an unreasonable price.

There is, however, only one Muscle Shoals, one sufficient water power to serve millions of people living within hundreds of miles of the shoals. There is only one Boulder Dam to serve millions of people, and there is only one Niagara Falls to serve millions of people living within an area of hundreds of square miles. So it is with other water power throughout the United States.

If private persons are given control of the people's water power, will they not try in every way to make great profits? They will do so as surely as they are given the opportunity. Oh, but they tell us we can regulate them. Everybody knows that private persons who have been given control of water power or other monopolies will resist and fight any regulation which they think will reduce their profits. That is the way in which human nature acts.

To show the advantage of public ownership and operation as against private operation from the standpoint of the people, let me call attention to some very important facts which are shown by official records.

Throughout the United States to-day the average rate paid for electric current for the home is 7⅛ cents per kilowatt-hour. Since 1910 the Government of the Province of Ontario has controlled and managed the Canadian part of Niagara Falls. When the Ontario government began to control and manage the water power the people of Ontario were paying the private companies 9.3 cents per kilowatt-hour for electricity. To-day the people of the 268 cities and towns of Ontario served by the government plant get their power for 1½ cents per kilowatt-hour. These are very important facts, and yet it would seem that they receive little consideration from those in official positions who glibly talk about handing the people's great and valuable water-power rights to a few men, to be used for the purpose of making profits for the few. I would call attention to the fact that the pending bill guarantees to the proposed private operator of Muscle Shoals 8 per cent on the money it invests and provides also for the allowance of 6 per cent on each turnover, which would mean about 30 per cent in each year.

Mr. SNELL. Will the gentleman yield?

Mr. CROSSER. Yes.

Mr. SNELL. Could the gentleman tell us what proportion of that is used for power purposes and what proportion is used for lighting purposes?

Mr. CROSSER. The information I have given refers to electricity used in the home—for domestic purposes. I shall also call attention to the prices paid for electricity used for power purposes. Lest it be claimed that for some reason similar results could not be obtained by public ownership, operation, and management in the United States, let me call attention to the fact that in Tacoma, Wash., where water power is operated and managed by the city, the rate to the domestic consumer is 1.3 cents per kilowatt-hour as against 7⅛ cents, which is the average price charged for electricity by private companies throughout the United States. Does that mean nothing to the membership of this House? Shall we then sit idly by and see the great natural resources of the country parceled out to a few men who are able to frighten the representatives of the American people by calling them names and saying that they are socialists? Let me say that the men who fully understand what is involved here and who understand the principles of economics can not be frightened or bullied by having names hurled at them.

Mr. Chairman, something has been said as to whether Muscle Shoals is to be devoted to the production of electricity for power and light or for the production of fertilizer. What is important is not so much what particular use is to be made of the power. What should disturb us very much is the injustice, the indecency, the political immorality of the proposal to hand over to a few men property of the American people, which is exceedingly valuable, so that they may exploit the American people. And yet Members of Congress will vote to do that very thing, because they are afraid to be called advocates of public ownership. [Applause.]

Oh, my friends, if you will read history you will find that in ancient Rome, when they had the most advanced civilization then existing in the world, there were many of the same kind of people as we now have and who were always insisting upon giving special privileges to the influential few. There were men, too, in ancient Rome who were continually calling men offensive names when they insisted that public property should be operated and managed for the benefit of the public. Those defenders of special privilege in ancient Rome, who resorted to abuse and the calling of offensive names to support their weak cause, actually succeeded in having the city fire department controlled and operated by private persons so that "private industry might be encouraged." [Laughter.] Then when anybody happened to be unfortunate enough to have a fire in his building he had to go to bargain with the privately owned fire department to put out his fire. The foolishness of such an arrangement soon became so apparent that the Roman Government very wisely abolished the private fire departments and established instead a publicly owned fire department. This country will also, sooner or later, realize the foolishness of putting public business in the hands of private persons and will then have all natural monopolies operated and managed by the public, because they all belong to the people and their benefits belong to the people. [Applause.]

Now, Mr. Chairman, the gentleman from New York [Mr. DEMPSEY] has indicated that I might be correct in what I said about the very high price charged by private companies in the United States for electricity for household use compared with the price charged by the government of Ontario for electricity for home use. He intimates, however, that there is little or no difference in the price charged by the private companies of the United States and the price charged by the publicly owned plant of Ontario for electricity used for factories and industry in general. It is true that, in what I said before, I referred to the prices paid by domestic consumers to private companies in the United States and to the prices paid by domestic consumers in Ontario to the publicly owned plant. I shall, therefore, now refer to the price paid for electricity used for factories and for other industrial purposes to the private companies of the United States on the one hand and to the price paid to the publicly owned plant of Ontario for electricity used also for factory and other industrial purposes in Ontario. This chart [exhibiting chart] shows the price of electricity per kilowatt-hour paid to the private companies of the United States and also the price per kilowatt-hour paid for electricity supplied by the publicly owned plant of Ontario, Canada, for electricity used for industrial purposes during the years 1925 to 1928, inclusive. In 1925 the price charged by private companies in the United States for electricity used in factories and other industries was 11½ mills, or about 1⅛ cents, per kilowatt-hour, while in Ontario it was 6.1 mills, or 0.3 of a cent, per kilowatt-hour. In 1926 the private companies of the United States charged the people of the United States for electricity used for industrial purposes an average price of 12.3 mills—that is, a little more than 1⅛ cents—per kilowatt-hour, while the publicly owned plant of Ontario charged industrial consumers 6 mills, or 0.3 cent, per kilowatt-hour. In 1927 the private companies of the United States charged the people for electricity used for industrial purposes 13½ mills—that is, about 1⅛ cents—compared with 6.2 mills, or slightly more than 0.3 of a cent, per kilowatt-hour for electricity used for industrial purposes. In 1928 the private companies of the United States charged industrial consumers 13.4 mills. or 1.3 cents, for electricity, while the publicly owned plant of Ontario, Canada, charged only 0.3 of a cent per kilowatt-hour for electricity used in factories and other industrial institutions. The facts which I have just stated as to the prices charged by the private companies of the United States may be found in the Electrical World of January 4, 1930, on pages 22 and 23.

This is a privately owned publication. The facts which I have stated as to the prices charged by the publicly owned plant of Ontario, Canada, may be found in the official bulletin of the Hydroelectric Power Commission of Ontario for September, 1929.

There can be no doubt at all about the correctness of the statements. The facts which I have stated show that the people of the United States pay to the privately owned companies for electricity used in their homes almost exactly five times as much as is paid by the people of Ontario to the publicly owned plant. The factories of the United States pay to private companies for

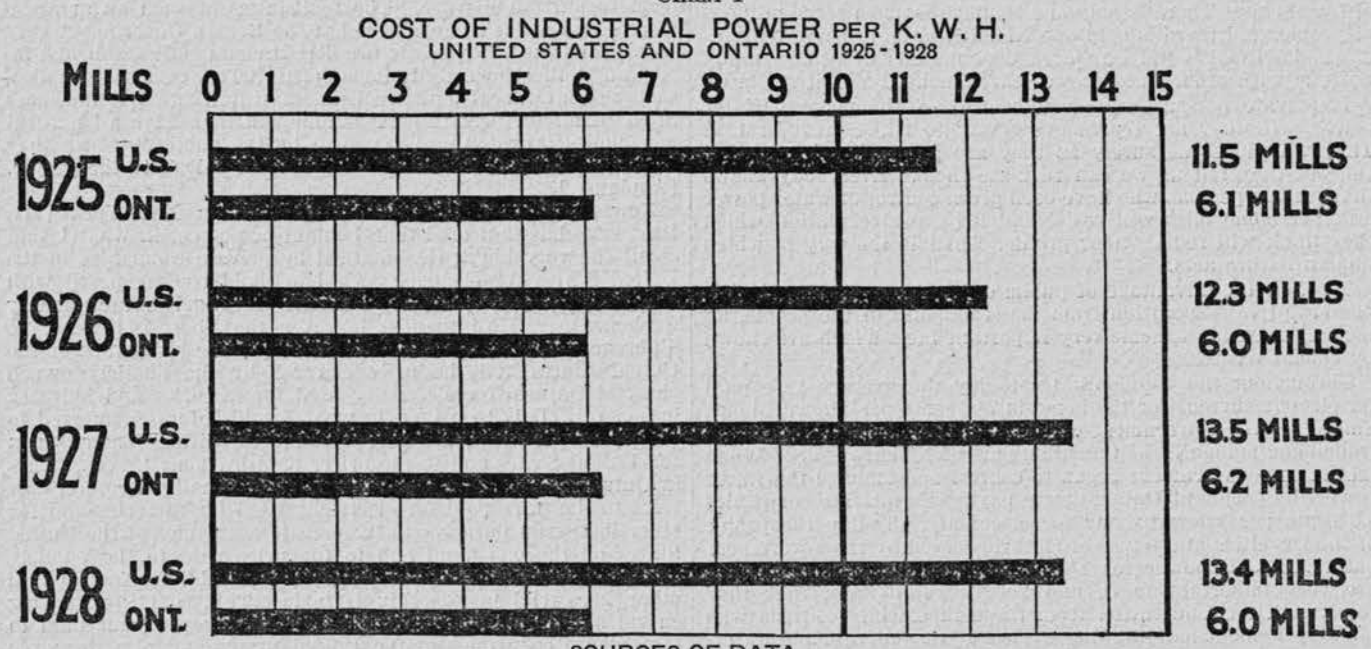
their electricity used for power more than twice as much as is paid by the factories of Ontario for their electricity to the publicly owned plant. These are the widely different prices paid for electricity used in the home and also in industries to private companies distributing electricity in the United States and to the public commission distributing electricity to the people of Ontario. It is perfectly natural that the price which private companies charge the people should be much more than the public commission charges, because the private companies are, of course, trying to get as large a profit as possible. I do not quarrel with the private companies for trying to make the largest possible profit. That is their business. When, however, representatives of the people, whose duty it is to safeguard the people's property and welfare, declare that they are ready to hand over the property, the valuable natural resources of the people, to a few men to enable them to exploit the general public of the United States I feel it to be my duty to protest vigorously.

When men are willing to put the water power of the United States into the control of private companies and therefore cause such injustice to the people as has been shown by the great difference in prices charged by private companies as compared with the price charged by publicly owned plants, they should cease shouting their desires to promote the welfare of the people.

The United States Government has spent $167,000,000 on improvements at Muscle Shoals, but, large as is that amount of money, it is small and insignificant compared with the value and worth of the water power, the natural resource itself, which is situated at Muscle Shoals, Tenn. And yet public officials propose to hand over to a few men this birthright of the people. I urge you earnestly to refuse to surrender the people's rights to the special privilege seeking few. Let us substitute for the pending bill Senator NORRIS's bill for the public ownership and operation of Muscle Shoals. [Applause.]

Because of the interest which Members have shown in the tables from which early in my speech I quoted the prices charged for electricity by the commission of Ontario, Canada, and by private companies in the United States, I am now submitting the two charts to which I referred.

CHART I



SOURCES OF DATA

UNITED STATES FROM THE ELECTRICAL WORLD OF JANUARY 4, 1930, PP. 22-23
ONTARIO - - FROM OFFICIAL BULLETIN OF THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO, SEPTEMBER, 1929

Sources, United States: Electrical World estimates quoted at page 162 and charted at page 164 of a "memorandum" filed by the Joint Committee of National Utility Associations, Hon. George B. Cortelyou, chairman, with the Interstate Commerce Committee, United States Senate, January 19, 1928, in opposition to the Walsh resolution for power investigation. The editor states that the list of cities is the list used by the Labor Review, August, 1927, page 203, official publication of the United States Department of Labor, for 1926 and prior. For 1927 and 1928, see Cost of Living Prices, issued by Commissioner of Labor Statistics Ethelbert Stewart, June, 1929; average costs for these years furnished direct by him.

Sources, Ontario: See official bulletins Hydroelectric Power Commission of Ontario, January, 1927, page 8; November, 1927, page 411; September, 1929, page 309.

The gentleman from New York [Mr. DEMPSEY] intimated, I believe, that instead of comparing the prices paid for industrial electricity by the people of the whole of Ontario and by the people of the whole of the United States it would be fairer to compare Ontario with western New York, both of which sections get their electricity from the Niagara River under exactly the same conditions. I shall, accordingly, make such a comparison.

Mr. Floyd L. Carlisle, chairman of the recently formed great Niagara-Hudson Power Corporation, controlled by the Morgan interests, made the same claim last winter at a hearing before the New York State Commission, authorized by the legislature and appointed by Governor Roosevelt to investigate the workings of their State commission, supposed to be regulating public utilities in the interest of the people and legitimate stockholders.

Mr. Carlisle's statement was analyzed and demolished in the able report made March 1, 1930, by Commissioners Frank P. Walsh, internationally known attorney of New York and Kansas City, who, with ex-President Taft, was former joint chairman of the War Labor Board, James C. Bonbright, professor of finance at Columbia University, and David C. Adie, secretary of the commission. This report, written by Mr. Walsh and approved by his associates, presents one of the most searching analyses ever made of the fundamental, economic, financial, and legal issues involved in the regulation of privately owned public utilities. I commend it to the attention of Congress and the public.

Mr. Walsh's analysis of the claims of Mr. Carlisle answers completely the contentions of the gentleman, Mr. DEMPSEY, from Niagara County, N. Y., who lives within 30 miles of Niagara Falls. Mr. Walsh states (p. 141):

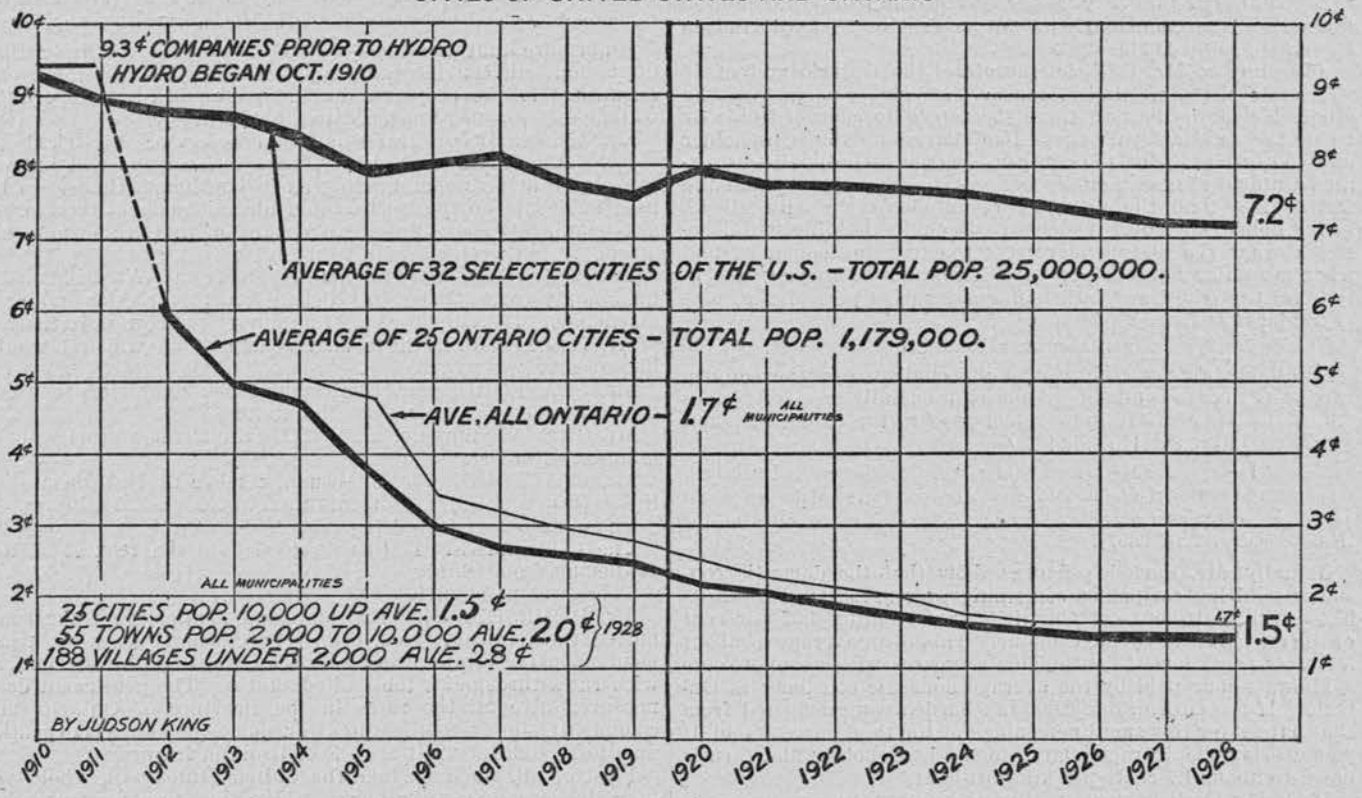
> We have already shown by an analysis of the evidence that so-called regulation has had very little effect on the rates charged consumers for the various public services. The evidence further forces us to the conclusion that the existence of publicly operated plants and distribution systems in certain municipalities and in the Province of Ontario has had more effect on the general level of electric rates than has all the regulatory machinery.

Later, the report says, in respect to the identical point here at issue:

> ONTARIO AFFORDS MOST COMPLETE EXAMPLE OF PUBLIC OPERATION
>
> The record contains a very considerable amount of evidence comparing electric rates under the Ontario system of public ownership and operation with those in corresponding cities and areas on the New York side of the border. In the first place, it is interesting to note that Mr. Floyd Carlisle, chairman of the great Niagara-Hudson power system, was ready to go to the limit in indorsing the character, ability, and efforts of the men in charge of the Ontario system (p. 3720).

CHART II

COMPARATIVE COST OF RESIDENCE ELECTRICITY PER K.W.H.
CITIES OF UNITED STATES AND ONTARIO



In the first place it is interesting to note that Mr. Floyd Carlisle, chairman of the great Niagara Hudson power system, was ready to go to the limit in indorsing the character, ability, and efforts of the men in charge of the Ontario system (p. 3720). In the course of the Buffalo hearing he said:

> Our company exchanges power with the Hydro-Electric of Ontario. The management is acquainted with the gentlemen who run and operate the hydroelectric power commission of Ontario. We have the very highest regard and respect for their character, integrity, and ability, and I make no mental reservation in my mind that that is the best of all the publicly owned and operated public utilities probably in the world (p. 3663).

He quotes from the 1928 report of the hydro commission, emphasizing the policy and practice of the commission "to make as widespread and beneficial distribution of electric energy as possible and to extend to every locality that can be economically reached by transmission lines the benefit of electric service" (p. 2665).

SYRACUSE UNIVERSITY MAKES AN IMPARTIAL, A SCIENTIFIC, INVESTIGATION

Evidence in the record based on a cooperative study of comparative costs and rates in Ontario and western New York by Dr. H. W. Peck, of Syracuse University, J. B. Reid, consulting engineer of New York, Dean Louis Mitchell, of the school of applied science of Syracuse University, and Prof. Ralph Dewey, of the department of economics of Ohio State University, shows that on the average for all services the private companies on the New York side of the border charge about 40 per cent more per kilowatt-hour than do the municipalities on the Ontario side. It shows that, taking only the retail sales, the average charge to consumers per kilowatt-hour was 70 per cent higher in New York than in Ontario.

The report of this group of experts shows that in the selected Ontario cities the average charge for domestic and commercial lighting is 1.88 cents per kilowatt-hour compared with 5.64 cents per kilowatt-hour charged for the same service by private companies in western New York; that the average charge for commercial power in Ontario is 0.87 cent per kilowatt-hour, compared with 1.13 cents in New York; and that the average Ontario charge for municipal street lights is 2.09 cents per kilowatt-hour, compared with 5.80 cents charged for the same service by the New York companies.

This committee found it more difficult to find comparable conditions in the matter of power bills, but Professor Peck says:

> The limited evidence so far at hand shows the Ontario rates lower than would be suggested by the average revenue per kilowatt-hour. Although the average ratios of revenue in New York to that in Ontario was 113 to 87, if the blocks of cheaper power sold directly to the consumer by the Hydro Commission were averaged in, the rate spread between New York and Ontario would be considerably increased (pp. 3230–3235).

INDUSTRIAL POWER CHEAPER IN ONTARIO

Comparative consumer bills for various classes of consumption in Buffalo, Rochester, Syracuse, and in Hamilton and Toronto, Ontario, are also in the record. These are taken from Electrical Utilities, a book by Dr. W. E. Mosher, of Syracuse University, and associates. These bills show that a domestic consumer using 36 kilowatts in a month would pay $1.59 in Buffalo, $2.69 in Rochester, $1.98 in Syracuse, $0.95 in Hamilton, and $1.03 in Toronto. If he used 175 kilowatt-hours in a month, he would pay $5.01 in Buffalo, $9.75 in Rochester, $6.15 in Syracuse, $2.71 in Hamilton, and $2.33 in Toronto. For consumers of industrial power their bills in the two Canadian cities would be lower up to a consumption of 10,000 kilowatt-hours a month, with a 30 kilowatt-hour connected load. When their consumption reaches 288,000 kilowatt-hours a month the comparative bills would be $2,380 in Buffalo, $4,052 in Rochester, $3,627 in Syracuse, $2,428 in Hamilton, and $2,753 in Toronto. The authors point out that all these cities derive their power from Niagara and that Toronto is 62 miles farther from the source of power than Buffalo (pp. 2875–2876).

CARLISLE PRESENTS NIAGARA HUDSON VIEW

Chairman Floyd Carlisle, chairman of the Niagara Hudson Power Corporation, which controls most of the power sold in the territory generally chosen for comparison with Ontario, considered it particularly his duty as a witness to meet the conclusions which would naturally be drawn favorable to public operation of such power systems. But a study of his testimony reveals at least one very striking contradiction which casts doubt on the validity of his entire point of view. Justifying the very low rates charged for the 75 per cent of the current which his system sells to industry on the ground that the resulting 74 per cent load factor makes possible lower rates to small consumers, he stated very emphatically:

> I state from my experience of this business that if these companies had not built up this enormous power load, which is the largest of any group of companies in the world, the rates to the householder and the farmer would have been at least double if not treble what they are now (p. 3587).

Later in his testimony Mr. Carlisle implies that they have beaten Ontario in developing the load factor because they have offered lower power rates. He says:

If the Hydro Electric of Ontario had the same industrial load that we have, their rate base for power sales would have to be very materially lower than they are (p. 3677).

He points out that only 25 per cent of Ontario power is used industrially, as compared with 75 per cent of Niagara Hudson Power (pp. 3670–3671).

According to Mr. Carlisle, therefore, the Ontario system, if subject to the same limitations as the private system on the other side of the border, would be forced to charge double or treble the rates which that system charges to the householder and the farmer. But the contrary is true. The publicly operated Ontario system actually charges the householder and the farmer less than the privately operated system with all its heavy industrial load. And unquestionably the differential between what the householder pays the private companies and what a similar householder pays in Ontario is in part due to the fact that the New York householder pays part of the costs of the large consumer's service.

TAX ARGUMENT ANALYZED

Mr. Carlisle's main answer to the challenge of the Ontario rates was that the Ontario system is practically free from taxes which the Niagara Hudson system pays to the extent of about $10,200,000 a year. He said:

Now, if the taxes had not been paid to the Government and had been taken off the bill of the household consumer, our rates to the household consumer would have obviously been much less than the rates of the Hydro of Ontario (p. 3667).

Actually, Mr. Carlisle's figures show that the domestic consumer paid his companies something over $14,900,000 for 276,572,983 kilowatt-hours of electricity, representing 4.67 per cent of the current sold by the combine. This is an average of about 5.1 cents per kilowatt-hour. This compares with about 2 cents a kilowatt-hour paid by the average domestic consumer in Ontario. If the entire $10,200,000 tax burden were deducted from the charges for this small percentage of the total current sold, it would bring the average charge to the householder and farmer down to about 1.7 cents per kilowatt-hour.

If, as Mr. Carlisle suggests, this is a fair deduction, it means that about 3.65 cents out of the 5.1 cents now paid by the small consumer of Niagara Hudson power goes for taxes, or, in other words, that the consumers of 4.67 per cent of the current sold are carrying the entire tax burden.

Cross-examination revealed the fact that Mr. Carlisle had overlooked certain compensating features of the Ontario system. In the first place, he had failed to take into account the saving to Ontario municipalities due to an average rate of 2.09 cents for municipal lighting, compared with 5.8 cents on the New York side of the border. In the second place, he had not referred to the fact that Ontario consumers, with the rates they are paying, are purchasing an equity in the hydro generating and transmission system, are retiring local bonds issued for the construction of the municipal systems, and are adding to the local sinking funds. These elements in rates mean that eventually the people of Ontario will own their property free and clear of debt.

Just as Mr. WALSH has taken illustrations from the district represented by the gentleman from New York, he has also used an illustration from my own city—Cleveland. Referring to the famous "3-cent light plant" owned and operated by the city of Cleveland, which has done so much to regulate the rates for electricity, Mr. WALSH says:

CLEVELAND PROVIDES EXAMPLE OF EFFECTIVE PUBLIC COMPETITION

Cleveland, Ohio, provides one of the best examples of the effectiveness of public competition. In 1911, when its private company was charging 10 cents a kilowatt-hour to domestic consumers, Cleveland set out to build a "3-cent" municipal plant which began service in 1914. The first result was a 33 per cent cut in industrial power rates promptly followed by the Cleveland Electric Illuminating Co. On March 16, 1914, the city council passed an ordinance fixing the maximum electric-light rate in the city at 3 cents a kilowatt-hour. The private company fought the matter through the utilities commission up to the State supreme court and finally, in 1920, got an order entitling it to charge 10 cents for the first 36 kilowatt-hours and 5 cents for all in excess. (Sup. Court Rept., 100 Ohio, 121.)

Within six months after securing this decision the company cut its domestic rate in half and since then its customers both in Cleveland and throughout northeastern Ohio have been served for 5 cents a kilowatt-hour. The reason was that people began to figure it was time to enlarge the "3-cent" municipal plant which was only one-sixth the size of the private plant. It was a case where the threat of municipal competition proved the force capable of regulating even where the company had full right of recourse to the courts.

The Cleveland case is especially relevant because in the course of the years, 1914 to 1920, the Cleveland Electric Illuminating Co. resorted to the same methods used by the New York companies to defeat regulation. It claimed the proposed rates confiscatory, that they would not yield a fair return on the value of its property, that it was entitled to a value based on reproduction cost, etc. It carried the matter to the courts and finally won, only to have its rates actually regulated by the existence of a small publicly operated plant.

I am sure that the facts which I have stated during this discussion will convince any unprejudiced person of the great advantage to the people in having public utilities, especially water power, owned and operated by the public.

Mr. STAFFORD. Mr. Chairman, reserving the right to object—and I shall not object—I wish to ascertain whether we can arrive at an understanding as to how much time is to be used in debate on this section and all amendments thereto. I ask unanimous consent that all debate on this section and all amendments thereto close in 20 minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that all debate on this section and all amendments thereto close in 20 minutes. Is there objection?

Mr. HASTINGS. I have an amendment on which I would like to have two minutes.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the time be extended two minutes.

Mr. GREEN. Why not make it 27 minutes, because I want 5 minutes. I object.

Mr. STAFFORD. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 25 minutes.

The motion was agreed to.

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

There was no objection.

Mr. DEMPSEY. Mr. Chairman and gentlemen of the committee, the gentleman from Ohio [Mr. CROSSER] bases his argument upon the comparison of rates in the Province of Ontario with rates throughout the United States. The gentleman does not even give all the rates in the Province of Ontario, but confines it simply to the rates for domestic use. The gentleman loses sight of what are the controlling factors.

First of all, when we take the United States as a whole, we take the most expensive places where they produce power, as well as Niagara Falls, the cheapest place to produce power in the United States. Of course, this is not a fair comparison to begin with. We should compare two things that are comparable, the rates charged——

Mr. CROSSER. Will the gentleman yield?

Mr. DEMPSEY. Wait a moment and I will yield.

The rates charged on the American side and the rates charged on the Canadian side, and the gentleman will find that the two rates are comparable, that we charge just as little for the use of power on the whole as they charge on the Canadian side.

Then when you come to a real and a fair comparison, you find that on this side we charge a great deal less, because it is only for domestic uses that they charge a low rate on the Canadian side, as compared with the Niagara Falls rate on the American side. On the American side the gentleman will find that the industrial rate, which represents the great use, is very much lower than the industrial rate on the Canadian side.

Then, again, the comparison is not fair because of this fact, which is an enormous factor. On the Canadian side they have government-operated power. They pay no taxes, they pay nothing for their site, they pay no overhead, they have no return to make upon capital, and on this side the American company pays at least five or six distinct, separate, large taxes, contributing to the support of the city, of the county, of the State, and of the Nation. The American company does all of these things and plays its part in the life of the Nation, and over there, on the contrary, the Government supplies everything, and not a cent is paid out.

The gentleman makes what is not a comparison at all in his attempt to present a comparison.

Now, let me say to the members of the committee that it is important, and this debate emphasizes its vital importance, that we develop in the United States all of our water power. It is cheaper than any other kind of power. We not alone should not stand in the way of it, hinder or delay it, but we should pass just such treaties as that which is pending in the Senate at the present moment, which will do two things: Increase the beauty of one of the seven wonders of the world, the great cataract at Niagara, and make it a more beautiful and a more wonderful spectacle than any that has ever greeted the eye of the white man, and at the same time give us a tremendous increase in power.

Then the gentleman makes his last point, that here there is to be an enormous profit made. How does the gentleman know this?

We are to ascertain by appraisement the value of these properties, and then we are to accept bids for the properties.

Is not all of the Nation to be notified? Is not everyone to have an equal opportunity to bid? Will not the best bid possible be obtained? Will not the lowest profit that it is possible to screw the capitalist down to be the only profit that will be realized?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. STEAGALL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. STEAGALL: Page 21, line 8, after the word "appoint," strike out the word "three" and insert the word "five."

Mr. STEAGALL. Mr. Chairman, the purpose of this amendment is to change the number or membership of the board or commission created by the bill to five members instead of three. I hold no brief for the President of the United States, but if I did, I should regret even more deeply that this committee has seen fit to impose upon him the duty and power of appointing this board of only three men, without requiring the Senate of the United States to assume its share of the responsibility in passing upon the fitness of these men.

So far as I am informed, Congress has never created a board or commission with such vast powers and responsibilities as we are conferring in this act without requiring the approval of the Senate of the United States. To do it now is a departure from the spirit of the constitutional safeguards requiring the Senate to pass upon appointees with such vast responsibilities and duties as those to be conferred on this commission.

If we are to take that right away from the Senate and confer the powers upon a number of men selected by one man, we ought, at least, to enlarge the membership to five, and dissipate some of the power conferred upon them, and distribute some of the responsibility we are placing in their hands under this law.

The Senate of the United States has shown its purpose in considering legislation for the disposal of Muscle Shoals to adhere to the purposes declared in the act by which the project was inaugurated. They have declared their purpose to maintain the property, first for the manufacture of explosives for use in time of war, and in time of peace to preserve and maintain the property and operate it in the production of fertilizers for the promotion of agriculture.

The law dedicating the property to these two fundamental purposes contemplated that all the expenditure there, all the power of the entire project, should be devoted to the preparation for war when the necessity arises; and in time of peace that all the power there and all the money expended on the entire project should be dedicated to the manufacture of fertilizer in the interest of agriculture. This has been the course followed by both the Senate and the House.

Under this bill, for the first time, this branch of Congress declares its purpose to recognize the proposition that the property shall be divided and distributed among a number of lessees. If we do it, if we clothe three men with this power, and they cut up the property into parcels, I warn this House that so far as maintaining that great project in the interest of agriculture in time of peace is concerned we shall have defeated the original purpose of the law and thrown away for 50 years all opportunity to carry out the will of Congress so far as the use of the properties is to be for the aid of agriculture. Such action will be a betrayal of our trust. We have no right to repudiate the obligation placed upon us in the original act. If we do it, the farmers of the country will know that their interests have been disregarded. They will say, "We asked for a fish, and you gave us a serpent; we asked for bread, and you gave us a stone." [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired, and the question is on the amendment offered by the gentleman from Alabama.

The question was taken, and the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Page 21, line 10, after the word "culture," insert "and none of whom shall have any financial interest in any public-utility corporation engaged in the business of distributing and selling power to the public, or in any corporation engaged in the manufacture, selling, or distribution of fixed nitrogen."

Mr. RANSLEY. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. RANSLEY. Would the gentleman's amendment include a person who held stock in such corporation?

Mr. LAGUARDIA. Yes; he would have to dispose of his stock.

Mr. Chairman, in view of the rejection by the committee of the Hill amendment it seems to me that this is a reasonable safeguard to insert in the bill.

Mr. STAFFORD. Mr. Chairman, such members of the committee as I have been able to consult with have no objection to the amendment.

Mr. LAGUARDIA. Then, Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment of the gentleman from New York.

The question was taken, and the amendment was agreed to.

Mr. HASTINGS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. HASTINGS: Page 22, line 3, after the word "Board," insert the words "and the President."

Mr. HASTINGS. Mr. Chairman, the amendment requires the approval of the appraisement not only by the leasing board but finally by the President. The President of the United States is himself an eminent engineer, and this appraisement is a very important matter.

Mr. STAFFORD. Does the gentleman think the President of the United States has time to give to the minutiæ of valuation of property as contained in an appraisal of those properties?

Mr. HASTINGS. I think the appraisal should be submitted to the President with all the details, and I think he would have time, of course, to go over it. He is himself an engineer, and I would like to have the approval of the President.

Mr. RAGON. He would have as much time to go over this as he would have to go over the tariff rates or the flexible provision of the tariff act, would he not?

Mr. HASTINGS. I thank the gentleman for his contribution. When the contract is made by the board, that is not final; it must be approved by the President of the United States. The price of fertilizer to the farmer is determined very largely by the appraisement, unless an amendment to be offered on page 37 is accepted by the House. I think this is an important amendment. We ought to have the responsibility of the President in passing upon the appraisement of this property and I think there should be no objection to this amendment on the part of the committee.

Mr. STAFFORD. Mr. Chairman, if we have faith in the President as to the character of the men that he would select for this board to lease properties, certainly we should have faith in the appointees that the appraisement they determine upon will be a proper appraisement, without submitting it for confirmation to the President.

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

Mr. STAFFORD. Yes.

Mr. HASTINGS. Why do you not have faith enough in this board with respect to the contract, without its being submitted to the President for approval?

Mr. STAFFORD. We believe the final contract should have the O. K. of the President, because that is the final word. When the contract is let it is submitted to the President, and he will determine whether the conditions prescribed by the Congress have been carried out by the board. That is an entirely different matter.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 2. The said leasing board, subject to the approval of the President as herein provided, is hereby authorized and empowered to enter into a contract or contracts on behalf of the United States for the demise and letting for a tenure or tenures not in any case to exceed 50 years of all or any of the properties of the United States generally known and designated as the "Muscle Shoals development," including Dam No. 2 (known also as Wilson Dam), and its electrical generating units, Waco Quarry, nitrate plant No. 2, nitrate plant No. 1, except that portion of the reservation west of Spring Creek, steam power generating plants, and all structures, plants, buildings, machinery, tools, and equipment, franchises, rights, powers, and privileges, including authority to exercise the right of eminent domain, for the construction, maintenance, use, and operation thereof, as well as all lands, tenements, easements, servitudes, rights of way, riparian rights and the appliances, fixtures, and appurtenances thereunto belonging, trackage, transmission lines, telephone and telegraph lines, supplies, and accessories, exclusive of locks for navigation purposes, such contract or contracts to be based on the principles and limitations hereinafter set forth:

NITROGEN FERTILIZER BASES AND FERTILIZERS

(a) The use of the United States properties adapted to the fixation of nitrogen in the manufacture of fertilizer bases or fertilizers in time of peace for sale for use in agriculture, and of explosives or the essential

ingredients thereof in time of war: *Provided,* That any and all contracts for the demise of any such properties for the production of fertilizer bases or fertilizers shall contain a stipulation that there must be manufactured annually at least a prescribed amount of nitrogenous plant food of a kind and quality and in a form available as plant food and capable of being applied directly to the soil in connection with the growth of crops: *And provided further,* That any and all such contracts shall contain a stipulation requiring the lessee or lessees to produce within three years and six months from the date such lease or leases shall become effective, such fertilizer bases or fertilizers containing not less than 10,000 tons of fixed nitrogen, and shall require periodic increases in quantity of fixed nitrogen from time to time as the market demands may reasonably require, and such lease or leases shall provide that such increases shall finally reach the maximum production capacity of such plant or plants as the leasing board may find to be economically adapted or susceptible of being made economically adapted to the fixation of nitrogen, if the reasonable demands of the market shall justify the same, except when the nitrogen produced is required for national defense, or when the market demands for same are satisfied by the maintenance in storage and unsold of such fertilizer bases or fertilizers containing at least 2,500 tons of fixed nitrogen, but whenever said stock in storage shall fall below the quantity containing 2,500 tons of fixed nitrogen, the production of such nitrogen, and the manufacture of such fertilizer bases or fertilizers shall thereupon be resumed.

(b) The sale of such fertilizer bases or fertilizers shall be at a price to include the cost of production and not exceeding 8 per cent profit on the turnover produced, and the costs shall include whatever may be paid to the Government for the use of that part of Government property employed by the lessee or lessees in manufacturing such fertilizer bases or fertilizers and also not exceeding 6 per cent on any capital invested by the lessee or lessees in improvements to existing plants or in additional plants employed for such manufacturing purposes: *Provided,* That there shall not be included as a part of the cost of producing such fertilizer bases or fertilizers any royalty for the use by such lessee or lessees of any patent, patent right, or patented process belonging to the lessee or lessees, or in which the lessee or lessees have any interest, or belonging to any subsidiary or allied corporation, or belonging to or controlled by any officer or agent of the lessee or of the lessees or of any such allied or subsidiary corporation, and if the lessee or lessees should buy any patent, patent right, or patented process with the hope and expectation of thereby reducing the cost of manufacturing such fertilizer bases or fertilizers and/or of processing the same for agricultural purposes as aforesaid, then such sum of money as shall be so paid by the lessee or lessees shall be considered and treated in the accounting of the costs of such fertilizer bases or fertilizers as investment in the nature of plant account and not as current expenses, and such costs shall be written off on the expiration of any junior patent or license so acquired. For the annual determination of the cost of such fertilizer bases and fertilizers there shall be appointed by the administrative board a production engineer and by the lessee or lessees another production engineer and by these a firm of certified public accountants, and these three shall proceed to ascertain and compute the cost of producing such fertilizer bases and fertilizers; and in the event of any disagreement the two said engineers shall select a third production engineer, who shall hear and consider the contentions and decide the issues, and such decisions shall be binding upon all parties for the year for which the determination shall have been made. A copy of such audit and decision shall be filed each year with the administrative board and by it preserved. The expenses incident to this provision shall be paid by the lessee or lessees, respectively, and shall be charged as an item in the cost of producing such fertilizer bases and fertilizers. If such annual cost determination discloses that any purchasers have paid a price for fertilizer bases or fertilizers in excess of that allowable under this act, then the lessee or lessees affected shall refund such excess to the respective purchasers.

(c) Credit shall be allowed against the cost of producing such fertilizer bases or fertilizers in the amount of any profit on account of the sale of electric energy during the period of any temporary suspension of the operation of the nitrogen-fixation or fertilizer plants, and in the amount of not to exceed 50 per cent of any profit on account of the sale of electric energy made available for such sale by reason of decreased electric energy requirements for the production of each ton unit of fertilizer bases of fertilizers.

(d) Such sale of fertilizer bases or fertilizers shall regard the widest practicable distribution, consistent with demand, and preference shall be given in such sales first to farmers and cooperative organizations of farmers, second to States or State agencies engaged in processing and mixing fertilizers for resale to farmers, and these demands being supplied, such sale may then be made to fertilizer manufacturers, mixers, or merchants.

(e) The lessee or lessees shall be required to carry on reasonably continuous laboratory research to determine whether by means of electric-furnace methods and industrial chemistry, or otherwise, there may be produced on a commercial scale fertilizer compounds of higher grade and at lower prices than farmers and other users of commercial fertilizers have in the past been able to obtain, and to determine whether in a broad way the application of electricity and industrial chemistry may accomplish for the agricultural industry of the Nation what these forces and sciences have accomplished in an economic way for other industries.

USE OF ELECTRIC ENERGY BY LESSEE

(f) The development of electrochemical, and/or ferro-alloy, and/or other industries in addition to the fertilizer industry.

(g) The use of the primary and secondary electric energy produced by the properties so leased, enlarged, and constructed in the production of fertilizer bases and/or fertilizers, and/or chemicals, and/or ferro-alloys, and/or other products: *Provided,* That no contract shall be made by any lessee with any person, firm, or corporation for the sale of any surplus electric energy for use by the purchaser in the fixation of nitrogen or manufacture of fertilizer bases or fertilizers when such person, firm, or corporation is a member of any group, or a party to any contract or to any agreement, express or implied, or to any understanding, arrangement, or device of any kind whatsoever, which shall have as its purpose or effect the fixing and maintaining of noncompetitive prices for nitrogen and/or nitrogen products.

ALLOCATION AND SALE OF ELECTRIC ENERGY

(h) The equitable allocation of surplus electric energy generated at Muscle Shoals among the States within economic transmission distance.

(i) The sale and equitable allocation of primary surplus electric energy and/or secondary surplus electric energy generated by the properties herein authorized to be let, to such States, counties, municipalities, and political subdivisions as may make demand and agree to pay a reasonable price therefor, and in case of dispute as to allocation, price, or length of term of contract, the Federal Water Power Commission is hereby authorized to determine the same. But, except as herein provided, no part of the dam or dams now constructed or to be constructed in connection with the Muscle Shoals project or any apparatus, either hydro or steam, for the generation of electric energy shall be contracted to or operated by any private power distributing company, subsidiary or allied corporation or creation thereof, or any corporation subject to the same control, nor shall any lease be assignable without the consent of the President, and then not to such companies, and in case of any sale in bankruptcy or insolvency proceedings of the assets of any lessee or lessees no sale shall be made to any private power distributing company, its subsidiary or allied corporation or creation thereof, or any corporation subject to the same ownership or control in whole or in part: *Provided, however,* That the sale of primary surplus electric energy or secondary electric energy by contract or otherwise to any such power distributing company shall be permitted for periods of not to exceed 10 years: *Provided further,* That at no time shall primary surplus electric energy or secondary electric energy be so sold to such distributing companies until first the demands of States, counties, municipalities, and political subdivisions; and, second, demand of manufacturing industries have been satisfied, and then only for periods of not to exceed 10 years: *And provided further,* That at any time prior to two years before the expiration of such contracts any State, county, political subdivision, or manufacturing industries shall have prior right to contract for such electric energy when it shall become available.

COVE CREEK DAM AND DAM NO. 3

(j) The construction, through the medium of a holding corporation or otherwise, of a dam in and across Clinch River in the State of Tennessee upon the dam site known as Cove Creek shall be required by the terms of any lease or leases, and the construction, through the medium of such holding corporation or otherwise, of Dam No. 3 in and across the Tennessee River upon a site approximately 15 miles upstream from Dam No. 2 may be authorized by the terms of any lease or leases, so as to produce the maximum primary power at Dam No. 2, and to improve navigation on the Tennessee River, and to increase the facilities of flood control, and the President shall have the authority to issue a license or licenses for the construction and operation of the said dam or dams subject in all other respects to the provisions of the Federal water power act of 1920, as amended: *Provided,* That if the leasing board shall find upon investigation that the cost of construction of the Cove Creek Dam or Dam No. 3, and of its or their operation for the improvement of navigation and flood control on the Tennessee River, will be in excess of what will be a reasonable cost of same for power purposes, the President may then issue a license or licenses on condition to be expressed in the license or licenses that the United States will reimburse the licensee or licensees in an amount deemed by the leasing board as a necessary contribution to the cost of said project for navigation improvement and flood control by applying annually until paid against such amount the proceeds obtained from the lease or leases of the hydropower plant at Dam No. 2, and application of the proceeds accruing from the lease or leases of the said hydropower plant for such purposes is hereby authorized.

FORFEITURE AND RECAPTURE

(k) The right of temporary recapture by the United States by order of the President in the event of war for the purpose of producing explosives or ingredients thereof, but if the Government shall exercise this right it shall pay to the lessee or lessees such fair and reasonable actual

damages as it or they may suffer by reason of such taking but not including profits or speculative damages, and the amount of such actual damages shall be fixed in proceedings instituted in the United States Court of Claims by the lessee or lessees in accordance with the rules and regulations prescribed by that court for such proceedings, and said court is authorized to consider such proceedings as though instituted by departmental reference and may render final judgment.

(l) Permanent recapture by the United States of any or all existing properties so leased, and all rights and interests connected therewith, together with any additions or improvements thereon, in the event of failure by any lessee or lessees to comply with and to carry out the terms of said lease or leases, except that neither the said Cove Creek Dam, when constructed, nor Dam No. 3, if and when constructed, nor any or all interests therein shall be subject to recapture under the provisions of this subsection. Suit for permanent recapture may be instituted at the direction of the administrative board hereinafter authorized by the Attorney General in the name of the United States, in any district court of the United States having jurisdiction of the lessee or of any one of two or more lessees affected by such suit.

(m) No lease shall be made to any person or firm except to American citizens nor to any corporation unless the majority stock of same be owned and controlled by American citizens, and any lease shall provide that if at any time the majority stock of the lessee or the lessee corporation shall cease to be under the ownership and control of American citizens, then all rights under such lease shall immediately cease, and the United States by order of the President shall have the right of reentry and recapture without any compensation whatever to the lessee on any account whatsoever.

MAINTENANCE FOR NATIONAL DEFENSE

(n) To maintain in United States nitrate plants Nos. 1 and 2, located at Sheffield, Ala., and Muscle Shoals, Ala., respectively, the buildings and equipment therein installed for the production of nitric acid by the oxidation of ammonia and for the production of ammonium nitrate from ammonia and nitric acid, said buildings and equipment to be maintained in an up-to-date condition so that they will be at all times ready for immediate operation in the event of a national emergency, and further such lease or leases shall provide that the administrative board, or its representative or representatives, shall at all times have access to the operations of the plants, laboratories, and the records thereof, in order that they may be kept fully informed as to the status of the fixation of nitrogen and the manufacture of nitrogenous products in their bearing on national defense and agriculture, but such information shall be confidential to the administrative board and shall not be made public.

SETTLEMENT OF DISAGREEMENTS

(o) In the event that the leasing board, with the approval of the President, shall execute lease contracts with two or more lessees, there shall be included in each of said leases identical provisions binding each such lessee to cooperate with the other lessee or lessees in setting up a joint board of control, or authorizing such lessees to organize a holding corporation, the voting stock of which shall be exclusively owned by such lessees, with power and authority to decide upon and to control the allocation among themselves of the electric energy generated and all other matters in connection therewith: *Provided*, That such lessee or lessees, board of control, or holding corporation shall deliver free of charge to the United States at any point on the grounds to be designated by the Secretary of War such electric energy as may be necessary for the operation of locks, navigation facilities, and lighting at and in the vicinity of the several dams involved in such leases.

(p) In any or all lease contracts there shall be incorporated identical provisions for the adjustment of all kinds of disagreements, either among the several lessees or between the several lessees or any one of them and the United States, and any adjustment made thereunder shall be subject to review in any United States district court as then constituted, subject to the law then applicable to change of venue, except that the right of temporary recapture by the President in the event of war shall be summary and not subject to the provisions of this section nor to any process of any court.

RENTAL AND AMORTIZATION PAYMENTS

(q) The payment annually to the United States for the term of the lease or leases of a sum which at 4 per cent per annum compounded over a period of 50 years will insure repayment to the United States of the appraised valuation of the properties leased, except that the lessee or lessees of nitrate plant No. 1 and nitrate plant No. 2 shall not be required to make payments to amortize the appraised valuation of said plants as long as they or either of them may be employed by the lessee or lessees for the fixation of nitrogen for agricultural purposes.

(r) A fair rental for the use of the properties leased to be paid by the lessee or lessees at such times and in such amounts as the leasing board shall determine to be fair and reasonable and in such determination consideration shall be given to such secondary hydraulic power as may be rendered primary power by the use of the auxiliary steam plant or plants, and such other secondary hydraulic power as shall be ascertained to be available.

Mr. HILL of Alabama. Mr. Chairman, I have an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HILL of Alabama: Page 25, line 9, after the word "reach," strike out down to and including the word "nitrogen" in line 9, and substitute in lieu thereof the following: "In not more than 12 years the minimum annual production of 40,000 tons of fixed nitrogen on the Muscle Shoals Reservation, subject to all the limitations, obligations, and requirements of this bill, and that such fixed nitrogen shall be converted into fertilizer bases or fertilizer of the kind and quality and in a form available for plant food and capable of being applied to the soil directly in connection with the growth of crops."

Mr. HILL of Alabama. Mr. Chairman, this amendment simply requires the lessee or lessees of this property to manufacture within a period not to exceed 12 years on the Muscle Shoals Reservation, subject to the limitations and obligations and requirements of this bill, an amount of 40,000 tons of fixed nitrogen annually; and then it requires the lessee or lessees to convert this 40,000 tons of fixed nitrogen into fertilizer bases or fertilizer in a form and of such quality that the farmer can take it and apply it directly to his soil.

This amendment carries out the principle laid down by the Committee on Military Affairs for any lease of these properties. It was the first and foremost obligation which the Committee on Military Affairs required that a proposed lessee should put in his offer if he desired the committee to consider that offer. The fact is that any lessee who knocked at the door of the Committee on Military Affairs without having this provision in his offer did not even get admitted to the room of the Committee on Military Affairs.

As we know, under the present bill there is absolutely no requirement that any minimum amount of fertilizer be produced, and there is absolutely no requirement that any fertilizer whatever be produced at Muscle Shoals under the limitations and obligations laid down in the bill. It will be of no benefit to the farmers of this country for the power at Muscle Shoals to be used to manufacture fertilizer off the Muscle Shoals Reservation, because only when you require the manufacture on that reservation do you subject the lessee to the limitations and obligations of your bill.

To-day the Allied Chemical Co. is manufacturing fixed nitrogen at Hopewell, Va. The Du Ponts are manufacturing fixed nitrogen at Charleston, W. Va. The American Cyanamid Co. is manufacturing fixed nitrogen at Niagara Falls, Canada. The farmers of this country are getting no benefit from these manufactures so far as any reduction in the cost of fertilizer is concerned, because those companies naturally charge what the great Nitrogen Trust fixes as the price.

There is to-day, as has been shown on this floor, a combine of the nitrogen producers of the world, and the farmer stands absolutely at the mercy of that great monopoly.

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

Mr. HILL of Alabama. Mr. Chairman, I ask for two minutes more.

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

There was no objection.

The CHAIRMAN. The gentleman from Alabama is recognized for two minutes more.

Mr. HILL of Alabama. The Chilean Nitrate Producers' Association is a member of that nitrogen monopoly. We find the farmers of this country to-day paying an export tax of $12.53 for every ton of Chilean nitrate exported from Chile and brought into this country; nearly $15,000,000 alone paid each year as a tribute by the farmers of America to the Government of Chile. The fertilizer bill of this country each year costs the farmers of this country $325,000,000.

Expert after expert testifying before the Committee on Military Affairs said that if we required the production of fertilizer at Muscle Shoals under the principles and obligations laid down by the Committee on Military Affairs, we could cut the cost of these fertilizers to the farmer anywhere from 43 per cent to 50 per cent. There is no measure of farm relief that would do so much good for the farmers of the South as the passage of the right kind of Muscle Shoals bill. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has again expired. The question is on agreeing to the amendment.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

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

There was no objection.

Mr. ALLGOOD. Mr. Chairman and ladies and gentlemen of the committee, Muscle Shoals, as you know, was dedicated to two purposes, and we of the South come here to-day and ask you for one of those purposes—the production of fertilizer for our farmers. If the farmers of the South did not need fertilizer, we would not ask it for them. If you could not produce fertilizers at Muscle Shoals, we would not ask it. A plant similar to this is in operation day and night at Niagara, Canada, and the matter of guaranteeing fertilizer production at Muscle Shoals is not difficult, but could easily be provided for if those responsible for the legislation had required it.

It is stated that the Norris bill did not provide for a guarantee of fertilizer. I want to ask the Committee on Military Affairs why they did not amend the Norris bill so that it would provide for fertilizer and allow us to act upon it in the House.

As it is, if this bill, which has been written by a subcommittee whose members do not come from the South but come from States that are not familiar with our problems, is passed it will be an insult to send it back to the Senate. There will be an impasse. The Senators who voted for the Norris bill will not know this bill when it gets to the Senate. My inclination is that they will not pay any attention to it, and as a result we will not get any Muscle Shoals legislation at this session of Congress. That looks to me exactly what you are driving us to by the passage of this bill to-day. I believe you are going to drive it through, and as a result you will see this Congress adjourn with no Muscle Shoals legislation enacted. Yet we are paying tribute to foreign countries for fertilizer. Three hundred million dollars is being spent by our farmers annually for fertilizer. If the farmers east of the Mississippi River to-day had fertilizer taken away from them they could not produce cotton. It is a heavy tax upon the farmers as it is. I am pleading that you adopt this amendment which the gentleman from Alabama [Mr. HILL] has brought forth, so that you will guarantee to the farmers of the South that in the operation of this plant we will have a maximum production of fertilizer. Personally I can not see why men who are familiar with the conditions and needs of the South were not placed on the subcommittee to write this bill. I am a member of the Committee on Irrigation and Reclamation and I voted for the Boulder Canyon Dam, and I followed the lead of the men from the West, who knew the problems of the West. I think it but fair to the South that you give leadership to men who know the problems of the South. In other national questions—on rivers and harbors, for instance—men from sections of the country which have rivers and harbors are placed on that committee. This House is asked to follow the leadership of the men who know the problems in those districts. I think it is right and just that the South have recognition upon this question.

This bill will pass the House, but you will see this Congress adjourn and no action taken by the Senate, wherein if the Norris bill had been reported by the Military Affairs Committee we could have amended it by requiring the production of fertilizers and then we would have some chance of the Senate passing it. It does the farmer no good for the Senate to pass one bill and the House to discard it and pass another bill, as is being done in this case. I promised the farmers of my district I would never vote for a bill for the disposition of Muscle Shoals that did not guarantee the use of the power for the production of fertilizers, and as there is no guarantee in this bill I am standing by my promises and by my convictions that the cotton farmers are entitled to this power for fertilizer production.

The CHAIRMAN. The time of the gentleman from Alabama his expired.

Mr. STAFFORD. Mr. Chairman, the bill as drafted by the subcommittee prescribes that a certain amount of nitrogenous plant food shall be manufactured in a period of three years and six months. We followed the suggestion of Colonel McMullen, of the War Department, who has made a special study of this. One of the prescribed conditions is that any contract or contracts shall contain a stipulation that there must be manufactured annually at least the prescribed amount. Then it prescribes that the minimum amount shall be 10,000 tons.

There are two plants which, in the opinion of the subcommittee, are capable of manufacturing fixed nitrogen. Nitrate plant No. 1 is capable of manufacturing 8,000 tons yearly, by the modern Haber-Vosche process, which is generally followed not only in this country to-day but throughout Germany. The other nitrate plant, plant No. 2, is capable of manufacturing 40,000 tons by the cyanamide process, which is a discarded process. It was my thought and the thought of other members of the committee that perhaps only nitrate plant No. 1, because of using the most modern method, would be used for the manufacture of nitrogen.

What does this amendment spell? It means that no contract may be let, I fear, for the manufacture of fixed nitrogen at nitrate plant No. 1, because the cyanamide process is an abandoned process; and it spells that this lease shall be made to one corporation, and one corporation alone—that is, the American Cyanamid Co. I am unalterably opposed to tying the hands of the President and the board which will lease this plant to any one special corporation—the American Cyanamid Co. There is only one possible process of producing 40,000 tons of fixed nitrogen in 12 years at these plants, and that is by the cyanamide process, and the American Cyanamid Co. has a monopoly on the patents that use this process. It is an abandoned process. If you want to ruin this bill, if you want to take all the force out of it, vote for the amendment offered, not by a friend but by an opponent of this bill. [Applause.]

Mr. DOUGLAS of Arizona. Mr. Chairman and members of the committee, as long as the properties are economically adapted to the production of nitrogen, over 40,000 tons of nitrogen per annum will be produced. I submit this to every Member on the minority side. The thing against which you need protection is compelling a lessee to manufacture fertilizer by a process which might become obsolete or which might become the highest cost producing process.

Should that occur the lessee who produces fertilizer by utilizing such a process will be the marginal producer, and if there is such a thing as a fertilizer trust the price of fertilizer made by that trust will be fixed by the marginal producer who will be in this event the lessee. The effect, then, of any such language as that of the amendment is to defeat the very purpose which you would have accomplished, namely, the production of cheap fertilizer. [Applause.]

Mr. HILL of Alabama. Will the gentleman yield?

Mr. DOUGLAS of Arizona. Yes.

Mr. HILL of Alabama. The language of the amendment does not require the use of any specific process. The lessee or lessees could use any process that might be desired, but the amendment does require that they make a certain quantity of fertilizer.

Mr. DOUGLAS of Arizona. The economics of the situation control that. The most economical method of producing fertilizer is by taking the gases escaping from coke ovens, liquefying them, obtaining the hydrogen, and uniting the hydrogen so obtained with nitrogen under pressure. You can not obtain gases from coke ovens at Muscle Shoals unless you transport the coal to Muscle Shoals, and the cost of transporting coal to Muscle Shoals will so increase the cost of the coke-oven gases that again you have a lesser economical process. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HILL].

The question was taken; and on a division (demanded by Mr. HILL of Alabama) there were—ayes 35, noes 76.

So the amendment was rejected.

Mr. DAVIS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DAVIS: Page 28, line 6, after the word "of," where it occurs the first time in the line, strike out the words "not to exceed."

Mr. DAVIS. Mr. Chairman, ladies and gentlemen of the committee, there is no Member of the House more interested in the full development and utilization of the Muscle Shoals and Cove Creek property than I am, and I realize that it is impossible, perhaps, for any Member of the House to have an opportunity to vote for a bill just as he would have it. There are features in both of the pending bills which I indorse and, on the other hand, I would like very much to make changes in either or both of the bills. On the whole, I believe that the committee amendment is, perhaps, the better of the two and consequently expect to vote for it. I would like very much to see amendments adopted, particularly the one to which reference has been many times made, that if a lease should not be made under the Reece bill the Norris bill should become effective, otherwise the situation may continue just as it has for the past 11 years. However, it is very important to at least get this proposition into conference in order that the conferees on the part of the House and the Senate may consider both propositions and perhaps reach a compromise embracing some of the features of both and including the alternative proposition.

I think there is one thing that should be borne in mind and one principle that should be preserved by all means, and that

is an assurance of the manufacture of fertilizer. The original Muscle Shoals bill provided for the manufacture of nitrogen for fertilizer purposes in times of peace and for explosives in time of war. It embraced no hydroelectric power proposition. The public, particularly the farmers, have been repeatedly assured by both parties that they would be given cheaper fertilizer through the instrumentality of Muscle Shoals. We should keep that promise.

There is one reason why I prefer the Reece bill, and that is that at least in its terms it gives assurance for the manufacture of fertilizer, whereas the Norris bill does not. It is not as strong in that particular as I should like to have it. I think it should be more explicit both as to the actual requirement and as to the amount to be manufactured. However, as I stated a while ago, we must realize that we can not get all of these different features just as we would have them.

I think there is no question but that fixed nitrogen can be produced with the plants they have at Muscle Shoals, in spite of contentions to the contrary. It is being done elsewhere by both processes and it can be done there.

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

Mr. DAVIS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to proceed for five additional minutes. Is there objection?

Mr. STAFFORD. Mr. Chairman, reserving the right to object, I would like to see whether I can not arrive at some understanding as to the time to be taken for debate on this section. I ask unanimous consent that all debate on this section and all amendments thereto close in 35 minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that all debate on this section and all amendments thereto close in 35 minutes. Is there objection?

There was no objection.

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

There was no objection.

Mr. DAVIS. Mr. Chairman, having in view the very great importance to agriculture of the fertilizer provisions of this bill, I have offered this amendment in absolute good faith. It relates to the matter of credit in determining the cost of fertilizer production, and it seems to me that at least the words "not to exceed" should be stricken out so as to allow credit of 50 per cent; in fact, I see no good reason why even a larger credit should not be allowed, and if you leave in the bill "not to exceed 50 per cent," it may be fixed at a nominal amount and consequently very materially affect the cost which would be fixed with respect to the production of fertilizer.

Mr. DOUGLAS of Arizona. Will the gentleman yield at that point?

Mr. DAVIS. Yes.

Mr. DOUGLAS of Arizona. This is a new idea. It provides, as the gentleman of course knows from the language, that if the lessee can produce a process which will require a lesser amount of electrical energy for the production of nitrogen, then, by reason of the amount of power made available for sale, there should be a credit against the cost of not to exceed 50 per cent.

Mr. DAVIS. Yes.

Mr. DOUGLAS of Arizona. This is a new idea. Formerly in all the bills there has been no provision for crediting the cost of fertilizer with any of the profits made from the sale of electrical energy made available by reason of a new process. It was the thought of the committee that we wanted to give them an incentive to develop a new process and at the same time not draw too much of the incentive away.

Mr. DAVIS. I appreciate the consideration that has been given that feature and all other features of the bill by the gentleman from Arizona, but it seemed to me that, in view of the fact they will be making a handsome profit on power and are assured an 8 per cent profit over and above the cost of production of fertilizer, it would be nothing but fair that the 50 per cent, or half of the profit on that energy, should be applied as a credit against the cost of producing the fertilizer. This was my idea in offering the amendment.

Another reason why I favor the Reece bill as against the Norris bill is that the Reece bill recognizes and preserves the constitutional rights, at least to a substantial extent, of the State of Tennessee, which the Norris bill does not, except in a much more restricted manner. We Tennesseeans have never asked that anything be given us. All that we have asked has been that the acknowledged legal rights of the State be recognized and not wiped out, and this bill does that in a much more comprehensive and fairer manner than the Norris bill; and as one Representative of the State of Tennessee, I wish to express my deep appreciation to the members of the subcommittee and to the members of the Committee on Military Affairs for their just and fair consideration in this respect. [Applause.]

Mr. GREEN. Mr. Chairman, the general proposition of the Norris resolution, of course, is the one I had hoped to have an opportunity to vote for, but it is apparent that I may not have such an opportunity. The party in power has so managed the legislation until we will not have a direct vote on the Norris bill.

I was disappointed at the refusal by the committee of the amendment offered by the gentleman from Alabama, which, of course, is the crux of the entire matter, making definite and adequate provision for fertilizer manufacturing. The amendment offered by the gentleman from Tennessee, of course, goes in that same direction, but not so far or definite.

The purpose of Muscle Shoals legislation should be, surely, for the benefit of the farmers. I desire to vote for making fertilizer at Muscle Shoals, and thus reflect the lower cost of same for our farmers. When the Mississippi Valley flood-control legislation came before the House, it was in the hands of its friends—those of the Mississippi Valley. When the Boulder Canyon project came before the House, it was in the hands of its friends. When the legislation before us was framed in the committee, it was framed by those from other sections of the country—that is, the subcommittee were not in the main those of the South, although the South has four or more outstanding members of the Committee on Military Affairs.

Mr. STAFFORD. Will the gentleman yield?

Mr. GREEN. No; I do not yield; you have repeatedly to-day declined to yield to me.

All amendments which we of the South offer are promptly voted down by your overwhelming Republican majority. We are trying to amend the bill to insure cheaper fertilizer for our farmers and fertilizer of a better grade.

Mr. MICHENER. Will the gentleman yield?

Mr. GREEN. No; I regret that I have not time enough. Practically every man on this, the Democratic, side of the aisle rise in favor of amendments trying to protect the farmers, and, on the other hand, I see you on the other side of the aisle voting them down and hardly giving us any time to debate them.

Only recently Mussolini said something about right without might being worthless, and I believe that France heard him. I also predict that France will eventually accept his challenge. If partial and selfish legislation is forced upon the American people they will accept the challenge and it will not take 50 years for the Republican Party to learn about it. I want Muscle Shoals utilized for the benefit of our already hard-pressed farmers; they need its benefits, they expect it and are entitled to it.

Mr. HOGG. Will the gentleman yield?

Mr. GREEN. I yield to the gentleman.

Mr. HOGG. The gentleman is making a pretty safe bet. How many of us does the gentleman think will be here 50 years from now?

Mr. GREEN. Why, I would say to my friend that the policies that are being shaped here to-day will live after you and I are gone. Men and institutions are perishable, but principles are eternal. I stand for equal privileges to all and special favors to none. Let us pass legislation to utilize Muscle Shoals, but at the same time direct its benefits where they rightfully belong. [Applause.]

Mr. DOUGLAS of Arizona. Mr. Chairman, I offer a substitute to the amendment.

The CHAIRMAN. The gentleman from Arizona offers a substitute amendment, which the Clerk will report.

The Clerk read as follows:

Substitute amendment by Mr. DOUGLAS of Arizona: Page 28, line 6, after the word "amount," insert the words "of not less than 25 per cent and not more than," and strike out the words, in the same line, "not to exceed."

Mr. DAVIS. Mr. Chairman, I will accept the substitute amendment.

The CHAIRMAN. The question is on the substitute offered b. the gentleman from Arizona for the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment to the amendment was adopted.

The CHAIRMAN. The question now is on the original amendment, amended by the substitute.

The question was taken, and the amendment was agreed to.

Mr. HOCH. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Amendment by Mr. HOCH: Page 31, line 20, after the word "available," strike out the period and insert a colon and add the following: "*Provided further*, That in any proceedings to determine the justness or reasonableness of any rate charged for the sale of electric energy

generated by the properties covered by this act there shall not be taken into consideration or allowed as evidence or element of property value as a part of the rate base either good will, earning power, or other such intangible factor."

Mr. HOCH. Mr. Chairman and members, this amendment would include among the principles enumerated in the bill upon which any contract for sale of electric energy shall be made the proposition that in determining the justness and reasonableness of any rate for electrical energy there shall not be taken into consideration or allowed any property value in the rate base upon which return is claimed, based on the earning power, good will, or such intangible value. This is the same principle debated at some length in the House when we had before us the interstate bus bill recently. To this important principle in utility valuations the House at that time gave indorsement by a large majority. It should not be necessary to discuss it at length again to-day. It should be written into this bill.

Mr. STAFFORD. Mr. Chairman, recognizing that the Committee on Interstate Commerce has given very great consideration to this phase of the question, the Members of the committee that I have been able to consult with have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The amendment was agreed to.

Mr. LAGUARDIA. Mr. Chairman, I have an amendment somewhat similar to the amendment just adopted.

The Clerk read as follows:

Page 33, line 15, after the word "damages," insert the words "leasehold value, good will, going concern, or any other intangible factor."

Mr. LAGUARDIA. Mr. Chairman, the purpose of this is to limit in the event the Government should recapture the property payment of excessive value based on superficial or fictitious valuation. It is clear that the intent of the House is to limit the rate to actual physical valuation of the property. Now, we provide here that the right of recapture rests with the Government on the payment of certain limited damages. The bill then provides that the speculative damage should not be included, and my amendment carries out the idea and makes clear that no intangible factor shall enter into fixing the damages to be paid.

Mr. STAFFORD. During the consideration of this phase of the proposed condition in the subcommittee we gave consideration that we might even recapture it with a minimum of physical valuation. I see no objection to the amendment, because I think it carries out the intention of the subcommittee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was agreed to.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. LAGUARDIA: Page 34, line 24, after the word "whatsoever," strike out the period, insert a colon and the following: "*Provided*, That the provision hereinbefore contained in paragraph (m) shall be conspicuously printed on the face of every share of stock issued by such corporation."

Mr. LAGUARDIA. Mr. Chairman, paragraph (m) provides that the corporation must be at all times controlled by a majority of American citizens. In the event that the majority passes to aliens, the lease may be terminated. In order to put everyone on notice, every share of stock should contain the provision that the lease is good as long as the corporation is controlled by a majority of the stockholders being American citizens. It seems to me that that will avoid a great deal of misunderstanding and perhaps of litigation in the event the majority of the stock gets into the hands of aliens.

Mr. STEVENSON. Does the gentleman propose to establish the fact that in all legislation involving contractual rights like this, in order that people who buy stock may know about it, it must be printed in large type?

Mr. LAGUARDIA. Not at all; but where you have a limitation on the transferability of your stock it is customary to print it on the face of the stock, and that is only fair to innocent purchasers.

Mr. STEVENSON. The gentleman said very large type.

Mr. LAGUARDIA. I said it should be conspicuously printed.

Mr. STEVENSON. I think the average man would know whether it is big or small type, and some fellow might come in and say they did not put it in big enough type, so that they would not be responsible.

Mr. STAFFORD. I think the gentleman is indulging in a peccadillo. I think it is unnecessarily restrictive. If the committee will read the conditions, it will see that the right of recapture is very remote in case a majority of the stock happens to fall in the hands of aliens. I think the gentleman is going to an extreme in providing that it should be printed on the certificate in the manner indicated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 35, line 12, after the word "the," insert the words "War Department and the," and strike out the word "its" in the same line and insert in lieu thereof the word "their."

Mr. LAGUARDIA. Mr. Chairman, the purpose of this amendment is this: This section provides that the administrative board or its representative or representatives may have access at all times to this plant. It occurs to me that inasmuch as the purpose of the bill is to maintain the plant in such condition that it may be used for the production of nitrogen in case of emergency, it is well to permit the War Department to send in its representative, especially officers of the Ordnance Department, at all times.

Mr. CHINDBLOM. Would it not be better to say the Secretary of War?

Mr. STAFFORD. We provide for these three Secretaries in the administrative board. This provides not only for time-of-war contingency but also for the manufacture of fertilizer.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. McSWAIN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN: Page 25, line 6, after the words "quantity of," strike out "fixed nitrogen" and insert in lieu thereof the words "such fertilizer bases or fertilizers."

Mr. McSWAIN. Mr. Chairman, I think it is unnecessary to discuss this. I do not think there will be any opposition to it.

Mr. STAFFORD. Was it not the intention of the subcommittee when we provided as to the minimum of fixed nitrogen that should be produced, and periodic increases, that we had in mind fixed nitrogen and not fertilizer bases?

Mr. McSWAIN. No; we had in mind fertilizer bases that shall contain a specific amount of fixed nitrogen.

Mr. STAFFORD. This paragraph prescribes a minimum amount of fixed nitrogen that shall be produced at these plants, and not the minimum amount of fertilizer or fertilizer bases.

Mr. McSWAIN. What I desire is that the bill shall stipulate that the minimum amount of fixed nitrogen shall be in the form of plant food, and it is in harmony with the entire section to refer to that as fertilizers rather than as purely fixed nitrogen.

Mr. DOUGLAS of Arizona. I think the gentleman is right.

Mr. STAFFORD. Mr. Chairman, I yield to the judgment of the other members of the subcommittee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The amendment was agreed to.

Mr. McSWAIN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. McSWAIN: Page 25, line 9, strike out "finally," the first word in line 9, and insert in lieu thereof the words "within 12 years after such lease or leases become effective."

Mr. McSWAIN. Mr. Chairman, this does not impinge upon the objectionable features found to exist by a majority of this Committee of the Whole House on the state of the Union in the amendment offered by the gentleman from Alabama [Mr. HILL].

He limited the fixation and the production of the nitrogen to the Muscle Shoals property. This amendment provides that the lessee somewhere, somehow must, within 12 years, reach the maximum capacity. I am sure there should be a limit of time imposed.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HILL of Alabama. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HILL of Alabama: Page 31, line 16, after the word "further," strike out all down to and including the word "available," in line 20, and insert "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 cancellation of said contract upon two years' notice in writing if said power be needed to supply the demand of States, counties, or municipalities."

The CHAIRMAN. The gentleman from Alabama is recognized for three minutes.

Mr. HILL of Alabama. Mr. Chairman, it has been asserted on this floor time and time again during this debate that it was the purpose of the pending bill to give preference to municipalities in the purchase of surplus power which may be left after all power necessary for the manufacture of fertilizer or fertilizer ingredients has been taken. If this avowed purpose of the proponents of the bill is to be carried out it is absolutely necessary that the amendment be adopted for if a municipality is to be in a position where it can exercise the preference for the purchase of the surplus power or a part thereof it must be able to get that power when it is ready for it and when it needs it. Many of the municipalities that would like to have the surplus power are to-day tied up in contracts with the power companies and these municipalities must be able to get the surplus power when these contracts terminate. What the amendment would provide is simply this: The municipality would say to the lessee that within two years' time that municipality wants so much power. The lessee would then say to the power companies, "Within two years' time we will withdraw from you the power which the municipality is asking for."

It is evident that unless this amendment be adopted any supposed preference for the purchase of the surplus power by municipalities is at best most doubtful and uncertain. The amendment speaks for itself.

In the brief time that I have I wish now to say a word about Cove Creek Dam and the compelling necessity of having this dam constructed by the Government rather than by some power company. On April 3 last the able and distinguished Senator from Nebraska [Mr. NORRIS] in a masterly address covered every detail of the subject and showed conclusively that the Government should build the Cove Creek Dam. Time does not permit a review by me of this address, but I commend it to the reading and the study of the membership of the House. It is most enlightening. As Senator NORRIS points out in the address, Cove Creek Dam will impound some 3,000,000 to 3,500,000 acre-feet. To use his illustration, 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. The Cove Creek Dam will double the amount of primary power generated at Wilson Dam, which is the great dam at Muscle Shoals. In other words, it will practically double the value of the Government's hydroelectric properties at Muscle Shoals. It will play a large part in the control of the floods on the Tennessee River and will even be effective in the control of floods on the Mississippi River. For instance, the flood height at Chattanooga, Tenn., would be reduced nearly 6 feet and this would mean that hundreds of acres in the vicinity of Chattanooga which are subject to flood with great damage being done would be free from this danger. A number of other towns on the Tennessee, such as Rockwood, Johnsonville, and Florence, would receive great protection from floods by the construction of this dam.

In 1926 the damage from floods on the river amounted to $2,650,000, and General Brown, the Chief of Engineers, estimates the annual average damage from floods to be $1,780,000. If we construct this dam, we will not only give protection to the people of the Tennessee River but, to a lesser degree at least, we will have benefited the whole flood-control program in Louisiana, Mississippi, Arkansas, and all the States in the Mississippi Valley and, in fact, throughout the Mississippi Basin. The construction of the Cove Creek Dam would do much to improve the navigation facilities on the Tennessee River and would give practically 3-foot navigation on the river the year around. This would mean a great saving to the consumer and shipper in freight rates and set a standard for transportation costs throughout that section of the country. If the Cove Creek Dam is built by the Government, the people of Tennessee and other consumers of power from Cove Creek will have to pay not more than 4 per cent per annum for the capital cost of building Cove Creek. Four per cent per annum on $40,000,000, the estimated cost of building Cove Creek, will be $1,600,000 annually for interest payments on the capital. If Cove Creek is built by some power company, the power company's capital will cost the people of Tennessee not less than 6 per cent per annum. Six per cent per annum on $40,000,000 is $2,400,000 per annum—a difference of $800,000 a year in interest charges, which would be the additional cost to the people of Tennessee if Cove Creek Dam be built by a power company. In 50 years this difference would cost the people of Tennessee $40,000,000, which is as much as the cost of the dam itself. The statement of Henry Ford with reference to Cove Creek Dam is as true to-day as it was in 1927, when he said:

The real goal and objective of the power combine at this time is the Cove Creek Reservoir dam. The power combine knows that the Cove Creek reservoir is worth $50,000,000, and perhaps $100,000,000, and the combine knows that this dam belongs to the people of Tennessee, yet the combine asks the Federal Power Commission to make a gift to them of Cove Creek.

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

Mr. DOUGLAS of Arizona rose.

The CHAIRMAN. The gentleman from Arizona is recognized.

Mr. DOUGLAS of Arizona. Mr. Chairman, the House should understand that under the provisions of the bill a municipality can obtain power and contract with the lessee at the expiration of the contract with the private power company, provided the municipality makes its application to the lessee two years or more prior to the expiration of that contract. The reason for this provision is that one can not obtain a reasonable rate for power if one is compelled to sell it on a short-term contract.

The amendment offered by the gentleman from Alabama is excellent in its intent, but the effect of it would be to limit the contract for power to two years. The result of it would be that the power company would offer very much less to the lessee for the power. In fact, the power company might offer less than the cost of production. So that the effect of the decreased return to the lessee would be a lower fair appraised valuation and, therefore, a lesser return to the United States in amortization payments and rental.

The CHAIRMAN. The time of the gentleman from Arizona has expired. The question is on agreeing to the amendment offered by the gentleman from Alabama [Mr. HILL].

The question was taken, and the amendment was rejected.

Mr. HOUSTON of Hawaii. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Hawaii offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HOUSTON of Hawaii: Page 28, line 15, after the word "States," strike out the words "or State" and insert "Territories or State and Territorial."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. STAFFORD. Mr. Chairman, the committee is virtually in harmony with the amendment.

Mr. McSWAIN. We are in favor of it on this side.

The amendment was agreed to.

Mr. COX. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Georgia.

The Clerk read as follows:

Amendment offered by Mr. COX: Page 37, line 23, after the word "available," insert "*Provided*, That the amount of rental and the time of payment thereof for nitrate plant No. 1 and/or nitrate plant No. 2, as long as either or both may be employed by the lessee or lessees for the fixation of nitrate for agricultural purposes, shall be such as to offer an incentive to the operation and continued operation of said plants for the production of nitrogen for use in agriculture."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HOGG. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HOGG: Page 29, line 6, after the period, insert the words "the lessee shall expend not less than $50,000 per year in the aforesaid research."

Mr. HOGG. Mr. Chairman and members of the committee, the research clause of this bill is one of the most important in the bill. A few years ago a chemist was tinkering with hydrogen and nitrogen in a hot gas pipe, and he discovered a whiff of ammonia. From this discovery he developed the synthetic process of fixation of nitrogen. As a result new plants, totaling hundreds of millions of dollars in value have been constructed for the production of nitrogen. My amendment proposes that in this lease the lessee shall be obligated to an annual expenditure of $50,000 or more for the further study of cheapening the process of nitrogen fixation.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. HOGG. I yield.

Mr. CHINDBLOM. Can the gentleman enlighten the committee as to why he fixes this amount at $50,000?

Mr. HOGG. That is a very small amount comparatively. It should be a great deal more.

Mr. CHINDBLOM. Does the gentleman not think it should be based upon some information, if the gentleman has it, and not simply just suggest $50,000? This is a scientific proposition. This is a business proposition.

Mr. HOGG. I say that $50,000 is a very small sum for this very important object, in an industry where the investment is millions upon millions of dollars. [Applause.]

Within the last 10 years the farmers of America have used approximately 70,000,000 tons of commercial fertilizer of the approximate value of $2,100,000,000. During all of this time our Government has owned and caused to remain idle the largest cyanamide nitrogen-fixation plant in the world. And this, too, in face of the fact that the original legislation authorizing construction of the great plant at Muscle Shoals provided that it should be used in peace time for the production of fertilizer. An enactment of this kind is in the nature of an agreement between the Government and the people.

During the last 10 years that the nitrogen-fixation plant at Muscle Shoals has been idle, the largest part of nitrates used in fertilizer has been imported. The cost of the nitrogen ingredients in fertilizer is about two times the entire cost of all other ingredients. About 1,000,000 tons of sodium nitrate are on an average imported annually from Chile. On this there is an export duty and the American farmers have been paying the Chilean Government $12,580,000 per year in taxes. During the last 10 years the American farmer has paid in taxes to the Chilean Government more than $125,000,000, and in addition has paid the purchase price of the nitrates.

Besides the importation from Chile, 100,000 tons of pure nitrogen in the form of cyanamide are imported yearly from Canada and other countries, and 150,000 tons of pure nitrogen fixed by the synthetic process are annually imported from Europe. There is some nitrate fixed in this country as by-products of other manufacturing processes and used in fertilizer. This amount is necessarily limited at present, as well as in the future. We are dependent upon foreign countries for nitrates.

We hear much about the synthetic process of nitrogen fixation, and we are apt to think that it is the only practical process. The fact is that 250,000 tons of pure nitrogen are being fixed annually by the cyanamide process in other countries. This is the process of the Muscle Shoals plant.

Electric power is the costly element in the cyanamide fixation process. In the last 10 years about $35,000,000 worth of electric power has gone to waste at Muscle Shoals. It is still going to waste.

So far as synthetic nitrates in the United States are concerned, in 1928 only 22,000 tons were produced. Of this amount not a single ounce went into the manufacture of fertilizer.

Muscle Shoals is the largest cyanamide plant in the world. The plant represents an investment of $160,000,000 of the people of the United States. It is built on the Tennessee River in Alabama, where the river has a fall of 130 feet in 30 miles. A dam more than a mile in length and 92 feet high has been constructed, and with it a power plant one-fourth of a mile in length. At the present time 260,000 horsepower of water is going to waste over the dam and the generators are idle. An 85,000 steam horsepower plant is also idle.

The nitrogen plant proper consists of 10 huge buildings covering an area of more than 1 mile long and one-half mile wide, fully equipped with the machinery, in excellent condition. The work is to take the nitrogen from the air, fix it with hydrogen into ammonia, and then in ammonium nitrate for fertilizer or into nitric acid for explosives or commercial use. To secure the nitrogen and hydrogen is a comparatively easy process, but the fixation process is difficult and challenged the ingenuity of man until a quarter of a century ago.

Raw limestone, coal, and coke start the process, and are handled by mechanical equipment from the unloading of the cars to the finished product. The lime-burning plant consists of seven rotary kilns each 8 feet in diameter and 125 feet in length. Their total capacity is 700 tons of lime per day. The coal-drying plants can handle 336 tons of coal daily. Coke is crushed and then dried in four rotary driers 40 feet long.

This lime and coke is mixed and melted in 1 of the 12 furnaces 22 feet by 13 feet by 6 feet. Each of these furnaces has a 60-ton carbide capacity per day. The carbide is cooled and pulverized in an atmosphere of nitrogen.

The liquid-air plant has a capacity of 300 tons of nitrogen per day. This is delivered to the nitrifying ovens in gaseous form through a 30-inch spiral riveted pipe.

Pulverized carbide is put into one of the 1,536 nitrifying ovens; the oven is sealed and nitrogen gas is turned on through a valve located at the bottom of the oven. The oven is heated by electricity for 6 hours to 1,800° F. and then allowed to cool for 34 hours. When carbide is thus heated it absorbs nitrogen as readily as a dry sponge will absorb water.

The result is cyanamide ingots which, after being pulverized, are taken to one of the 56 steam autoclaves, where through agitation and steam the molecule is broken and ammonia gas is formed. The ammonia gas is washed through a series of mud drums and stored in two 60,000-cubic feet gas holders.

This ammonia may be oxidized to nitric acid, which may be neutralized with additional ammonia to form ammonium nitrate. The production can be 40,000 tons of nitrogen per year, or 110,000 of ammonium nitrate.

Except for a test of three weeks, which proved a success, the plant has been idle since completion. The Government should lease the Muscle Shoals plant by the terms of the present bill.

The amendment which I have offered will eventually lower the cost of production and it should be passed. [Applause.]

Mr. STAFFORD. Under the bill it is the plan to permit that nitrate plant No. 1 may be leased to one lessee and nitrate plant No. 2 to another lessee for the manufacture of nitrogen. Nitrate plant No. 1 is only capable of producing 10,000 tons. We should not place any restrictive measures on how much shall be expended in experimental purposes. This should be left to the board to determine. The board should determine the practical phases of this leasing proposition.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. HOGG].

The amendment was rejected.

Mr. ALLGOOD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. ALLGOOD: Page 26, line 1, after the word "exceeding," strike out "8" and insert "6."

Mr. ALLGOOD. Mr. Chairman, ladies and gentlemen of the committee, the development of Muscle Shoals was begun under a Democratic administration when Woodrow Wilson was President, and I dare say if the Democrats had remained in power this great property would be in operation to-day, grinding out fertilizer and fertilizer materials for the farmers. The Republicans have been in control of the Government for 10 years, and the nitrate plants of Muscle Shoals are now idle and have been idle throughout all these long years. During all this time our farmers have been buying fertilizers imported from foreign countries. They have been forced to pay trust prices. There are many nitrate plants similar to the one at Muscle Shoals in different parts of the world; however, the Government-owned nitrate plant at Muscle Shoals is the only one idle to-day in the whole world. Two years ago I made a trip to Niagara, Canada, to inspect the cyanamid plants there. I found them to be identical with the plant at Muscle Shoals. They were running day and night, turning out fertilizer materials, nearly all of which is being shipped into the United States. At that time they were breaking ground for the building of another plant at Niagara in order to double the output of fertilizer materials, so you can see there is no just reason in the world why the nitrate plants at Muscle Shoals should not be operating day and night and using the power that is going to waste.

When Mr. Hoover was a candidate for President his abilities as a great engineer were heralded from the housetops, and thousands of people throughout the southland were led to believe that if he were elected President he would place Muscle Shoals to work, producing fertilizer which would reduce the burdens of the cotton farmers. Since his election we have been sorely disappointed; one statement from the President now would settle this question, but it looks like the Republicans are determined to make a political football out of the Muscle Shoals question. They had rather have the support and money of the Fertilizer Trust than have the good will of the farmers who buy fertilizer. It is generally conceded on all sides here, and I have often heard the expression that if Muscle Shoals were north of the Ohio River it would have been in operation years ago. Under the law establishing the Muscle Shoals properties it is provided that they should be run in times of war for the production of nitrates to be used for munitions for the protection of our country, and in times of peace it should be run for the production of nitrates to be used in the manufacture of fertilizers for the benefit of the farmers. The property cost practically $160,000,000 of the people's tax money. We have had 13 years of peace, the Wilson Dam has been completed six years, millions of dollars of power has gone to waste, and not 1 pound of fertilizer material has been produced, and as to the benefits which have accrued to the farmer from these properties, they would have been just as well off, instead of spending

$160,000,000 to have paid some boy $5 to build a "flutter mill" on the Tennessee River. The indications are that we will this fall, sell the cheapest cotton that has been sold since before the war. During this administration there have been thousands of banks that have been forced to close their doors, and hundreds of thousands of business failures; also poverty is widespread throughout the Nation and many, many people can not find work. People generally throughout the country are disappointed with this administration, and if the President and the Republican leaders who are now in control of this Congress really want to help conditions, I know of no better plan than to have the properties of Muscle Shoals put to running day and night. This would give employment to thousands of people and reduce the fertilizer cost to cotton farmers. [Applause.]

Mr. McSWAIN. Mr. Chairman, the reason the profit was put upon the turnover was to constitute a stimulus and an incentive for quantity production. If it is fixed merely upon the capital investment, then the less quantity to be produced, the higher the price, because if you give 8 per cent on the investment and you have only a few thousand tons, it will cost more; but if you give it on the turnover, then you have a stimulus or motive. As a matter of fact, statistics show that the turnover in the fertilizer business is only about equivalent to the capital investment. We all know that fertilizer is virtually an annual production and an annual consumption. We buy fertilizer only once a year, and for that reason, as a friend of agriculture, in the belief that I understood what was best to induce quantity production, I urged to put it upon the basis of cost of turnover, plus 8 per cent.

Mr. ALLGOOD. Will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. ALLGOOD. Does not the gentleman consider a 6 per cent profit on an enormous investment like that sufficient?

Mr. McSWAIN. The gentleman from Alabama must understand that we do not guarantee 6 per cent. We say, "If you make anything at all you can not make over 8 per cent," but we do not undertake to guarantee one single cent. I think that should be sufficient explanation of the provision.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was rejected.

Mr. DAVIS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DAVIS: Page 25, lines 10 to 12, after the word "plants," in line 10, strike out: "As the leasing board may find to be economically adapted or susceptible of being made economically adapted to the fixation of nitrogen."

Mr. DAVIS. Mr. Chairman, ladies and gentlemen of the committee, my idea in offering this amendment is this, that the question of producing fertilizer should not be made to rest upon the determination by somebody that it could not be economically done. It is admitted it can be done, and if the facilities for the production of fertilizer in excess of the minimum requirement are not of such character that they can produce it economically, the lessee ought to be required to improve or construct plants, if necessary, and not let the question as to whether there should be an increased production rest upon the economical adaptability of existing plants. Of course, it will be necessary to make some replacements and some repairs, even if they use those identical plants, and it seems to me this language could be so interpreted that they could be and perhaps might be released from increasing the production if it should be determined that these plants were not adapted to the most economical production. In view of the fact that the lessee has other safeguards which fully protect them, including the provision that if they have in storage and unsold 2,500 tons of fixed nitrogen they may cease production, it seems to me they are sufficiently protected without this provision, which might be misconstrued or abused.

Mr. DOUGLAS of Arizona. Will the gentleman yield?

Mr. DAVIS. I yield.

Mr. DOUGLAS of Arizona. Let us assume that 10 years from now one of these processes becomes obsolete or, rather, the most costly of the processes for the production of nitrogen, and let us assume that the production ceases; that there are 2,500 tons in storage and a sufficient amount is taken away from the amount in storage to reduce the quantity below 2,500 tons, then, if the language of the gentleman's amendment were adopted, the lessee is compelled to renew the production of fixed nitrogen by a process which had become the most costly process, and we felt it was against that situation the farmers should be protected.

Mr. DAVIS. Well, of course, I am in sympathy with anything that will reduce the cost of production, but it just occurred to me that the question as to whether they shall make an increase in the amount of their production could be made to depend upon the question as to whether or not the existing plants were susceptible of economical production.

The CHAIRMAN. The time of the gentleman from Tennessee has expired. The question is on the amendment offered by the gentleman from Tennessee.

The amendment was rejected.

The Clerk read as follows:

SEC. 3. If prior to December 1, 1931, the leasing board, with the approval of the President, shall have executed a contract or contracts for the letting of the properties based on the principles, directions, and limitations enumerated herein, then with respect to the dam to be constructed by the lessee or lessees or by a joint board of control or a holding corporation or otherwise, at the site on the Clinch River, known as Cove Creek, by way of amplifying and amending the provisions of the Federal water power act of 1920, as amended, under the terms of which the lessee is or the lessees are to construct the said dam, the following provisions shall apply:

(a) The cost of said dam to the licensee and to the United States shall be amortized, at least in part, by the collection of a reasonable royalty from all hydroelectric power projects now existing or to be constructed on the Tennessee or Clinch Rivers downstream from the Cove Creek Dam: *Provided*, That the amount of said royalty shall be in proportion to the advantages accruing to such downstream hydroelectric projects from the construction and operation of said Cove Creek Dam and shall be determined by the Federal Power Commission in cooperation with the appropriate agency of the State in which said dam may be situated, and in event of disagreement between these agencies the President shall appoint a competent engineer who shall act as arbiter and whose decision shall then be final.

(b) At the expiration of the license for the construction and operation of said dam at the Cove Creek site the State of Tennessee shall have the right to recapture the interests of the lessee or lessees and licensee or licensees in said dam and appurtenant structures, including hydroelectric generating equipment, but exclusive of any barge lift or navigation appliances, by paying the lessee or lessees or licensee or licensees therefor an amount equal to the net investment, as defined in said Federal water power act of 1920, as amended, made by said lessee or lessees and licensee or licensees in said dam and appurtenant structures: *Provided*, That in the event the State of Tennessee shall exercise the right hereby conferred, the State of Tennessee and its agents shall hold and operate the same in the interest of the development of the maximum primary power at Dam No. 2 and of navigation, and subject to the provisions of the Federal water power act of 1920, as amended, to the same extent as if the same were held and operated by the United States or a licensee thereof.

Mr. GARRETT. Mr. Chairman, I move to strike out the last word. Mr. Chairman, ladies and gentlemen of the committee, I just want to direct the attention of the committee—as we have now passed the section of the bill which allocates the power and provides for its distribution—to the fact that there is nothing to all of this talk about the States, municipalities, and counties getting the benefit of the power developed at Muscle Shoals, and that all of the people within transmission distance of Muscle Shoals are still helpless and have no way whatever of getting this power transmitted to them.

I had supposed that some of the gentlemen who wanted to perfect this bill would offer amendments providing that this board might be authorized to construct transmission lines from Muscle Shoals and pay for them out of the earnings of the profits made from the sale of electricity, but the fact is that the people within 100 miles of Muscle Shoals will be living there 100 years from now, and the Alabama Power Co. will be distributing the power and fixing the price they will have to pay.

Mr. DOUGLAS of Arizona. Will the gentleman yield?

Mr. GARRETT. Yes.

Mr. DOUGLAS of Arizona. Is there anything in the bill which prohibits a municipality from becoming a lessee or from constructing its own transmission lines to Muscle Shoals and there purchasing power, or is there anything in the bill which prohibits a lessee from building a transmission line wherever it chooses?

Mr. GARRETT. There is nothing in the bill to prohibit that, but the gentleman knows, and everyone else knows, that unless this commission has the power to do this thing it will never be done, and there is no cooperation offered whatever; it is left wide open for the Alabama Power Co. to take it and hold it forever, and that is what they intend to do.

Mr. McREYNOLDS. Mr. Chairman and gentlemen of the committee, action by Congress in different ways in reference to

Muscle Shoals has been a matter of legislation for over 100 years. The gentleman from Missouri [Mr. LOZIER] two years ago stated that in 1828 the Federal Government granted 400,000 acres of land to Alabama to improve the Tennessee River. Forty-eight years ago there appeared in the Chattanooga Times, of Chattanooga, where I live—although I was not at that place at the time—an article in reference to Muscle Shoals, which stated an appropriation had been made for the development of navigation at that place. They were very much elated at that time because an appropriation had been made by which they thought they could at once place 1,000 men at work at Muscle Shoals.

We have now been trying to dispose of this proposition for the past nine years and it looks as if we are no nearer now than we were at the beginning. My people want action. Over $900,000 was spent in a survey of the Tennessee River, and in that survey it was found there were many power dams possible of development that would develop 4,000,000 horsepower per year.

In 1925 and 1926 applications were made for a temporary permit or license for 11 different projects in my section, and these were held up by the Federal Power Commission because Muscle Shoals had not been disposed of, and members of the Committee on Military Affairs protested to the Federal Power Commission and requested that no preliminary permits be issued for the development of these dam sites.

Coming from east Tennessee, where these great projects are possible, in view of the delay in the past by Congress in the disposition of Muscle Shoals, my people want action, and we are entitled to action.

We can not expect to have a bill before the House that would suit each and every one of us. I am sorry that the Members *have not* exercised the right of give and take, so that there would be some opportunity or some chance for the passage of a bill in this House that would meet with the approval of the Senate. You have now two bills, the Reece bill and the Norris bill. They are far apart, with different ideas of disposition, and the Reece bill, I presume, will be passed in this House, and you know and I know that there is not a chance in the Senate to pass that bill. I think it is a very good bill, and I am ready to vote for that bill or for the other bill or for any reasonable disposition of the problem. I feel, however, that the Norris bill would have been a better bill because of this fact: They both provide for the key in this entire development, and that is the construction of Cove Creek Dam. Cove Creek Dam under the Norris bill is to be operated under the Federal Government.

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

Mr. McREYNOLDS. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

Mr. STAFFORD. Mr. Chairman, reserving the right to object, and I do not intend to object, I ask unanimous consent that all debate on this section and all amendments thereto close in seven minutes.

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

There was no objection.

Mr. McREYNOLDS. As I was saying, gentlemen, I feel that the Cove Creek Dam should be constructed and operated by the Federal Government because of navigation and because of flood control. Cove Creek affects every dam from there to the Ohio River and it affects navigation.

My distinguished colleague, the gentleman from Tennessee [Mr. FISHER] told you yesterday of the advantages of the Cove Creek Dam. It not only increases the amount of power, but also lowers the production cost of each kilowatt of power, and also lowers the cost by millions of dollars of the building of the various dams along the Tennessee River.

I have stated that my people feel that some disposition should be made of this entire problem. I am ready to vote for both bills if I could have the chance; in fact, I would prefer the alternative plan, because by that means I feel we have a chance, or at least an opportunity, to get an agreement with the Senate by which we can get final disposition of this matter.

We should have amended this bill so that we might have an opportunity to have the Senate agree with us, and my only hope now is that in passing the bill perhaps something can be worked out in conference that will meet the approval of both Houses and finally give us action and final and complete disposition of this most wonderful project. [Applause.]

Mr. TAYLOR of Tennessee. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 37, line 24, strike out the words "December 1, 1931" and insert "July 1, 1931."

Mr. TAYLOR of Tennessee. Mr. Chairman and my colleagues, I do not care to consume any time in the discussion of this amendment. The purpose is apparent to you. You recall that some time this afternoon when the practicability and workability of this measure was being discussed a member of the subcommittee suggested that there were already a flock of concerns that were anxious to take over Muscle Shoals under the terms of the bill. I am not interested so much in the terms of the bill as I am in getting action. What concerns me is not the form but the substance. This time limit that I have suggested would give 13 months to the commission to carry out the negotiations and I think that is ample. The bill as it is written provides for nearly 20 months, which is entirely too long. Action on Muscle Shoals has already been delayed too long. I am offering this amendment simply to expedite action.

Mr. STAFFORD. Mr. Chairman, we fixed the time December 1, 1931, so as to make certain that the property could be leased. We do not wish to limit the time so that it will not be possible to lease these properties. Under the arrangement, it requires several months for the appraisal and for the board to get acquainted with the properties and give notice for proposals to lease. Mr. Chairman, I call for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 11. The several provisions of this act are hereby declared to be separable, and in the event that any provision of this act shall be held to be invalid it shall not invalidate the remainder of the act; and in such event the President, as he deems best for all parties concerned, may revise the terms of such lease or leases as may be affected by the holding of invalidity.

Mr. PATTERSON. Mr. Chairman, I move to strike out the last word. Mr. Chairman, ladies, and gentlemen, no one has been more interested in the development of Muscle Shoals, and giving assurance for the manufacture of fertilizer than I. I have not taken the time of the House for I knew that a great many here were anxious to speak who had scientific knowledge of this project, but I deeply regret that I can not see in this bill, the committee amendment, the fertilizer as I would like to see. We need fertilizer and I should like so much to see this project reserved forever to the people of our great country. I regret deeply that the committee has not given us a better bill.

Mr. WRIGHT. Does the gentleman see any in the Norris bill?

Mr. PATTERSON. I deeply regret that I can not see the fertilizer that I would like to see; however, I do not go the length that some have gone and accuse members of the subcommittee or the Military Affairs Committee of undue prejudice or anything of that kind. I am also not afraid to trust the President of the United States. However, I would like to see a board appointed that would be confirmed by the Senate. I think this is fundamental and the Senate should have the privilege of examining these men. I do not see how anyone could object to that.

There is another thing that I would like to state in the little time that I have. I have not been able to see any prejudice on the part of the North against the South, as has been expressed by some one here. I have not been able to see anybody in the North trying to put over anything on the South in this bill. [Applause.]

I have not been able to see any discrimination in the recognition by the Chair of any Member on this side of this House. [Applause.] I feel very deeply the disappointment in not getting a bill which gives us large quantities of fertilizer for our farmers who need this help so much in trying to carry the burden of fertilizer. And, too, I most earnestly hope that we may preserve this project for the advantage of our people all over America. I differ as radically as anyone can from those who sponsor this bill, but I do wish to make it clear, since that question has been raised, that I have seen no indication of sectional discrimination here on this floor. And I add that on every important vote here we have been joined by men of practically every section in voting to sustain my point of view, while men from the South have voted on the other side. Colleagues, I wish to speak here now as an American, and I wish to do that always and everywhere, and I believe that is the desire of other Members here, it matters not the section from which they come.

I regret deeply the parliamentary situation brought about by the leaders which, in my judgment, greatly handicaps a fair and equitable settlement of this question in the interest of our farmers and our people, but I have not been able to see anything sectional in this or in its consideration here in this House.

If this amendment, which I can not conscientiously support, passes no one will be more pleased than I if it disappoints me and turns out fertilizer for our people. I sincerely hope that the conferees may speedily bring back to this House and the Senate an agreement which will give us fertilizer for our needy farmers, and also preserve the equity of our people in this great project.

I am deeply grieved that this proposition does not follow more closely along the lines of the national defense act, and the passed policy enunciated by this Congress. Mr. Chairman, this is a great project, and will mean much to our people if it is handled right. I sincerely hope that we can all join in amending this bill so that the people's interest will be preserved, and our farmers will have much-needed relief in the form of real usable fertilizer. With this in mind I have supported, and will support, every constructive amendment which seems to me helps to do this. I do this as an American with the good of the whole country in mind, and without any prejudice toward any. I wish to urge you and plead with you in the name of the people of this country and the farmers who need relief and aid. [Applause.]

Mr. DOUGLAS of Arizona. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 44, line 4, after the word "invalidity," insert:

"All provisions of this act shall be held to be legally incorporated into the provisions of any lease or leases that may be executed pursuant to the provisions thereof."

Mr. DOUGLAS of Arizona. Mr. Chairman, there are several reasons why this amendment should be agreed to. The most important one is that in many places throughout the bill there are references to the Federal water power act. It is possible that some day the Federal water power act will be declared to be unconstitutional. Should that happen, and should the provisions of this act be not an integral part of any lease that may be executed, the lessee might be relieved of some of the obligations otherwise imposed upon him. If, however, the language of this act is incorporated in a contract, a subsequent declaration by the Supreme Court of the invalidity of the Federal water power act would not vitiate any of the provisions of this act.

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

Mr. DOUGLAS of Arizona. Yes.

Mr. LAGUARDIA. On what does the gentleman base his presumption or hope that the Federal water power act will be declared unconstitutional?

Mr. DOUGLAS of Arizona. Mr. Chairman, I have not offered my amendment upon the basis of any hope or presumption of its invalidity. I simply state it may happen, and to protect against any such eventuality I think this amendment should be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona.

The amendment was agreed to.

Mr. ANDRESEN. Mr. Chairman, I move to strike out the last word. A little over a year ago I made a special trip to Muscle Shoals so as to have first-hand information of the Government's interest in this property. The main reason for my inspection was on account of the many statements made on the floor of the House and by those who were interested in turning Muscle Shoals over to private interests that the plant at Muscle Shoals was obsolete and running to rack and ruin.

I quite naturally expected to find a deserted and run-down plant. To my great surprise, I found a well-kept and up-to-date manufacturing plant, with machinery and equipment in splendid condition, apparently ready to operate in the manufacture of fertilizer on short notice.

Those in charge of the plant were reluctant about giving out much or any information as to the feasibility of Government operation, for fear, I assume, of the possibility of criticism from those who desired to acquire Muscle Shoals. A casual inquiry from many sources led me to the definite conclusion that power was the main proposition in the project and that fertilizer was the minor issue, and that private concerns were only interested in the project for the acquisition of the dam and power plant and future electric-power possibilities at the Shoals.

The organic act authorizing construction of the Muscle Shoals project for the Government had a definite and fixed policy. First, for national defense, and second, for agriculture. I strongly feel that this policy should be maintained and that the Government should proceed with the operation of Muscle Shoals as provided in the Senate resolution as introduced by Senator NORRIS and passed by the Senate.

I regard Muscle Shoals as a great experimental laboratory created and dedicated to national defense and for the benefit of agriculture. The failure on the part of the Government to operate this project during the past 10 years is a disgrace and a blotch upon those in authority. There can be no excuse that the plant was not properly equipped, because fixed nitrogen was actually produced, and the machinery could again be put into manufacturing operation by a very small expenditure.

Muscle Shoals should be operated by the Government as a great experimental laboratory for the benefit of the American people. The people as a whole now own the property at a cost of over $160,000,000, and I for one can see no valid reason for turning this Government institution over to private parties, who are mainly interested in operation for profit, for the power which is and can be developed, without any satisfactory return to the Government.

Many propositions have been offered to the Committee on Military Affairs for the leasing of Muscle Shoals. A careful study of the various proposals plainly discloses the fact that the Government is expected to pay some one a handsome figure to take Muscle Shoals over and then be prepared to take it back again if the private parties do not meet with success in the operation. The Committee on Military Affairs frankly confesses that no satisfactory offer has been received from private parties for the taking over of Muscle Shoals. I have confidence in the Committee on Military Affairs and in the judgment of its members, and when the committee made their frank admission in 1928 as to the various lease proposals I am satisfied that they as business men were competent to pass upon the merits of the various offers.

It has been suggested by several on this floor that the Members of Congress are not competent to pass upon a lease proposition, and that if the leasing of Muscle Shoals is left to a commission or a member of the Cabinet there will be no difficulty in arranging for a satisfactory lease. This theory is a fallacy. Without casting any reflection upon the members of the present Cabinet and their ability and honesty, I feel that the responsibility should not be left with them, in view of past experiences in negotiating a lease for Muscle Shoals. This matter should be left in the hands of Congress. Since the Committee on Military Affairs states that no satisfactory lease can be arranged, there is only one other plan of procedure, and that is for Government operation.

As I have already stated, Muscle Shoals should be used as a great laboratory for the American people. Experiments can be made for the benefit of agriculture and for national defense. Surplus power can be disposed of to municipalities advantageously located, and to private concerns according to the highest bid; but first municipalities should be given the opportunity of taking advantage of a proposition in which they are now joint owners. Experiments in the making of fixed nitrogen and fertilizer under any process can be conducted and surplus fertilizer can be sold to the American farmers. Experiments can be conducted at Muscle Shoals along many lines for the benefit of national defense and for the general welfare of the American people.

I have no fear of the bugaboo of Government ownership in this proposition. The Government already owns the project, and having in mind the provisions of the Senate bill, which is now before us, the manufacturing and power plant, used as a great Government experimental institution, should be operated without profit as one of our great American institutions. If, after a fair period of trial and sincere effort on the part of the Government, it is found that the plant can not be successfully operated by the Government, and that it has no advantages for national defense or agriculture, then the matter can again be brought up before Congress for consideration as a leasing proposition.

I am satisfied that if every Member of the House would visit Muscle Shoals and go over the Government's property no other conclusion would be arrived at than the one which I have come to as heretofore stated.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk concluded the reading of the resolution.

The CHAIRMAN. The Clerk has concluded the reading of the resolution. The question now is on the committee substitute, as amended, to the Senate Joint Resolution 49.

The committee substitute was agreed to.

The CHAIRMAN. Under the rule, the committee will now rise automatically and report the substitute to the House.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that commitee had had under consideration Senate Joint Resolution 49, and in accordance with the rule reported the same back to the House with an amendment in the nature of a substitute.

The SPEAKER. Under the rule, the previous question is ordered. The question is on agreeing to the committee amendment, in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. LAGUARDIA) there were—ayes 175, noes 83.

Mr. HILL of Alabama. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 186, nays 135, answered "present" 1, not voting 105, as follows:

[Roll No. 50]

YEAS—186

Ackerman	Darrow	Hull, Tenn.	Rogers
Adkins	Davis	Irwin	Rowbottom
Aldrich	Dempsey	Jenkins	Sanders, N. Y.
Allen	Denison	Johnson, Wash.	Seger
Almon	De Priest	Jonas, N. C.	Seiberling
Andrew	Douglas, Ariz.	Kahn	Shaffer, Va.
Arentz	Doutrich	Kelly	Shott, W. Va.
Bacharach	Driver	Kiess	Shreve
Bachmann	Dyer	Kincheloe	Simms
Bacon	Eaton, Colo.	Kinzer	Smith, W. Va.
Baird	Eaton, N. J.	Langley	Snell
Bankhead	Edwards	Lankford, Va.	Snow
Beedy	Ellis	Larsen	Sparks
Beers	Eslick	Lea	Sproul, Ill.
Bell	Estep	Leavitt	Sproul, Kans.
Blackburn	Evans, Calif.	Leech	Stafford
Bohn	Fenn	Letts	Stalker
Bolton	Fish	Luce	Stobbs
Bowman	Fisher	McDuffie	Strong, Pa.
Brand, Ga.	Fitzgerald	McFadden	Swanson
Brigham	Foss	McLaughlin	Swick
Britten	Free	McLeod	Taber
Browning	Freeman	McReynolds	Taylor, Tenn.
Buckbee	French	Magrady	Thompson
Burdick	Fuller	Mapes	Thurston
Butler	Garber, Va.	Martin	Tilson
Byrns	Gibson	Merritt	Tinkham
Cable	Granfield	Michener	Turpin
Campbell, Pa.	Guyer	Miller	Vestal
Carter, Calif.	Hadley	Montague	Vinson, Ga.
Chalmers	Hale	Moore, Ohio	Walker
Chindblom	Hall, Ind.	Nelson, Me.	Wason
Clancy	Hall, Miss.	Newhall	Watres
Clark, Md.	Halsey	O'Connor, Okla.	Welsh, Pa.
Clarke, N. Y.	Hancock	Palmer	Whitley
Cole	Hartley	Parker	Wigglesworth
Colton	Hawley	Parks	Wingo
Connolly	Hess	Pratt, Harcourt J.	Wolfenden
Cooper, Ohio	Hickey	Pratt, Ruth	Wolverton, N. J.
Cooper, Tenn.	Hoch	Pritchard	Wolverton, W. Va.
Cox	Hoffman	Purnell	Wood
Coyle	Hogg	Ragon	Wright
Cramton	Holaday	Ramey, Frank M.	Wurzbach
Crisp	Hope	Ramseyer	Wyant
Crowther	Hopkins	Ransley	Zihlman
Culkin	Hull, Morton D.	Reece	
Dallinger	Hull, William E.	Reed, N. Y.	

NAYS—135

Abernethy	Douglass, Mass.	Johnson, Tex.	Patterson
Allgood	Doxey	Johnston, Mo.	Pittenger
Andresen	Drewry	Jones, Tex.	Pou
Arnold	Englebright	Kading	Prall
Auf der Heide	Evans, Mont.	Kemp	Quin
Ayres	Frear	Kennedy	Rainey, Henry T.
Barbour	Fulmer	Kiefner	Ramspeck
Black	Gambrill	Kvale	Rankin
Bland	Garber, Okla.	LaGuardia	Romjue
Bloom	Garner	Lambertson	Rutherford
Box	Garrett	Lampert	Sanders, Tex.
Briggs	Gavagan	Lanham	Sandlin
Browne	Glover	Lankford, Ga.	Schafer, Wis.
Buchanan	Goldsborough	Lozier	Schneider
Busby	Goodwin	Ludlow	Sears
Campbell, Iowa	Green	McClintic, Okla.	Selvig
Canfield	Greenwood	McKeown	Simmons
Cartwright	Griffin	McSwain	Sinclair
Christgau	Hall, Ill.	Mead	Sloan
Christopherson	Hall, N. Dak.	Michaelson	Smith, Idaho
Clague	Hammer	Milligan	Somers, N. Y.
Clark, N. C.	Hardy	Montet	Speaks
Cochran, Mo.	Hare	Moore, Ky.	Steagall
Collier	Hastings	Moore, Va.	Summers, Wash.
Collins	Haugen	Morehead	Sumners, Tex.
Connery	Hill, Ala.	Nelson, Mo.	Swing
Cooper, Wis.	Hill, Wash.	Nelson, Wis.	Tarver
Crail	Howard	Norton	Warren
Cross	Huddleston	O'Connell	Welch, Calif.
Crosser	Hull, Wis.	O'Connor, La.	Whittington
Cullen	Jeffers	Oldfield	Williams
DeRouen	Johnson, Nebr.	Oliver, Ala.	Williamson
Dominick	Johnson, Okla.	Palmisano	Wilson
Doughton	Johnson, S. Dak.	Patman	

ANSWERED "PRESENT"—1

Wainwright

NOT VOTING—105

Aswell	Celler	Dowell	Gifford
Beck	Chase	Doyle	Golder
Boylan	Cochran, Pa.	Drane	Graham
Brand, Ohio	Cooke	Dunbar	Gregory
Brumm	Corning	Elliott	Hooper
Brunner	Craddock	Esterly	Houston, Del.
Burtness	Curry	Finley	Hudson
Cannon	Davenport	Fitzpatrick	Hudspeth
Carley	Dickinson	Fort	Igoe
Carter, Wyo.	Dickstein	Gasque	James
Johnson, Ill.	McCormick, Ill.	Porter	Thatcher
Johnson, Ind.	McMillan	Quayle	Timberlake
Kearns	Maas	Rayburn	Treadway
Kendall, Ky.	Manlove	Reid, Ill.	Tucker
Kendall, Pa.	Mansfield	Robinson	Underhill
Kerr	Menges	Sabath	Underwood
Ketcham	Mooney	Short, Mo.	Vincent, Mich.
Knutson	Morgan	Sirovich	Watson
Kopp	Mouser	Spearing	White
Korell	Murphy	Stedman	Whitehead
Kunz	Niedringhause	Stevenson	Woodruff
Kurtz	Nolan	Stone	Woodrum
Lehlbach	O'Connor, N. Y.	Strong, Kans.	Yates
Lindsay	Oliver, N. Y.	Sullivan, N. Y.	Yon
Linthicum	Owen	Sullivan, Pa.	
McClintock, Ohio	Peavey	Taylor, Colo.	
McCormack, Mass.	Perkins	Temple	

So the Reece amendment, as amended, was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Johnson of Indiana (for) with Mr. Mansfield (against).
Mr. Watson (for) with Mr. Linthicum (against).
Mr. Temple (for) with Mr. Peavey (against).
Mr. Mouser (for) with Mr. Brand of Ohio (against).
Mr. Cochran of Pennsylvania (for) with Mr. McMillan (against).
Mr. Treadway (for) with Mr. Whitehead (against).
Mr. Brumm (for) with Mr. Tucker (against).
Mr. Hudson (for) with Mr. Corning (against).
Mr. Gifford (for) with Mr. Nolan (against).
Mr. Esterly (for) with Mr. Celler (against).
Mr. Finley (for) with Mr. Stedman (against).
Mr. Strong of Kansas (for) with Mr. Aswell (against).
Mr. Elliott (for) with Mr. Kendall of Pennsylvania (against).
Mr. Gregory (for) with Mr. McCormack of Massachusetts (against).
Mr. Johnson of Illinois (for) with Mr. O'Connor of New York (against).
Mrs. McCormick of Illinois (for) with Mr. Quayle (against).
Mr. McClintock of Ohio (for) with Mr. Lindsay (against).
Mr. Fort (for) with Mr. Carley (against).
Mr. Kendall of Kentucky (for) with Mr. Dickstein (against).
Mr. Reid of Illinois (for) with Mr. Yon (against).
Mr. Kurtz (for) with Mr. Oliver of New York (against).
Mr. Porter (for) with Mr. Sirovich (against).
Mr. Beck (for) with Mr. Cannon (against).
Mr. Underhill (for) with Mr. Boylan (against).
Mr. Golder (for) with Mr. Brunner (against).
Mr. Graham (for) with Mr. Stevenson (against).
Mr. Short of Missouri (for) with Mr. Woodruff (against).
Mr. Perkins (for) with Mr. Fitzpatrick (against).
Mr. Lehlbach (for) with Mr. Sullivan of New York (against).
Mr. Gates (for) with Mr. Mooney (against).

Until further notice:

Mr. Davenport with Mr. Drane.
Mr. Robinson with Mr. Underwood.
Mr. Niedringhaus with Mr. Taylor of Colorado.
Mr. Kopp with Mr. Rayburn.
Mr. Manlove with Mr. Kerr.
Mr. Dowell with Mr. Doyle.
Mr. Murphy with Mr. Spearing.
Mr. Ketcham with Mr. Kunz.
Mr. Menges with Mr. Sabath.
Mr. Dunbar with Mr. Gasque.
Mr. Dickinson with Mrs. Owen.
Mr. Thatcher with Mr. Igoe.
Mr. Hooper with Mr. Hudspeth.
Mr. Curry with Mr. Woodrum.

Mr. CONNERY. Mr. Speaker, my colleague from Massachusetts, Mr. MCCORMACK, is absent on important business. If he were here, he would vote "no."

Mr. LOZIER. Mr. Speaker, if my colleague, Mr. CANNON, were present he would vote "no." He is unavoidably absent.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the third reading of the Senate joint resolution as amended.

The Senate joint resolution as amended was ordered to be read a third time, and was read the third time.

Mr. ALMON. Mr. Speaker, I move to recommit.

Mr. TILSON. Is the gentleman opposed to the resolution?

Mr. ALMON. I would rather have it with an amendment.

Mr. LAGUARDIA. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. LAGUARDIA. The gentleman voted for the committee amendment. Therefore he can not qualify.

The SPEAKER. The gentleman can not qualify if there is anybody opposed to the resolution.

Mr. ALMON. There will be no debate about it. It will be ruled out of order, as I am advised by the Speaker, for the reason that it provides for Government operation substantially as provided in the Senate bill in the event lease is not made within the time stipulated in the bill.

Mr. LAGUARDIA. Mr. Speaker, I am opposed to the resolution. I move to recommit the resolution to the Committee on Military Affairs.

The SPEAKER. The gentleman from New York moves to recommit the resolution to the Committee on Military Affairs. The question is on agreeing to that motion.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. LAGUARDIA. Mr. Speaker, I ask for a division.

The SPEAKER. The gentleman from New York demands a division. The question is on the motion of the gentleman from New York to recommit.

The Houses divided; and there were—ayes, 92, noes 210.

So the motion to recommit was rejected.

The SPEAKER. The question is, Shall the resolution pass?

Mr. TILSON. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. The gentleman from Connecticut calls for the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 197, nays 114, not voting 116, as follows:

[Roll No. 51]

YEAS—197

Ackerman	Darrow	Jenkins	Sanders, N. Y.
Adkins	Davis	Johnson, Wash.	Seger
Aldrich	Dempsey	Jonas, N. C.	Seiberling
Allen	Denison	Kahn	Shaffer, Va.
Almon	De Priest	Kelly	Shott, W. Va.
Andrew	Douglas, Ariz.	Kemp	Shreve
Arentz	Driver	Kiess	Simms
Bacharach	Eaton, Colo.	Kincheloe	Smith, Idaho
Bachmann	Eaton, N. J.	Kinzer	Smith, W. Va.
Bacon	Edwards	Langley	Snell
Bankhead	Ellis	Lankford, Ga.	Snow
Barbour	Englebright	Lankford, Va.	Sparks
Beedy	Eslick	Larsen	Sproul, Ill.
Beers	Estep	Leavitt	Sproul, Kans.
Bell	Fenn	Leech	Stafford
Blackburn	Fish	Letts	Stalker
Bohn	Fisher	Luce	Stobbs
Bolton	Fitzgerald	McDuffie	Strong, Pa.
Bowman	Foss	McFadden	Swanson
Brand, Ga.	Free	McLaughlin	Swick
Briggs	Freeman	McLeod	Swing
Brigham	French	McReynolds	Taber
Britten	Fuller	Magrady	Tarver
Browning	Fulmer	Mapes	Taylor, Tenn.
Buckbee	Garber, Va.	Martin	Thompson
Burdick	Gibson	Merritt	Thurston
Butler	Granfield	Michener	Tilson
Byrns	Green	Miller	Timberlake
Cable	Guyer	Montague	Tinkham
Campbell, Pa.	Hadley	Moore, Ohio	Turpin
Canfield	Hale	Nelson, Me.	Vestal
Carter, Calif.	Hall, Ind.	Newhall	Vinson, Ga.
Chalmers	Hall, Miss	O'Connor, Okla.	Walker
Chindblom	Halsey	Palmer	Wason
Clancy	Hancock	Parker	Watres
Clark, Md.	Hardy	Parks	Welsh, Pa.
Clarke, N. Y.	Hartley	Pratt, Harcourt J.	Whitley
Cole	Hawley	Pratt, Ruth	Whittington
Colton	Hess	Pritchard	Wigglesworth
Connolly	Hickey	Purnell	Wingo
Cooper, Ohio	Hoch	Ragon	Wolfenden
Cooper, Tenn.	Hoffman	Ramey, Frank M.	Wolverton, N. J.
Cox	Hogg	Ramseyer	Wolverton, W. Va.
Coyle	Holaday	Ramspeck	Wright
Crail	Hope	Ransley	Wurzbach
Cramton	Hopkins	Reece	Wyant
Crisp	Hull, William E.	Reed, N. Y.	Zihlman
Crowther	Hull, Tenn.	Rogers	
Culkin	Irwin	Rowbottom	
Dallinger	Jeffers	Rutherford	

NAYS—114

Abernethy	Doughton	Johnston, Mo.	Pittenger
Allgood	Douglass, Mass.	Jones, Tex.	Pou
Andresen	Doxey	Kading	Prall
Arnold	Drewry	Kennedy	Quin
Auf der Heide	Evans, Mont.	Kiefner	Rainey, Henry T.
Ayres	Frear	Kvale	Rankin
Black	Gambrill	LaGuardia	Romjue
Bland	Garber, Okla.	Lambertson	Sanders, Tex.
Bloom	Garner	Lampert	Sandlin
Box	Garrett	Lanham	Schafer, Wis.
Browne	Gavagan	Lozier	Schneider
Buchanan	Glover	McClintic, Okla.	Sears
Busby	Goldsborough	McKeown	Selvig
Campbell, Iowa	Goodwin	McSwain	Simmons
Cartwright	Greenwood	Mead	Sinclair
Christgau	Griffin	Michaelson	Sloan
Christopherson	Hall, Ill.	Milligan	Somers, N. Y.
Clague	Hall, N. Dak.	Montet	Speaks
Clark, N. C.	Hammer	Moore, Ky.	Steagall
Cochran, Mo.	Hastings	Morehead	Summers, Wash.
Collier	Hill, Ala.	Nelson, Mo.	Sumners, Tex.
Collins	Hill, Wash.	Nelson, Wis.	Wainwright
Connery	Howard	Norton	Warren
Cooper, Wis.	Huddleston	O'Connell	Welch, Calif.
Cross	Hull, Wis.	O'Connor, La.	Williams
Crosser	Johnson, Nebr.	Oldfield	Williamson
Cullen	Johnson, Okla.	Oliver, Ala.	Wilson
DeRouen	Johnson, S. Dak.	Patman	
Dominick	Johnson, Tex.	Patterson	

NOT VOTING—116

Aswell	Celler	Dowell	Gasque
Baird	Chase	Doyle	Gifford
Beck	Cochran, Pa.	Drane	Golder
Boylan	Cooke	Dunbar	Graham
Brand, Ohio	Corning	Dyer	Gregory
Brumm	Craddock	Elliott	Hare
Brunner	Curry	Esterly	Haugen
Burtness	Davenport	Evans, Calif.	Hooper
Cannon	Dickinson	Finley	Houston, Del.
Carley	Dickstein	Fitzpatrick	Hudson
Carter, Wyo.	Doutrich	Fort	Hudspeth
Hull, Morton D.	Linthicum	Oliver, N. Y.	Sullivan, N. Y.
Igoe	Ludlow	Owen	Sullivan, Pa.
James	McClintock, Ohio	Palmisano	Taylor, Colo.
Johnson, Ill.	McCormack, Mass.	Peavey	Temple
Johnson, Ind.	McCormick, Ill.	Perkins	Thatcher
Kearns	McMillan	Porter	Treadway
Kendall, Ky.	Maas	Quayle	Tucker
Kendall, Pa.	Manlove	Rayburn	Underhill
Kerr	Mansfield	Reid, Ill.	Underwood
Ketcham	Menges	Robinson	Vincent, Mich.
Knutson	Mooney	Sabath	Watson
Kopp	Moore, Va.	Short, Mo.	White
Korell	Morgan	Sirovich	Whitehead
Kunz	Mouser	Spearing	Wood
Kurtz	Murphy	Stedman	Woodruff
Lea	Niedringhaus	Stevenson	Woodrum
Lehlbach	Nolan	Stone	Yates
Lindsay	O'Connor, N. Y.	Strong, Kans.	Yon

So the joint resolution was passed

The Clerk announced the following pairs:

On this vote:

Mr. Johnson of Indiana (for) with Mr. Mansfield (against).
Mr. Watson (for) with Mr. Linthicum (against).
Mr. Temple (for) with Mr. Peavey (against).
Mr. Mouser (for) with Mr. Brand of Ohio (against).
Mr. Cochran of Pennsylvania (for) with Mr. McMillan (against).
Mr. Treadway (for) with Mr. Whitehead (against).
Mr. Brumm (for) with Mr. Tucker (against).
Mr. Hudson (for) with Mr. Corning (against).
Mr. Gifford (for) with Mr. Nolan (against).
Mr. Esterly (for) with Mr. Celler (against).
Mr. Finley (for) with Mr. Stedman (against).
Mr. Strong of Kansas (for) with Mr. Aswell (against).
Mr. Elliott (for) with Mr. Kendall of Pennsylvania (against).
Mr. Gregory (for) with Mr. McCormack of Massachusetts (against).
Mr. Johnson of Illinois (for) with Mr. O'Connor of New York (against).
Mr. Doutrich (for) with Mr. Quayle (against).
Mr. McClintock of Ohio (for) with Mr. Lindsay (against).
Mr. Fort (for) with Mr. Carley (against).
Mr. Dyer (for) with Mr. Dickstein (against).
Mr. Reid of Illinois (for) with Mr. Yon (against).
Mr. Kurtz (for) with Mr. Oliver of New York (against).
Mr. Porter (for) with Mr. Sirovich (against).
Mr. Beck (for) with Mr. Cannon (against).
Mr. Underhill (for) with Mr. Boylan (against).
Mr. Golder (for) with Mr. Brunner (against).
Mr. Graham (for) with Mr. Stevenson (against).
Mr. Short of Missouri (for) with Mr. Woodruff (against).
Mr. Perkins (for) with Mr. Fitzpatrick (against).
Mr. Lehlbach (for) with Mr. Sullivan of New York (against).
Mr. Yates (for) with Mr. Mooney (against).

Additional general pairs:

Mr. Wood with Mr. Woodrum.
Mr. Evans of California with Mr. Ludlow.
Mr. Haugen with Mr. Moore of Virginia.
Mr. Kearns with Mr. Palmisano.
Mr. James with Mr. Lea.
Mr. Knutson with Mr. Hare.

The result of the vote was announced as above recorded.

On motion of Mr. RANSLEY, a motion to reconsider was laid on the table.

The title was ordered amended.

Mr. CONNERY. Mr. Speaker, I wish to state that my colleague, Mr. MCCORMACK, is absent, due to important business, and if he were here he would vote "no."

EXTENSION OF REMARKS—MUSCLE SHOALS

Mr. GLOVER. Mr. Speaker, ladies and gentlemen of the House, we are to-day considering a question of more interest to the farmers of the United States than any other question that has been before this Congress, and that is the development of Muscle Shoals for the production of fertilizers. The farmers of the South have paid tribute to the Fertilizer Trust long enough, and we are longing to be freed from this condition. Senate Joint Resolution No. 49, by Senator NORRIS, with some amendments would make an excellent disposition and use of this great plant and start it to the development of fertilizer that could be furnished to the farmer for about half of what it is now costing. The act of 1916 provided for this great nitrogen plant to be for our Nation's defense in time of war and in times of peace to be used for producing nitrogen for fertilizer, and to be forever controlled and operated by it.

In 1928 the House and the Senate passed a bill almost in the exact language of the Norris bill which was vetoed by the then President Mr. Coolidge. The Senate has this session passed this bill again and sent it to us for our consideration and disposal. We should, like men, as I see it, pass this bill at once. But we are now confronted with an amendment to this Norris bill, and which is being treated and considered as a substitute for it, that has a different purpose altogether and that will be a great injustice, as I see it, to pass it. It proposes to lease the Muscle Shoals plant for a period of 50 years with no hope whatever that it will forever be used to produce cheap fertilizer as was intended under the act of 1916. The only requirement under this bill as it is now before us is to develop 10,000 tons of nitrogen per year if it is found to be profitable by the persons leasing it. It provides for three persons to be

appointed by the President to lease this great plant that should never be leased for any purpose. It has been stated here that the President is not favorable to the bill to have it operated by Government agency and that it might be vetoed. If he should, I think he would make one of the greatest mistakes of his administration and which would be condemned by all who would be benefited by its development. This substitute bill does not even provide that the three persons appointed by the President are to be confirmed by the Senate. It would virtually be decided by one man who makes the appointment, for he would not appoint three persons that would not carry out his desires in the matter. I ask you, then, why would you surrender this great power into the hands of one man?

Muscle Shoals cost around $160,000,000. It was paid for by and with public money from the taxes of the people, and it should be kept for national defense in time of war and for the use of agriculture in times of peace, and the people will not be satisfied with any other disposition of it. If this substitute bill passes, then this greatest of all the powers in the world will fall into the hands of the now all powerful Power Trust or monopoly and will be used for their personal gain and great profit, while the people who toil still continue to pay tribute to them.

We are now deriving a large sum of money from the use and operation of Muscle Shoals on an agreement that can be terminated in 60 days, and let us not tie the hands of the Government for 50 years with a lease contract to some power concern, but let us like men put it to use to help the farmer who is now in great need of this relief. I hope this substitute will be voted down and that we may pass Senate Resolution 49 with some perfecting amendments and put this great power to use for the benefit of agriculture. I shall vote against this substitute and hope to have the privilege to vote for the bill to operate it for agriculture which is so justly entitled to it.

Mr. HARE. Mr. Speaker, I think everyone is very anxious to see that some disposition be made of Muscle Shoals, because it has been considered somewhat as a political football for the past several years, but the mere fact that some disposition be made is no reason why we should give favorable consideration to just any kind of a proposal submitted. Many of us are anxious to see these properties utilized in the manner intended in the original act where it was provided that they should be used in time of war for the manufacture of explosives and in the time of peace for the manufacture of fertilizer or fertilizer ingredients. My interpretation of the bill or amendment under consideration is that it does not in any way contemplate the manufacture of fertilizer to any extent but will, in effect, be operated solely for the benefit of the power interests. This conclusion is well corroborated in a statement made yesterday by the gentleman from Arizona [Mr. DOUGLAS], who is a member of the committee reporting the bill, and should therefore be in possession of all the facts upon which it is based. In speaking of that provision which contemplates the manufacture of fertilizer he said:

> It provides that it must produce 10,000 tons in the first three and one-half years.

Now, gentlemen, have you stopped to consider just what this will mean? If only 10,000 tons are produced in three and one-half years, that will average only about 2,857 tons per year, and at the rate of 200 pounds of fertilizer per acre it would only be enough to supply about 27,575 acres, which would not be enough to meet the needs of one of the average-size counties in South Carolina. It would not be a drop in the bucket. In other words, if that is to be the limit, there will not be enough guano to come out of the law to raise a smell; but I am venturing the prediction that if it passes in its present form it will raise a "stink" within less than five years that will "smell to high heaven."

It is perfectly clear that the committee had no intentions whatever that the operation of Muscle Shoals under this bill or amendment would mean anything to farmers who use fertilizer, because the gentleman from Arizona [Mr. DOUGLAS] made this clear in his explanation yesterday, when he made the following statement:

> The Committee on Military Affairs felt that Muscle Shoals property could be used to the greatest advantage of the South by dedicating it to industrial purposes.

This statement leaves no doubt in my mind whatever but what these properties are to be turned over to what has been referred to here time and again as the power trusts, and I am certain that the users of commercial fertilizer may expect no benefit whatever from the operation of the law should this bill or amendment be enacted in its present form.

The Norris bill, which passed the Senate, or the McSwain bill, which is now before the committee, will do a great deal more for agriculture than the Reece bill now under consideration. I trust that when the bill is presented finally from conference it will carry the provision of the Norris bill or the McSwain bill by requiring the manufacture of nitrogenous fertilizers in the operation of these plants in such quantities as to be of some benefit to agriculture.

ADDRESS OF HON. WILBURN CARTWRIGHT, OF OKLAHOMA

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting a speech made by my colleague [Mr. CARTWRIGHT] on the subject of two tribes of Indians residing in his district.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to extend his remarks by printing an address delivered by his colleague [Mr. CARTWRIGHT]. Is there objection?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include an address delivered over the radio by Hon. WILBURN CARTWRIGHT, my colleague in Congress from the third congressional district of Oklahoma, in which he discusses two tribes of Indians residing in his congressional district, and also proposed Indian legislation.

In this connection, permit me to say that I had the pleasure of listening to Congressman CARTWRIGHT's address, dealing largely with the Choctaw and Chickasaw Indians. Inasmuch as a number of these particular Indians, as well as several other tribes, reside in the sixth congressional district, which I have the honor to represent in Congress, I was especially interested in this splendid address. It occurs to me that other Members of the House, more particularly those representing Indian constituents, will appreciate these remarks. The address of the gentleman from Oklahoma contains much authentic historical information.

The address is as follows:

THE CHOCTAW AND CHICKASAW INDIANS

Friends of the radio audience, some of you may be surprised to know that there are more than 350,000 Indians in the United States. About one-third of all the Indians in this country reside in Oklahoma, and about one-fourth of the Oklahoma Indians live in 11 counties of southeastern Oklahoma, which comprise the district I have the honor to represent in Congress.

There are approximately 21,000 Choctaws and 6,000 Chickasaws, and of the 27,000 members of these two tribes alone at least 25,000 live in my district. In other words, I represent more Indians than any other Congressman in the entire United States.

I wish to say it is with some pardonable pride that I can claim these descendants of the aboriginal people of America, these first Americans, as my constituents, and it is my purpose to-night to acquaint my radio audience with a short sketch of their history in an endeavor to show wherein the Government has so far failed to keep its promises and deal justly with a people who are and always have been loyal, faithful, and true to this country and to the white man, who robbed them of their native soil.

AGREEMENTS NOT FULFILLED

By agreement with the United States Government the tribal affairs of the Choctaws and Chickasaws were to have come to an end in 1906, but when that time came very little had been accomplished in the settlement of their property rights and they were forced by an act of Congress to continue their limited tribal government, consisting of a chief, an attorney, and an auditor for each tribe.

Since 1906 the Choctaws and Chickasaws have tried every honorable means to get a final and complete settlement of their affairs. I was elected to Congress on a platform urging a full and complete settlement and have done everything in my power to effect such settlement, but I find it to be a difficult proposition.

There are, of course, a number of Congressmen and Senators from other States who have Indians, but they are Indians whose problems are altogether different than those of the Five Civilized Tribes of Oklahoma, and I find that Congress, on the whole, as well as the general public, is not aware of the true state of affairs in Oklahoma. It sees pictures of high officials in tribal government posed in fancy costume for publicity; it hears how wealthy the Osage Indians are; it reads that the bureau is civilizing, educating, and protecting the Indians. The Choctaws and Chickasaws are not in that class and resent such sentiment being applied to them. They have never worn blankets or fancy costumes, and they are far from being wealthy, but they number among our highest type and most respected citizens.

TWO OUTSTANDING TRIBES

They have long been recognized as two of the outstanding tribes in our country. They are, as a rule, intelligent, progressive, energetic, and absolutely dependable. Most of them have advanced so far on the white man's road, and they act and think so much like their white neighbors that little difference between the two races is observable.

But few of the old full-bloods still cling to much of the old ways and the old life with its customs, traditions, and state of mind, and "since the memory of man runneth not to the contrary" have any of them worn blankets and lived in teepees as the wild tribes do.

The two tribes—Choctaws and Chickasaws—now intermingle freely and peacefully with each other, but there was a time when they were bitter enemies, although they sprang from the same tribal source. History and tradition tells us of the heroic exploits of their tribal heroes who won their laurels in the far-off days when the Choctaws and Chickasaws fought each other.

EARLY HISTORY

Most people in the East seem to believe that the Indians of Virginia, Maryland, Pennsylvania, Delaware, New Jersey, New York, and New England were the first red men to come in contact with the white man. This probably is because most easterners date their history of this country from the settlement of Jamestown in 1607, the discovery of the Hudson River in 1609, and the landing of the Pilgrim Fathers on Plymouth Rock in 1620. But the Choctaws and Chickasaws were fighting the invading Spaniards 60 years before Jamestown was settled by the English. My Indians came from what now are the States of Alabama and Mississippi. The Choctaw Tribe lived in Mississippi and western Alabama, and the Chickasaws' tribal home was in Tennessee and northern Mississippi. DeSoto, the Spanish soldier adventurer who landed in Florida in 1539, only 47 years after Columbus discovered America, marched through Georgia, South Carolina, Alabama, and Mississippi seeking gold mines which did not exist. He was continually fighting Indians, and some of the bloodiest affrays occurred in the lands of the Choctaws and Chickasaws. He was in the Chickasaw country when he discovered the Mississippi River, which shortly after became his grave.

The Choctaws and Chickasaws were an agricultural people. The Choctaw tribe was preeminently the Indian farmers of the southwestern tribes. They were a brave nation, quick to defend their homes and families but were not of a roving, raiding nature. The Chickasaw tribe was more warlike than their Choctaw neighbors—they were constantly fighting the Cherokee, Creek, Choctaw, and Shawnee, and also, they went afar on the war trail raiding the Kickapoo and Osages. One of their tales recounts the overwhelming defeat they inflicted upon a strong war party of Iroquois who had come down from their distant country over the old Great War Trail. The Choctaws generally were at peace with the French and English but the Chickasaws hated the French and seldom overlooked an opportunity to raid their settlements in Mississippi and Louisiana.

PUSHMATAHA

One of the counties in my district is Pushmataha, named for the great Choctaw war chief. Pushmataha was born in Mississippi in 1764 and was one of the bravest of Indians. He was one of the best friends the Americans ever had. When the famous Tecumseh visited the Choctaws in 1811 to urge them to join with him and a number of other chiefs against the Americans, Pushmataha opposed him so strongly that Tecumseh's mission failed. Pushmataha, who kept the Choctaw friendly to the Americans during the War of 1812 once commanded 500 of his tribesmen under Gen. Andrew Jackson. He was so rigid in his discipline that he converted his warriors into effective, well-trained soldiers and became known as the "Indian General." In 1824 he went to Washington to negotiate a treaty and there met General Lafayette. He became ill and died, and in accordance with his dying request he was given a military funeral. A procession of 2,000 persons with Gen. Andrew Jackson as one of the principal mourners, carried the body of this remarkable Indian chief to the Congressional Cemetery and there he lies buried under a monument which Congress erected to do him special honor. He was the only Indian chief whose funeral procession was led by a future President of the United States and who is buried in the Congressional Cemetery in Washington, D. C.

I have asked Governor Holloway of Oklahoma to recommend an act of the State legislature at its next session making provision for the removal of the body of Pushmataha from the old Congressional Cemetery to a shrine in Pushmataha County, named for the famous Choctaw chief, as the site for a suitable monument and shrine.

"THE TRAIL OF TEARS"

About 1832 the Choctaws and Chickasaws, carrying out a treaty made between them and the United States, migrated from their ancestral homes to Indian Territory, now part of the State of Oklahoma. This removal was practically forced upon them. Their journey was a long sad one; many died on the way. J. B. Thoburn, in his History of Oklahoma, says in part: "No white man who believes in justice and loves liberty himself, can now read of the eviction and exile of these people, who were caused to suffer as the result of the avarice and brutal tyranny of a supposedly superior race, without a feeling of pity not mingled with shame. These southern tribes were not nomads. They not only had settled homes, but, by every tie of strong and tender sentiment and of venerated tradition, they were firmly attached to the land of their birth. There for unknown ages, had their fathers hunted and fished and gathered around the tribal council fires; there the ashes of their dead were buried; there, and there only, they wished to live undisturbed, and there they hoped to die in peace. What wonder that they literally perished by hundreds. The Choctaws alone lost 2,000 of their people during and immediately after their removal. Hunger and exposure and disease may, indeed, have caused the death of many, but only the Great Spirit who seeth and knoweth all could know the silent anguish which caused so many of His red children to die of broken hearts. Traces of the roads over which the southern tribes came into their new inheritance were for many years afterward pointed out by the Indians and called by them the 'trail of tears.' The establishment and development of new homes brought a measure of resignation, of course, but only death ended the mourning of many after lapse of long years."

FORMED TRIBAL GOVERNMENT

After arrival in the Indian Territory they at once began to make the best of the situation. The Choctaws and Chickasaws established their own government, independent of the United States, with a governor or principal chief who was elected to that high office.

The Choctaws were preeminently the most progressive of the tribes which came to Oklahoma from the Gulf States. They were always engaged extensively in agriculture and have excelled as farmers in a civilized State. The Choctaw Nation was the second tribe to adopt a written constitution. They have always taken great interest in the education of their youth, having besides a regularly organized public-school system a number of academies and seminaries. The capital of the Choctaw Nation was located at Tuskahoma.

The Chickasaws were to participate jointly with the Choctaws in the tribal government, with equal rights and privileges, the land to be held in common by both, and neither tribe to dispose of its interest without the consent of the other. Such a political relationship did not prove satisfactory to the Chickasaws because they were always outnumbered and outvoted by the Choctaws who were thus always in control of the tribal government and public affairs generally. The Chickasaws finally insisted upon a political separation of the tribes which was granted by the Choctaws in 1855 on the payment of $150,000 by the Chickasaws.

The Chickasaws then proceded to organize a government of their own with a constitution. Their government was republican in form, their principal chief being known as governor and their council as the legislature. The Chickasaw capital was at Tishomingo, so named after their great chief of Mississippi fame. It is a beautiful granite building which to-day is used for the courthouse of Johnston County.

Although since 1855 the Choctaws and Chickasaws have been entirely separate and distinct, they have always been in close alliance and always acted togehter in making treaties and agreements with the Federal Government. The governments were patterned after that of the United States, with legislative, executive, and judicial departments. The older Indians tell of two kinds of punishment which were inflicted for crimes—whipping and death by rifle shot. A curious feature of the treatment of those sentenced to be shot was that they were permitted to go free until the day appointed for the execution. No bond was required. Only the word of the condemned Indian that he would return to the place to be shot was given. Sometimes the execution was delayed so as to permit the condemned man to put in a crop or finish a house or attend to some other business. The old men will tell you that only one Indian was ever known to try to escape his doom; he was later found and shot. In those days an Indian regarded his given word above everything else. So on the day appointed by the judge the condemned Indian would appear to face the firing squad.

PARTICIPATE IN CIVIL WAR

Farming, stock raising, and trading made rapid progress, and many of them became prosperous citizens. In short, their achievements before the Civil War, 1861, would be creditable to any race. These two tribes built churches and schools in their new homelands, and under a fine system of laws they lived quite happily until the Civil War came. They, being southern people and owners of lots of slaves, were almost unanimous in their support of the Confederacy, and furnished several bodies of organized troops to the Confederate military service. But they suffered greatly from the effects of the war, especially since they were strong for the southern cause. Some one has said, "It was the white man's quarrel," but it became the source of the Choctaw and Chickasaw Indians' woe.

Things were in a chaotic condition in the Choctaw-Chickasaw country when peace was finally proclaimed. Farms had been abandoned, buildings destroyed, and stock run off or confiscated by contending forces. Churches and schools had practically ceased to exist, and social, business, and industrial conditions were generally demoralized. But they returned, rebuilt their homes, reopened their farms, and started their schools.

REV. ALLEN WRIGHT

This period of reconstruction and educational revival brought to the limelight several noble, outstanding characters, one of whom was Rev. Allen Wright, a full-blood Choctaw. He was a man of strong character and splendid ability, which, fortunately, was developed by a finished education. His ability and leadership gave him a strong hold on his people, whom he represented as a treaty commissioner at

Washington, in 1866. He was later made Chief of the Choctaws, and it was he who first suggested the adoption of the name Oklahoma, which being interpreted, in the Choctaw language, means "Home of the red people."

"LEASED DISTRICT"

After the Civil War the Government desired locations for "wild tribes." Accordingly, a commission of the Government and representatives of all the Indian tribes of the Southwest, including the Choctaws and Chickasaws, met at Fort Smith, Ark., in 1865, to negotiate new treaties. The Choctaws and Chickasaws were told that they had "rightfully forfeited all annuities and interest in the lands in the Indian Territory" by reason of their having joined the Confederacy. A treaty was therefore submitted to the Choctaws and Chickasaws but they would not sign on the dotted line. So, it is known to this day as the "unsigned treaty." The Government then proceeded to put "roving tribes" on the Choctaw and Chickasaw lands known as their "leased district," and they have received no compensation for the vast property, amounting to over 5,000,000 acres.

NOT GIVEN JUSTICE

The justice of the claim has been given a measure of approval by the courts and Congress has considered the question at intervals for years. I introduced a bill referring the whole question to the Court of Claims and granting that body authority to act as a fact-finding commission. The Director of the Bureau of the Budget reported that it would not be in accord with the financial program of the President.

I take the position that Congress and not the executive branch of the Government is responsible for the governing of the Indians, and that legislation merely designed to settle for once and for all the pending claims of the two tribes should not be blocked by Executive opposition. The Creek, Seminole, and Cherokee Tribes under similar conditions for similar lands were paid. Are not the Choctaws and Chickasaws entitled to the same treatment as other tribes?

A smart grafter and a full-blooded Indian were hunting. White man killed a buzzard and Injun killed a wild turkey. The white man says to the Injun, "Now, John, that buzzard won't eat good and we can't divide the turkey. You can keep the buzzard and give me the turkey, or I'll keep the turkey and give you the buzzard." The Indian got the buzzard under either proposition. That story typifies the situation.

DAWES COMMISSION

In the Indian Territorial days all the land was held in common, and any Indian could cultivate all the land he wanted and could select it anywhere he found it unoccupied. As for food and raiment, the fabled "happy hunting grounds" could not have offered more than the Territory was giving him, and this was to be theirs as long as "grass growed and water flowed." But the ring of the woodcutter's ax in the forest and the song of the plowman in the new ground and the curling smoke from the settler's cabin again foretold the doom of their unrestrained liberty.

By act of Congress of March 3, 1893, the Dawes Commission was established to conduct negotiations with the Indian Territory for alloting of their lands to them in severalty, distributing their funds, and otherwise discontinuing the long-time relationship of guardian and ward between the United States and the tribes respectively.

In 1897 the Dawes Commission completed an agreement with the Choctaw and Chickasaw Nations providing for the allotment of their land to individual members of their tribes. Previous to this time all lands were owned in common, no private ownership or real estate being recognized. Now, each member was to have a fair and equal share, according to the value and productivity of the divisions.

CURTIS ACT

The Curtis Act, passed the next year (June 28, 1898), substituted Federal courts for the tribal courts. This so-called Curtis Act was the most important enactment relating to Indian Affairs during the territorial days. One of its major sections was the terms of what is known as the Atoka agreement, concluded with the tribes in eastern Oklahoma the preceding year. This bill (by Congressman Curtis, later Senator, now Vice President, and of Kaw Indian blood, an Oklahoma tribe) more than any other prepared the eastern half of what is now Oklahoma for statehood, the purpose of the Atoka agreement primarily having been the preparation of the lands of the Five Civilized Tribes "for admission as a State of the Union."

The surveying of Indian Territory and the subdividing and valuing of the land went forward immediately. The Choctaws and Chickasaws were not pleased with the change, forcing the dissolution of all tribal relations. Allotments were free from taxes for 21 years unless sold, and the homestead allotment of 160 acres could not be sold during that time. Mineral lands were reserved from allotment, to be sold for the benefit of the Choctaw and Chickasaw Tribes.

GOVERNMENT TO SELL COAL LANDS BY 1905

As stated the Choctaws and Chickasaws were reluctant to accept the new order, the principal reason being that they would not have sufficient capital to improve their allotments, build houses, dig wells, make fences, etc., and fit them for occupation, hence they had inserted as a condition precedent to entering into said treaty that their coal lands be sold prior to 1905, and that the money should be divided among them per capita before tribal governments were abolished.

This coal was recognized at that time to be of great value. It was the only known coal at that time in the Southwest. Large mines were then being operated and the tribes were receiving a substantial royalty. Coal was then about the only fuel. Oil and gas production was in its infancy. The entire responsibility for disposing of the coal prior to 1906 was by the terms of the treaty surrendered to the Government.

GOVERNMENT FAILED TO KEEP PROMISE—COAL LANDS DECREASE IN VALUE

The Choctaws and Chickasaws accepted their allotments, but the Government failed and refused to carry out its part of the treaty and sell these coal lands.

The result was the Choctaws and Chickasaws received their naked allotments and had no money with which to improve them, and since about 1910 the discovery of great oil and gas fields have been a yearly occurrence in Oklahoma (but not on the Choctaw and Chickasaw lands). During the last 10 years some of the largest and best coal mines have suspended operations, mines have been abandoned, and large and important mining towns are deserted.

I have pending a bill requiring the Government to buy the coal lands on the theory that the Government is solely at fault that it was not sold in 1905, when a fair price could have been had for it, and should feel honor bound to buy it and conserve it under its boasted plan of conservation until oil and gas is gone. The Indians are passing to the "happy hunting ground." The 350,000 acres of fine coal deposits is a white elephant; the Choctaws and Chickasaws are still holding the sack. Can the guardian appropriate or convert or otherwise jeopardize the property of his ward?

THE PROPHECY OF PUSHMATAHA

Over a hundred years ago Pushmataha said: "The time will come when the highly improved Choctaws shall hold office in the councils of the great Nation of the white people and in their wars with the nations of the earth, mixed up in the armies of the white man, the fierce war whoops of the Choctaw warriors shall strike terror and melt the hearts of an invading foe." As to the Choctaws and Chickasaws both predictions have been fulfilled.

In the State of Oklahoma, the last home of the Choctaws and Chickasaws, those two tribes have contributed much to their own State government. They have seen their sons in the councils of the white man. Ben Harrison and Gabe Parker in the constitutional convention, Bill Durant presiding as speaker of the State house of representatives and later serving as executive head of the State's land department; D. C. McCurtain, descendant of an illustrious line of chiefs, and Earl Welch sitting as district judge in a white man's court; Bill Stigler a member of the State senate; Bill Lewis, a member of the State senate and at present assistant attorney general. In the house of representatives we have had Tom Hunter, who at present is a county judge of Choctaw County, Jimmie Dyer, Ben Harrison, and no end of others in high positions of trust, such as Henry Bond, Hampton Tucker, Walter Colbert, Walter Turnbull, Sam Maytubby, Peter Hudson, etc.

Gabe Parker, a prominent Choctaw Indian educator, while a member of the constitutional convention, was named to design a great seal for the new State, and the work of his creative mind is the Oklahoma seal that anyone visiting our National Capitol can see over the Speaker's desk in the United States House of Representatives.

My predecessor in Congress, Hon. Charles Carter, was a Chickasaw Indian who had held various tribal positions and with the advent of statehood was elected to Congress, where he served for 20 years with honor and distinction. When he retired in 1927 he was chairman of the Democratic caucus and a recognized national leader.

Ben Colbert, a Chickasaw, was orderly (secretary) to Col. Theodore Roosevelt when Teddy was making history in Cuba in 1898 with his Rough Riders. Colbert is now in Washington as secretary to Representative U. S. STONE, of the fifth district of Oklahoma. Bill Semple, member of the Oklahoma Legislature, ex-chief of the Choctaws, and prominent attorney.

Victor Lock, ex-superintendent of the Five Civilized Tribes, and ex-chief of the Choctaws was a soldier in the Spanish-American War, a major in the late World War, and a member of the State legislature.

Douglas Johnston, the present governor of the Chickasaws, has attended every session of Congress since the early nineties. He is regarded as one of our most substantial citizens.

The present chief of the Choctaws, Ben Dwight (a full blood), is a successful business man, a graduate from Leland Stanford and Columbia Universities. His predecessor, Chief W. H. Harrison, was a prominent attorney and an outstanding Indian leader.

While the Choctaws and Chickasaws have not been called to repel a foreign invader as yet, hundreds of them fought in the battle of the Argonne Forest shoulder to shoulder with the white soldiers of Uncle Sam. Thus, the predictions of Pushmataha have come to pass.

CONCLUSION

I regard the Choctaw and Chickasaw Indians as among my most intimate friends. I was reared among them and I think I know something about them. I see them every year and not just at election time.

They feel that they have not been treated fairly. They know the "leased district" was taken from them without compensation and they believe the burden of the depreciation in their valuable coal lands should be shouldered by the Federal Government. They deeply resent being buncoed or fooled on these propositions any longer and have just about come to the conclusion that the Government does not now and never has intended to give them justice where justice is due. What a pity that such an opinion should reign among them!

The Indian problem has to do with the need of dealing fairly with human beings and of giving them what is their due without retarding the development of their self-reliance and initiative by a paternalism too long continued. Has the Government been just and fair with the Choctaws and Chickasaws? Can we look them squarely in the face and conscientiously refuse their claims for justice on the grounds that they are not in accord with the President's financial program, while at the same time Congress authorizes big building programs and loans billions to foreign governments?

In the name of humanity's sake, let this glorious Government of ours avoid the accusation of dealing unjustly with the red men who first inhabited this country. Let it be no longer said that the Government has confiscated this property of the Choctaws and Chickasaws without fair compensation. Let the old full-bloods realize the benefits of the tribal property which is rightfully theirs before they pass on to the "happy hunting ground"! Will Congress heed their call?

MARKETING OF PERISHABLE AGRICULTURAL COMMODITIES

Mr. HAUGEN. Mr. Speaker, I present for printing a conference report on the bill (S. 108) to suppress unfair and fraudulent practices in the marketing of perishable agricultural commodities in interstate and foreign commerce.

TREE-PLANTING OPERATIONS ON NATIONAL FORESTS EAST OF ROCKY MOUNTAINS

Mr. HAUGEN. Mr. Speaker, I present for printing a conference report on the bill (S. 3531) authorizing the Secretary of Agriculture to enlarge tree-planting operations on national forests, and for other purposes.

SPECIAL COMMITTEE TO INVESTIGATE COMMUNIST PROPAGANDA IN THE UNITED STATES

The SPEAKER. Pursuant to House Resolution 220, agreed to by the House on May 22, 1930, the Chair appoints the following Members as a committee to investigate communist propaganda in the United States:

Messrs. FISH, of New York; NELSON, of Maine; BACHMANN, of West Virginia; DRIVER, of Arkansas; and ESLICK, of Tennessee.

OLEOMARGARINE

Mr. HAUGEN. Mr. Speaker, I ask unanimous consent to take up the bill (H. R. 6) to amend the definition of oleomargarine contained in the act entitled "An act defining butter, also imposing a tax upon and regulating the manufacture, sale, importation, and exportation of oleomargarine," approved August 2, 1886, as amended, and disagree to the Senate amendments, and ask for a conference.

Mr. O'CONNOR of Louisiana. Mr. Speaker, I object.

LEAVE OF ABSENCE

The following leave of absence was granted:

To Mrs. OWEN, indefinitely, on account of important business.

To Mr. TAYLOR of Tennessee, for five days, to be present at unveiling of monument to his father in Tennessee.

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. 5258. An act to repeal section 144, Title II, of the act of March 3, 1899, chapter 429 (sec. 2253 of the Compiled Laws of Alaska);

H. R. 5261. An act to authorize the destruction of duplicate accounts and other papers filed in the offices of clerks of the United States district courts; and

H. R. 9804. An act to amend the World War adjusted compensation act, as amended, by extending the time within which applications for benefits thereunder may be filed, and for other purposes.

JOINT RESOLUTIONS 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, joint resolutions of the House of the following titles:

H. J. Res. 328. Joint resolution authorizing the immediate appropriation of certain amounts authorized to be appropriated by the settlement of war claims act of 1928;

H. J. Res. 346. Joint resolution to supply a deficiency in the appropriation for the employees' compensation fund for the fiscal year 1930;

H. J. Res. 349. Joint resolution making an appropriation to the Grand Army of the Republic Memorial Day Corporation for use on May 30, 1930; and

H. J. Res. 350. Joint resolution to provide funds for payment of the expenses of the Marine Band in attending the Fortieth Annual Confederate Veterans' Reunion.

ADJOURNMENT

Mr. RANSLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 41 minutes p. m.), the House adjourned until to-morrow, Thursday, May 29, 1930, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Thursday, May 29, 1930, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10.30 a. m.)

Authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to acquire, construct, maintain, and operate bridges within Kentucky and/or across boundary line streams of Kentucky (S. 4269).

COMMITTEE ON MILITARY AFFAIRS

(10 a. m.)

To authorize the design, construction, and procurement of one metal-clad airship of approximately 100 (long) tons gross lift and of a type suitable for transport purposes for the Army Air Corps (H. R. 12199).

COMMITTEE ON APPROPRIATIONS

(11.30 a. m.)

Second deficiency bill.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

Authorizing the Secretary of the Navy to accept, without cost to the Government of the United States, a lighter-than-air base near Sunnyvale, in the county of Santa Clara, State of California, and construct necessary improvements thereon (H. R. 6810).

Authorizing the Secretary of the Navy to accept a free site for a lighter-than-air base at Camp Kearny, near San Diego, Calif., and construct necessary improvements thereon (H. R. 6808).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

509. A letter from the Secretary of War, transmitting a draft of a bill to authorize the Air Corps of the Army to make tests of aircraft and aircraft equipment; to the Committee on Military Affairs.

510. A communication from the President of the United States, transmitting an estimate of appropriation of $150,000 for temporary government for West Indian Islands, fiscal year 1931 (H. Doc. No. 436); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WURZBACH: Committee on Military Affairs. S. 4017. An act to amend the act of May 29, 1928, pertaining to certain War Department contracts by repealing the expiration date of that act; without amendment (Rept. No. 1674). Referred to the House Calendar.

Mr. LEAVITT: Committee on Indian Affairs. H. J. Res. 312. A joint resolution to clarify and amend an act entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes," approved March 2, 1927; without amendment (Rept. No. 1688). Referred to the House Calendar.

Mr. VESTAL: Committee on Patents. H. R. 12549. A bill to amend and consolidate the acts respecting copyright and to permit the United States to enter the International Copyright Union; with amendment (Rept. No. 1689). Referred to the House Calendar.

Mr. WATRES: Committee on the Post Office and Post Roads. H. R. 101. A bill for the award of the air mail flyer's medal of honor; with amendment (Rept. No. 1690). Referred to the Committee of the Whole House on the state of the Union.

Mr. ARENTZ: Committee on Indian Affairs. S. 135. An act to provide for the payment of benefits received by the Paiute Indian Reservation lands within the Newlands irrigation project, Nevada, and for other purposes; without amendment (Rept. No. 1691). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on Indian Affairs. S. 2895. An act authorizing the bands or tribes of Indians known and designated as the Middle Oregon or Warm Springs Tribe of Indians of Oregon, or either of them, to submit their claims to the Court of Claims; without amendment (Rept. No. 1692). Referred to the House Calendar.

Mr. CARTWRIGHT: Committee on Indian Affairs. S. 3165. An act conferring jurisdiction upon the Court of Claims to hear, consider, and report upon a claim of the Choctaw and Chickasaw Indian Nations or Tribes for fair and just compensation for the remainder of the leased district lands; with amendment (Rept. No. 1693). Referred to the House Calendar.

Mr. KELLY: Committee on the Post Office and Post Roads. H. R. 12412. A bill authorizing the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train; without amendment (Rept. No. 1694). Referred to the House Calendar.

Mr. KELLY: Committee on the Post Office and Post Roads. H. R. 10676. A bill to restrict the expeditious handling, transportation, and delivery of certain mail matter where local or contractual conditions are inadequate; with amendment (Rept. No. 1695). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on the Public Lands. H. R. 11400. A bill to amend the act of March 4, 1911 (36 Stat. L. 1235-1253-4; U. S. C., title 16, sec. 5), entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1912"; with amendment (Rept. No. 1696). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on Immigration and Naturalization. S. 3691. An act to amend an act entitled "An act relative to naturalization and citizenship of married women," approved September 22, 1922; without amendment (Rept. No. 1697). Referred to the House Calendar.

Mr. SPROUL of Illinois: Committee on the Post Office and Post Roads. H. R. 12285. A bill to authorize the Postmaster General to purchase motor-truck parts from the truck manufacturer; with amendment (Rept. No. 1698). Referred to the House Calendar.

Mr. GRAHAM: Committee on the Judiciary. H. R. 10341. A bill to amend section 541 of the United States Code, being section 335 of the Criminal Code; with amendment (Rept. No. 1699). Referred to the House Calendar.

Mr. GRAHAM: Committee on the Judiciary. H. R. 12056. A bill providing for the waiver of trial by jury in the district courts of the United States; without amendment (Rept. No. 1700). Referred to the House Calendar.

Mr. LETTS: Committee on Indian Affairs. H. R. 6979. A bill to authorize the creation of Indian trust estates, and for other purposes; with amendment (Rept. No. 1701). Referred to the House Calendar.

Mr. GRAHAM: Committee on the Judiciary. H. R. 9985. A bill to amend the act entitled "An act to amend the national prohibition act," approved March 2, 1929; with amendment (Rept. No. 1703). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. COCHRAN of Pennsylvania: Committee on Military Affairs. H. R. 5450. A bill for the relief of Granville W. Hickey; with amendment (Rept. No. 1672). Referred to the Committee of the Whole House.

Mr. COCHRAN of Pennsylvania: Committee on Military Affairs. H. R. 12215. A bill for the relief of Daisy Ballard; with amendment (Rept. No. 1673). Referred to the Committee of the Whole House.

Mr. FITZGERALD: Committee on Claims. H. R. 525. A bill for the relief of Jeanie G. Lyles; with amendment (Rept. No. 1675). Referred to the Committee of the Whole House.

Mr. FITZGERALD: Committee on Claims. H. R. 918. A bill for the relief of Regine Porges Zimmerman; with amendment (Rept. No. 1676). Referred to the Committee of the Whole House.

Mr. KINZER: Committee on Claims. H. R. 1702. A bill for the relief of Margaret B. Knapp; without amendment (Rept. No. 1677). Referred to the Committee of the Whole House.

Mr. ROWBOTTOM: Committee on Claims. H. R. 2434. A bill for the relief of Frank R. Scott; with amendment (Rept. No. 1678). Referred to the Committee of the Whole House.

Mr. CLARK of North Carolina: Committee on Claims. H. R. 2647. A bill authorizing the payment of compensation to Laura Roush for the death of her husband, William C. Roush; with amendment (Rept. No. 1679). Referred to the Committee of the Whole House.

Mr. CHRISTGAU: Committee on Claims. H. R. 5520. A bill for the relief of the estate of Samuel Schwartz; with amendment (Rept. No. 1680). Referred to the Committee of the Whole House.

Mr. JOHNSON of Nebraska: Committee on Claims. H. R. 5521. A bill for the relief of Louis Czike; with amendment (Rept. No. 1681). Referred to the Committee of the Whole House.

Mr. CLARK of North Carolina: Committee on Claims. H. R. 9245. A bill for the relief of Davis, Howe & Co.; without amendment (Rept. No. 1682). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 9387. A bill for the relief of William S. Steward; without amendment (Rept. No. 1683). Referred to the Committee of the Whole House.

Mr. JOHNSTON of Missouri: Committee on Claims. H. R. 9539. A bill for the allowance of certain claims for extra labor above the legal day of eight hours at certain navy yards certified by the Court of Claims; with amendment (Rept. No. 1684). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 9660. A bill for the relief of the widow of John Curtis Staton; with amendment (Rept. No. 1685). Referred to the Committee of the Whole House.

Mr. FITZGERALD: Committee on Claims. H. R. 10644. A bill for the relief of Frank W. Childress; with amendment (Rept. No. 1686). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 11804. A bill for the relief of Mary Cooper; without amendment (Rept. No. 1687). Referred to the Committee of the Whole House.

Mr. McLEOD: Committee on the District of Columbia. H. R. 11973. A bill to authorize the Commissioners of the District of Columbia to compromise and settle a certain suit at law resulting from the forfeiting of the contract of the Commercial Coal Co. with the District of Columbia in 1916; without amendment (Rept. No. 1702). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. IRWIN: A bill (H. R. 12660) to punish the sending of certain threatening communications; to the Committee on the Judiciary.

By Mrs. KAHN: A bill (H. R. 12661) to authorize the acquisition of lands in Alameda and Marin Counties, Calif., and the construction of buildings and utilities thereon for military purposes; to the Committee on Military Affairs.

By Mr. ZIHLMAN: A bill (H. R. 12662) to provide educational employees of the public schools of the District of Columbia with leave of absence, with part pay, for purposes of educational improvement, and for other purposes; to the Committee on the District of Columbia.

By Mr. SUMNERS of Texas: A bill (H. R. 12663) granting the consent of Congress to the Texas & Pacific Railway Co. to reconstruct, maintain, and operate a railroad bridge; to the Committee on Interstate and Foreign Commerce.

By Mr. DAVILA: A bill (H. R. 12664) to amend section 30 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes"; to the Committee on Insular Affairs.

By Mr. HUDDLESTON: A bill (H. R. 12665) providing for the purchase of a site and the erection thereon of a public building at Fairfield, in the State of Alabama; to the Committee on Public Buildings and Grounds.

By Mr. MEAD: A bill (H. R. 12666) to authorize an appropriation for the purchase of the Milburn home in Buffalo, N. Y., in which the late President William McKinley died; to the Committee on Public Buildings and Grounds.

By Mr. JOHNSON of Washington: A bill (H. R. 12667) for the extension of the immigration border patrol; to the Committee on Immigration and Naturalization.

By Mr. HAUGEN: Resolution (H. Res. 230) to investigate the national forests for the purpose of obtaining information concerning fire control, road and trail construction, grazing on public lands, control of predatory animals, and such other information as may be deemed valuable to the committee in the consideration of legislation with reference to the Government's activities in the national forests; to the Committee on Rules.

By Mr. CHINDBLOM: Joint resolution (H. J. Res. 353) providing for an investigation and report by a committee to be appointed by the President with reference to the representation at and participation in the Chicago World's Fair Centennial Celebration, known as the Century of Progress Exposition, on the part of the Government of the United States and its various departments and activities; to the Committee on Ways and Means.

By Mr. LARSEN: Joint resolution (H. J. Res. 354) to authorize and direct the Secretary of Agriculture to provide additional facilities for the classification of cotton under the United States cotton standards act, and for the dissemination of market-news information; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARENTZ: A bill (H. R. 12668) to authorize the Secretary of War to lend War Department equipment for use at the Lincoln Highway Celebration at Ely, Nev., during the month of June, 1930; to the Committee on Military Affairs.

By Mr. ARNOLD: A bill (H. R. 12669) granting an increase of pension to Elizabeth Mitchell; to the Committee on Invalid Pensions.

By Mr. BLACKBURN: A bill (H. R. 12670) granting a pension to W. P. Owen; to the Committee on Invalid Pensions.

By Mr. BELL: A bill (H. R. 12671) for the relief of W. W. Giles; to the Committee on Military Affairs.

By Mr. BUCKBEE: A bill (H. R. 12672) granting an increase of pension to Edith Snyder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12673) granting an increase of pension to Mary L. Merchant; to the Committee on Invalid Pensions.

By Mr. CHASE: A bill (H. R. 12674) granting an increase of pension to Leonora Sloppy; to the Committee on Invalid Pensions.

By Mr. COOPER of Wisconsin: A bill (H. R. 12675) granting an increase of pension to Annie E. Moorman; to the Committee on Invalid Pensions.

By Mr. DOUGLAS of Arizona: A bill (H. R. 12676) for the relief of Stanley A. Jerman, receiver for A. J. Peters Co. (Inc.); to the Committee on War Claims.

Also, a bill (H. R. 12677) for the relief of Rudolph A. Davis; to the Committee on Military Affairs.

By Mr. GAMBRILL: A bill (H. R. 12678) granting a pension to Sarah Ida Barnes; to the Committee on Invalid Pensions.

By Mr. HESS: A bill (H. R. 12679) for the relief of Kenneth G. Gould; to the Committee on Claims.

By Mr. GIBSON: A bill (H. R. 12680) for the relief of Julia A. Chase; to the Committee on Claims.

By Mr. GOODWIN: A bill (H. R. 12681) for the relief of Leon Lilienfeld; to the Committee on Patents.

By Mr. HICKEY: A bill (H. R. 12682) granting a pension to Lillian Ross; to the Committee on Pensions.

By Mr. HOUSTON of Delaware: A bill (H. R. 12683) for the relief of Herman H. Bradford; to the Committee on War Claims.

By Mr. JONAS of North Carolina: A bill (H. R. 12684) for the relief of Thomas C. Burleson; to the Committee on Military Affairs.

By Mr. KIESS: A bill (H. R. 12685) granting a pension to George H. Sawyer; to the Committee on Pensions.

Also, a bill (H. R. 12686) granting an increase of pension to Vina Daniels; to the Committee on Invalid Pensions.

By Mr. McKEOWN: A bill (H. R. 12687) granting a pension to Sally M. Bailey; to the Committee on Invalid Pensions.

By Mr. PITTENGER: A bill (H. R. 12688) granting a pension to Charles MacGregor; to the Committee on Pensions.

By Mr. HARCOURT J. PRATT: A bill (H. R. 12689) granting a pension to Edith Cross; to the Committee on Invalid Pensions.

By Mr. WATRES: A bill (H. R. 12690) for the relief of Daniel Williams; to the Committee on Military Affairs.

By Mr. WOLVERTON of West Virginia: A bill (H. R. 12691) granting an increase of pension to Mary A. McKisic; to the Committee on Invalid Pensions.

By Mr. WYANT: A bill (H. R. 12692) granting a pension to Hannah B. Kelly; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7395. By Mr. CAMPBELL of Iowa: Petition of the Sioux City Central Woman's Christian Temperance Union, of Sioux City, Iowa, requesting that Congress enact a law for the Federal supervision of motion pictures, establishing higher standards before production for films that are to be licensed for interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

7396. By Mr. CULLEN: Resolution of New York Board of Trade (Inc.), recommending that the New York quarantine station be opened 24 hours of the day and that the same quarantine fees for special services should apply at the port of New York as now apply at other ports, and that additional personnel and modern equipment be furnished at the quarantine station; to the Committee on Interstate and Foreign Commerce.

7397. By Mr. GARBER of Oklahoma: Petition of J. B. Klein Iron & Foundry Co., Oklahoma City, Okla., in opposition to House bill 9232; to the Committee on Labor.

7398. Also, petition of F. G. Glessner, Ponca City, Okla., in opposition to House bill 9232; to the Committee on Labor.

7399. Also, petition of Harter Mercantile Co. (Inc.), Ponca City, Okla., opposing House bill 9232; to the Committee on Labor.

7400. Also, petition of American Federation of Arts, Washington, D. C., indorsing House bill 11852; to the Committee on Patents.

7401. Also, petition of State Bridge Commission of West Virginia, Charleston, W. Va., advocating elimination of toll bridges; to the Committee on Interstate and Foreign Commerce.

7402. By Mr. HALL of North Dakota: Memorial of the citizens of the city of Minot, N. Dak., for the increase of pay of officers and enlisted men in the Army, Navy, Coast and Geodetic Survey, Coast Guard, and Public Health Service; to the Committee on Appropriations.

7403. 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.

7404. By Mrs. RUTH PRATT: Petition of Julia A. Berwind and about 1,000 other citizens of New York City and vicinity, in the State of New York, praying for the passage of House bill 7884, to prohibit experiments upon living dogs in the District of Columbia, Territorial, or insular possessions of the United States; to the Committee on the District of Columbia.

7405. By Mr. WALKER: Petition of Kentucky Parent-Teachers Association, Bowling Green, Ky., and sent by the parent-teachers' chapter of Nicholasville, Ky., urging that Congress enact a law establishing higher standards before production of moving pictures and that same be licensed both interstate and international; to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, *May 29, 1930*

The Rev. Jason Noble Pierce, D. D., of the First Congregational Church of the city of Washington, offered the following prayer:

Our God and Father, as the Memorial Day comes, we thank Thee for our country that it is one. We pray that the spirit of brotherhood and peace may fill the minds and hearts of our citizenry and that in this deliberative body Thy truth may be sought and Thy will done, to Thine eternal glory. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Farrell, its enrolling clerk, announced that the Speaker had appointed Mr. KINCHELOE a manager on the part of the House at the conference in place of Mr. ASWELL, resigned, on the bill (S. 3531) authorizing the Secretary of Agriculture to enlarge tree-planting operations on national forests, and for other purposes.

The message also announced that the House had passed the joint resolution (S. J. Res. 49) to provide for the national defense by the creation of a corporation for the operation of the