ment to the Constitution of the United States; to the Committee on Rules.

By Mr. STRONG of Kansas: Resolution (H. Res. 260) directing the return to the Treasury Department records, which were adduced as evidence before the select committee appointed under House Resolution No. 231, Sixty-eighth Congress; to the Committee on Rules.

By Mr. DAVILA: Joint resolution (H. J. Res. 376) to change the name of the island of Porto Rico to "Puerto Rico"; to the Committee on Insular Affairs.

By Mr. CELLER: Joint resolution (H. J. Res. 377) to amend paragraph 1510 of the tariff act of 1930; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDRESEN: A bill (H. R. 13040) for the relief of Adam Weinacht; to the Committee on Military Affairs.

Also, a bill (H. R. 13041) for the relief of W. F. Zimmermann; to the Committee on Claims.

By Mr. BACHMANN: A bill (H. R. 13042) granting a pension to Mathias Kennedy; to the Committee on Pensions.

By Mr. BLACKBURN: A bill (H. R. 13043) granting an increase of pension to Sallie Hager; to the Committee on Invalid Pensions.

By Mr. CANFIELD: A bill (H. R. 13044) granting an increase of pension to Mary E. Buchanan; to the Committee on Invalid Pensions.

By Mr. CONNERY: A bill (H. R. 13045) for the relief of Ada E. Smith; to the Committee on Claims.

By Mr. DOUGLAS of Arizona: A bill (H. R. 13046) for the relief of Orvil L. Larson; to the Committee on Claims.

By Mr. McSWAIN: A bill (H. R. 13047) for the relief of Marvin Yeargin; to the Committee on Military Affairs.

Also, a bill (H. R. 13048) granting a pension to Rose M. Smith; to the Committee on Pensions.

By Mr. NELSON of Missouri: A bill (H. R. 13049) granting an increase of pension to Gertrude Renkemeyer; to the Committee on Invalid Pensions.

By Mr. O'CONNOR of Oklahoma: A bill (H. R. 13050) granting an increase of pension to Isola Thompson; to the Committee on Invalid Pensions.

By Mr. SINCLAIR: A bill (H. R. 13051) for the relief of Grina Bros.; to the Committee on Claims.

PETITIONS, ETC.

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

7591. Petition of the Roman and Greek Catholic Hungarian Federation of America urging Congress of the United States to use their good offices in inducing the countries and governments to cancel the treaty of Trianon; to the Committee on Foreign Affairs.

7592. By Mr. BLACKBURN: Petition of the Business and Professional Women's Club of Winchester, Ky., signed by Miss Ardelle McPherson, president, urging upon Congress the enactment into law of House bill 10960, relative to the citizenship and naturalization laws pertaining to married women; to the Committee on Immigration and Naturalization.

7593. Also, petition of the American Legion Auxiliary of Louisville, Ky., signed by Mrs. George C. Burton, pleading that Congress do not adjourn this session until after the enactment of the Johnson-Rankin bill to amend the World War veterans' act of 1924; to the Committee on World War Veterans' Legislation.

7594. Also, petition of Harvey White, State commander of the American Legion of Kentucky, pleading that Congress do not adjourn this session until after favorable action has been taken on House bill 10381, to amend the World War veterans' act of 1924; to the Committee on World War Veterans' Legislation.

7595. Also, petition of Miles J. Griffith, World War veteran of Dawson Springs, Ky., pleading that Congress do not adjourn this session until after it has enacted into law the Johnson bill to amend the World War veterans' act of 1924; to the Committee on World War Veterans' Legislation.

7596. By Mr. GARBER of Oklahoma: Petition of Central Supply Association, Chicago, Ill., in support of House bill 11; to the Committee on Interstate and Foreign Commerce.

7597. Also, petition of the National Federation of Music Clubs, Port Huron, Mich., in support of Senate bill 1011; to the Committee on Military Affairs.

7598. By Mr. YATES: Petition of Chicago Upholsterers' Union, 120 North La Salle Street, Chicago, Ill., urging the passage of the half holiday bill, H. R. 6603; to the Committee on the Post Office and Post Roads.

7599. Also, petition of W. W. De Wolf, president Chicago Typographical Union, 332 South La Salle Street, Chicago, Ill., urging the passage of House bill 6603; to the Committee on the Post Office and Post Roads.

7600. Also, petition of G. S. Turner, president T-Z Railway Equipment Co., 14 East Jackson Boulevard, Chicago, Ill., urging the passage of House bill 9889; to the Committee on Interstate and Foreign Commerce.

7601. Also, petition of Gifford Dring, secretary-treasurer Brotherhood of Locomotive Engineers, 8436 Vernon Avenue, Chicago, urging the adoption of the Couzens joint resolution; to the Committee on Interstate and Foreign Commerce.

7602. Also, petition of A. J. Freide, secretary Brotherhood of Railway and Steamship Clerks, Knights of Pythias Hall, East St. Louis, Ill., requesting the adoption of the Couzens joint resolution; to the Committee on Interstate and Foreign Commerce.

7603. By Mr. CULLEN: Resolution of the members of the New York Mercantile Exchange, opposing House bill 11096 so far as it relates to postage on first-class matter, and recommends a readjustment on second, third, and fourth class matter; to the Committee on the Post Office and Post Roads.

SENATE

THURSDAY, *June 19, 1930*

(Legislative day of Wednesday, June 18, 1930)

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

The VICE PRESIDENT. The Chair recognizes the Senator from Arkansas [Mr. CARAWAY].

Mr. FESS. Mr. President, will the Senator yield to enable me to suggest the absence of a quorum?

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

Mr. CARAWAY. I yield.

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

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

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

Mr. McNARY. Mr. President, will the Senator from Arkansas yield to enable me to submit a proposed unanimous-consent agreement?

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

Mr. CARAWAY. I yield.

RELIEF OF WORLD WAR VETERANS

Mr. McNARY. I submit the following unanimous-consent agreement and ask that it be read by the clerk.

The VICE PRESIDENT. The clerk will read the proposed agreement.

The Chief Clerk read as follows:

It is agreed by unanimous consent that the unfinished business, House bill 11781, the rivers and harbors bill, be temporarily laid aside; that the Senate thereupon proceed to the consideration of the bill (H. R. 10381) to amend the World War veterans' act, 1924, as amended, and continue its consideration to the exclusion of all other business until the hour of 4 o'clock p. m. to-day; that at said hour the Senate pro-

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ceed, without further debate, to vote upon any amendment that may be pending or that may be proposed, and upon the bill through its several parliamentary stages to and including its final passage.

The VICE PRESIDENT. If there is objection it will save calling a quorum. There will have to be a quorum call before the agreement can be entered into.

Mr. REED. Mr. President, reserving the right to object, there are some parts of the bill of which I am very strongly in favor. There are some parts that I think are wholly wrong. I do not believe 10 Senators on the floor understand what is in the bill. It ought to be made the unfinished business immediately after the rivers and harbors bill is disposed of. I believe that in two days' debate at most we could thresh it out and pass it; but I do not believe that between now and 4 o'clock this afternoon it is possible to give it the consideration which it ought to have. Therefore I am forced to object.

Mr. McNARY. Would the Senator consent if we extend the time for debate one hour, until 5 o'clock?

Mr. REED. No.

Mr. McNARY. Or until 6 o'clock?

Mr. REED. No.

The VICE PRESIDENT. Objection is made, and the Senator from Arkansas will proceed.

REPORT OF LOBBY COMMITTEE (NO. 43, PT. 10)

Mr. CARAWAY. Mr. President, I ask permission to submit a report from the lobby committee.

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

Mr. CARAWAY. Mr. President, I was directed by the committee of which I am acting chairman to submit a report (No. 43, pt. 10), dealing with the appearance and testimony of Bishop James Cannon, jr. Respecting that report I shall have but very little to say, but I do desire to discuss the entire incident. The report itself is brief; but the whole transcript of the hearings while Cannon was a witness is attached.

Resolved, That it is the sense of the subcommittee of the Committee on the Judiciary investigating lobbying that it should not insist on answers to questions propounded to Bishop James Cannon, jr., and that the transcript of the whole record be laid before the Senate.

Senator WALSH of Montana assents to this order only because of the doubt raised as to authority of the committee under the resolution pursuant to which it is acting.

And there is attached as Exhibit A, not to be made a part of this speech, all that occurred while Cannon was before the committee.

Mr. President, as to what actually occurred while Cannon was before the committee I know only what the record shows. I was absent, except on the last day. I have acquainted myself, however, with the questions that were asked and which the bishop declined to answer, or rather which he said he did not think he ought to be required to answer until the committee should first determine whether it had the authority to inquire into the activities about which he was being interrogated. The committee did pass upon that request and by a vote of 4 to 1 sustained the contention that the line of investigation followed was outside the authority of the committee.

As to this incident more assertions have been made and criticisms offered by those utterly ignorant of what did occur, or else prompted by a malicious desire to lie, than about any other incident of the whole investigation. And while it may not be parliamentary, I say in the beginning, that if anyone asserts that there was a different rule applied in dealing with Cannon than that which had been invoked in every other instance, or that the chairman had changed his position in this matter, he either does not know what he is talking about or he is uttering a willful and malicious lie, and that stands in the Senate and outside of it.

The resolution under which the committee acted I wrote. I want to read it, though possibly the Senate is familiar with it. I will read the whereases, because they leave no doubt whatever of what was in mind. I read the resolution (S. Res. 20), as follows:

Whereas it is charged that the lobbyists, located in and around Washington, filch from the American public more money under a false claim that they can influence legislation than the legislative branch of this Government costs the taxpayer; and

Whereas the lobbyists seek by all means to capitalize for themselves every interest and every sentiment of the American public which can be made to yield an unclean dollar for their greedy pockets: Now, therefore, be it

Resolved, That the Committee on the Judiciary of the United States Senate, or a subcommittee thereof to be appointed by the chairman of the committee, is empowered and instructed to inquire into the activities of these lobbying associations and lobbyists.

To ascertain of what their activities consist, how much and from what source they obtain their revenues.

How much of these moneys they expend and for what purpose and in what manner.

What effort they put forth to affect legislation.

Said committee shall have the power to subpœna witnesses, administer oaths, send for books and papers, to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee or subcommittee thereof, and do those things necessary to make the investigation thorough.

All the expenses for said purposes shall be paid out of the contingent fund of the Senate. For the purposes of this investigation the expenditure of $10,000 is authorized, or such part thereof as may be necessary.

That is the resolution.

There is not a lawyer who ever had the honor of appearing in a justice of the peace court who would contend that that resolution empowered the committee to go into political activities, except—and I want to make the exception now—where the political activities were the work of a lobbying organization and in furtherance of its lobbying aims. However, not anyone would contend that the resolution empowered the Senate committee to go into purely political activities.

That view of the authority and scope of the committee, and the limitations upon it, was announced by the chairman of the committee whenever the question arose. It first rose, Mr. President, when the chairman of the Republican National Committee, Mr. Claudius H. Huston, was before the committee. At that time a question was asked by myself touching a transaction that I recognize was political, although at the time that suggestion had not occurred to me. The Senator from Indiana [Mr. ROBINSON] objected, in terms not overpolite, and demanded to know if we were going into political activities. Then, with every member of the committee present except the Senator from Idaho [Mr. BORAH], I conceded that the Senator from Indiana was correct, and I withdrew the question. (Pt. 8 of the hearings, p. 3323.)

The same question arose six times subsequent to that while the same witness was before the committee, and it was decided the same way each time. (See record, pt. 8, pp. 3398–3400, 3402, 3403–3404, 3405, and 3457.) So, as I have indicated, that rule was invoked seven times to protect the chairman of the Republican National Committee from answering any inquiry touching political activities, and the question was decided in the same way each time. I here attach what occurred beginning on pages 3402, 3403, 3404, and 3405

Senator ROBINSON of Indiana. Just wait a moment.

Senator WALSH of Montana. This morning I have directed the issuance of the subpœna as follows:

"UNITED STATES OF AMERICA,
"CONGRESS OF THE UNITED STATES.

"CHARLES A. TRICKEL,
"*Greetings:*

"Pursuant to lawful authority you are hereby commanded to appear before the committee of the United States Senate appointed pursuant to S. Res. 20, on Wednesday, March 19, 1930, at 10 o'clock a. m., at their committee room in the Senate Office Building, Washington, D. C., then and there to testify what you may know relative to the subject matter under consideration by said committee.

"And have with you any and all accounts, records, canceled checks, or other vouchers or documents in the possession of Blythe & Bonner or under their control evidencing or indicating any money transactions, either receipts or expenditures, with W. E. Moore during the year 1929."

Senator ROBINSON of Indiana. Let me suggest in that connection that it seems to me that is as broad as the world. It might just as well issue a subpœna to Chairman Raskob, of the Democratic National Committee, to bring all his records in here for the year 1929 and show how the Democratic national campaign bureau and publicity bureau was financed. I do not think the Senate will sustain a subpœna as broad as that is.

Senator WALSH of Montana. I will put the question to the committee, Shall the committee issue the subpœna?

Senator ROBINSON of Indiana. I doubt that the committee can pass on it. I think the Judiciary Committee should pass on this question. This is too broad for a committee of this kind to go into the affairs of the Republican Party. I do not think it is fair and I do not think it is right. I protest against it.

If it is limited to the question of the Tennessee River Improvement Association and anything this man did as president of that concern, then I say there should be the fullest publicity; but a subpœna such as that appears to be would go into all the affairs of the Republican Party.

Senator BLACK. Senator, that account is not the Republican Party's account, is it?

Senator ROBINSON of Indiana. It may be.

Senator BLACK. I did not know that.

Senator ROBINSON of Indiana. There are a lot of things you do not know.

Senator BLACK. I doubt if you know it.

Senator ROBINSON of Indiana. This is not a Democratic committee; this is a subcommittee of the Judiciary Committee, and it is presumably an impartial investigating committee, investigating the lobby of Muscle Shoals. And furthermore, I might say to the Senator from Alabama, that he is not even a member of the Judiciary Committee.

Senator BLACK. I know, but I am a Member of the Senate, and I was wondering whether you knew this was the Republican campaign fund.

Senator ROBINSON of Indiana. I ask that this go back to the Senate Judiciary Committee, and let the Senate Judiciary Committee, which is a regular standing committee, pass upon this subpœna.

Senator WALSH of Montana. Just a minute. Shall we go on or shall we, on the suggestion of the Senator, refer this back to the Judiciary Committee?

Senator BLAINE. I was going to suggest to the Senator from Indiana——

Senator ROBINSON of Indiana. If this committee acts, I shall ask to have a meeting of the Judiciary Committee and ask them to repudiate the action of this committee, if they are willing to do it; and if they are not I will take it to the Senate floor.

Mr. HUSTON. May I make a statement?

Senator BLAINE. Just a minute, Mr. Huston, until we clear this up. The authority of this subcommittee does not come from the Judiciary Committee. This authority comes from the Senate of the United States under a resolution authorizing this investigation and authorizing this committee to issue subpœnas to carry out the purposes for which it was created, and this subcommittee, the personnel, is a creation of the Judiciary Committee, but the power of this subcommittee is the power that was delegated to it by the Senate of the United States.

Now, as I understand from the Senator from Montana, it is not his purpose or the purpose of the committee to go into the private affairs——

Senator ROBINSON of Indiana. That is precisely what this summons undertakes to do—precisely.

Senator BLAINE. Or the political affairs of Mr. Huston. The purpose is to issue a subpœna for this particular account that includes the contribution of $36,100 from the Union Carbide Co. Now, that account having been placed in Mr. Huston's personal account is not the responsibility of this committee. That is the responsibility of Mr. Huston. Had he not commingled this trust fund or this money that was contributed for the Tennessee River Improvement Association—had Mr. Huston not commingled that fund with his own private funds he would not be in the situation he is in this morning. But inasmuch as he has commingled the fund, which is in the nature of a trust fund, with his own private fund, the only way by which the committee can ascertain the disposition of that $36,100 is to go into the whole account.

This does not mean, Mr. Huston, that we will investigate your personal part of the account or your political part of the account, if there is such. That is not in my mind, and I am sure is not in the mind of the committee.

So on this question of issuing a subpœna the mere question is whether or not it shall be issued.

Senator ROBINSON of Indiana. May I suggest in that connection——

Mr. HUSTON. Senator Walsh——

Senator ROBINSON of Indiana. That if there is to be an investigation made of Mr. Huston's personal account during the year 1929, then why not let us broaden it and make an investigation of Mr. Raskob's personal account during the year 1929?

It is just as fair one way as the other. On the other hand, if this is limited strictly to the question now under consideration by this subcommittee, namely, Muscle Shoals, which is the only excuse this lobby committee had for examining this witness, who is here on his own account as a voluntary witness—if that is the case, there is no objection in the world to the fullest light of publicity.

Senator BLAINE. The question is upon the issue of this subpœna.

Mr. HUSTON. May I state this——

Senator BLAINE. We will decide what we will do first Senator ROBINSON; how do you vote?

Senator ROBINSON of Indiana. It is not a question of voting. And who is chairman of the committee?

Senator BLAINE. Senator CARAWAY is chairman of the committee.

Senator ROBINSON of Indiana. Who is presiding over the committee in his absence?

Senator BLAINE. If that is material, I had assumed——

Senator ROBINSON of Indiana. I am just wondering under the rules of the Senate who is presiding.

Senator BLAINE. If you go according to seniority, Senator WALSH is presiding. I am quite content that he is presiding.

Senator ROBINSON of Indiana. Then perhaps he might take the lead in the matter.

Senator BLAINE. I will ask Senator WALSH to put the question, then. I did not mean——

Senator ROBINSON of Indiana. I do not see the occasion. Perhaps he would know enough to do that himself without suggestion.

Mr. HUSTON. Is the committee not willing for me to make a suggestion?

Senator BLAINE. Just a minute, until we settle the question whether the subpœna shall be issued or not.

Senator WALSH of Montana. Will you have the kindness to give me again the amounts and the dates of those deposits?

Mr. HUSTON. I think they were dated March 8, $22,000, and June 26, $14,100. But that is subject to slight correction, because I have not recently seen those two checks.

Senator WALSH of Montana. June what?

Mr. HUSTON. June 26.

Senator WALSH of Montana. If the subpœna were issued in the form in which it was first read to you, Mr. Huston, it was the purpose of the committee to interrogate the gentleman producing the books as to entries in the books showing the receipts or disbursements of the sums mentioned by you or any other sums of money from the Union Carbide Co., and to go no farther in the examination. And so as to limit the inquiry to that I suggest that the subpœna take this form:

"And to have with you any and all accounts, records, canceled checks, or other vouchers, or documents in your possession or in the possession of Blythe & Bonner or under your order or control, evidencing or indicating the deposits by W. E. Moore on or about March 8, 1929, of $22,000, and on or about June 26, 1929, of $14,100, or any disposition of such funds, or of the receipt and disbursement of any other funds coming to the said W. E. Moore from the Union Carbide Co."

Senator ROBINSON of Indiana. I have no objection to that.

Senator BLAINE. Or any of its officers.

Senator WALSH of Montana. Or any of its officers.

Senator ROBINSON of Indiana. What?

Senator WALSH of Montana. Or any of its officers.

Senator ROBINSON of Indiana. I have no objection to that.

Mr. HUSTON. May I make a statement?

Senator BLAINE. Wait until we get this subpœna out of the way.

Mr. HUSTON. I thought it was pertaining to this subpœna. If that is the purpose and that is the information that this committee wants, there is not the slightest objection to that being made available.

Senator WALSH of Montana. I thought there was a tempest in a teapot.

Mr. HUSTON. Not the slightest in the world; but I do object to digging up my personal records that have nothing to do with this.

Senator ROBINSON of Indiana. Mr. Chairman, I vote for that subpœna.

Senator WALSH of Montana. Let me explain, Mr. Huston.

Mr. HUSTON. Yes.

Senator WALSH of Montana. If these gentlemen come with these books, we would be entitled to ask them about nothing except about the receipt of these funds from the Union Carbide Co., or some other source from which funds came which were used in legislative efforts; but we would have to interrogate them as to whether they told us all there is in those books. Now, when Mr. Holland is up there, what can we do except to have him examine the books with respect to that matter? But the books are going to be here now and so we will not bother further about that, unless you care to wire them to let Mr. Holland examine those books in order to see whether these accounts are there and whether there are any more deposits there and the disposition of these deposits.

That rule was invoked to protect the chairman of the Democratic National Committee, Mr. Raskob, and the decision previously made was adhered to. This objection was by Senator WALSH of Montana (pp. 3687 and 3688; also p. 3696):

Senator ROBINSON of Indiana. Well, did you think in accepting this position that you might serve the cause of repealing this amendment?

Senator WALSH of Montana. Now, I object to that question as entirely irrelevant to the question the committee is called upon to investigate.

Senator ROBINSON of Indiana. Well, the whole purpose, as I understand this investigation to have in mind, is to see whether or not this man or this association have been lobbying, and if they have been lobbying what activities they have pursued, and the question is whether you can separate one thing from another.

Senator WALSH of Montana. The question is entirely irrelevant.

Senator ROBINSON of Indiana. Well, what part of the question is irrelevant.

Senator WALSH of Montana. The entire question.

Senator ROBINSON of Indiana. Well, read the question again.

(The question is read by the official reporter, as follows:)

"Well, do you think in accepting this position that you might serve the cause of repealing this amendment?"

Senator WALSH of Montana. The question was what motive actuated Mr. Raskob in accepting the appointment——

Senator ROBINSON of Indiana. That is exactly the purpose of it.

Senator WALSH of Montana (continuing). Of chairman of the Democratic National Committee. That is entirely irrelevant to the question of lobbying activities.

Senator ROBINSON of Indiana. Well, it was his motive there to influence legislation on that position to amend the eighteenth amendment. I can ask that question, perhaps.

Senator WALSH of Montana. Mr. Raskob is perfectly willing to answer it, and I am perfectly willing that he should, but I do not like to see this inquiry into lobbying——

Senator ROBINSON of Indiana. Just let us withdraw the question.

Senator WALSH of Montana. No, no, no. I have got the floor now. I do not care to see this inquiry diverted into wholly collateral questions.

Senator ROBINSON of Indiana. No; this inquiry has never been mixed up in politics at any stage of the game thus far.

Just withdraw that question.

* * * * * * *

Senator WALSH of Montana. Let us get whatever facts Mr. Raskob can give us.

Senator ROBINSON of Indiana. That is what I am trying to find out.

Senator WALSH of Montana. Well, let us go on.

Senator ROBINSON of Indiana. Mr. Raskob, Mr. Daniels in this editorial asks you to resign your present position. Let me ask you the same question——

Senator WALSH of Montana. No, no. I object.

Senator ROBINSON of Indiana. Let me ask you the same question that was asked Mr. Huston on the stand the other day. Do you expect to resign?

Senator WALSH of Montana. I object to that.

Senator CARAWAY. Nobody asked him that question.

Senator ROBINSON of Indiana. Oh, yes. That question is in the record the first day of the testimony, and when I was not present.

Senator WALSH of Montana. This investigation is not going to be transformed into a show. I protest and I object to Mr. Raskob answering it, and if the Senator insists he has his remedy in an appeal to the Senate.

Senator ROBINSON of Indiana. I am going to appeal.

Senator WALSH of Montana. We will refuse to answer that question.

The rule was also invoked to protect Mr. Curran, in charge of the National Association Against the Prohibition Amendment, and the decision previously made was adhered to without objection—see record, pages 4034 and 4035 and also the Carter Field reports. The same rule was invoked to protect Josephus Daniels. when he was before the committee, by the Senator from Montana [Mr. WALSH], who contended that a question asked of Mr. Daniels was outside the power of the committee and concerned a matter which it was beyond the scope of the committee to make inquiry, and the objection was sustained—see part 9 of the record, page 3720, as follows:

Senator ROBINSON of Indiana. Mr. Daniels, does that editorial express your views?

Senator WALSH of Montana. One moment. I object to that.

Senator ROBINSON of Indiana. Mr. Daniels was 20 years a member of the National Democratic Committee, and was for 8 years, I think it was, Secretary of the Navy in President Wilson's Cabinet. Isn't this committee going to permit this distinguished American citizen and Democrat to state whether these are his views or not?

Senator WALSH of Montana. Not if I can prevent it.

Mr. DANIELS. What was that, Mr. Chairman?

Senator WALSH of Montana. Not if I can prevent it.

Senator ROBINSON of Indiana. You have no objection, have you, Mr. Daniels?

Senator WALSH of Montana. I have. I object to this upon the ground that it apparently has no relation whatever to the subject that this committee is authorized to inquire into.

Every time that question arose it was held and decided by the committee, without a division of sentiment, so far as I know, in the same way.

Certain people make the charge that Bishop Cannon was given immunity. That statement is an unqualified and deliberate falsehood, and whoever utters it does so with the knowledge that he is a common liar. I claim no immunity for that declaration here or anywhere else.

Mr. President, I am going to put citations in the RECORD, but I am not going to take time to read them unless some Senator wants to ask me about them; and I am open to questions on the part of any Senator at any time.

So far as I know, it was never the intention of the committee to summon before it or to ask to come before it any church organization. I do not know where the line is which divides church and state, and I am not going to try to define it. I am not going to be a party, however, to trying to coerce any church organization—I do not care whether it be Catholic or Protestant—in what it conceives to be the discharge of its conscientious duty. If any Senator wants to make a motion to bring about such an inquiry, it is always open to him to do so.

That was the position I took when this question was new. There was correspondence on the subject to which I had not intended to refer, but I am going to do it now.

When the matter of church activities first came up I received from an organization here in Washington a request that the committee inquire into the Catholic Welfare Society—if that is its name—the charge being then made that it was engaged in pernicious political activities and lobbying. I said then, "The lobby committee is not going into the question of church activities at all unless at their request." Certain Protestant churches or organizations, thinking they had been attacked, asked permission to come before the committee and were granted that permission, then the suggestion to go into the activities of Catholic organizations was renewed, but the answer was the same each time, so far as I was concerned, namely, that the committee was not going into the activities of church societies, unless made by the church itself.

Churches may invade the rights of the state; I do not know; doubtless they do; and the state may seek at times to invade the rights of the churches; but I think the Senate is going to hesitate a long time before it decides to enter upon an inquiry into a question of that kind and endeavor to coerce religious organizations, and investigate the manner in which they seek to carry out their mission.

Under date of New York, October 11, 1929, written on the letterhead of the Federal Council of Churches of Christ of America, came a letter from the then chairman of that organization, which I am going to put into the RECORD for the purpose which I have just disclosed. The request had been made that they be permitted to come before the committee and answer certain charges which they thought had been preferred against them. I ask unanimous consent that the letter may be printed in the RECORD.

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

The letter referred to is as follows:

THE FEDERAL COUNCIL OF THE
CHURCHES OF CHRIST IN AMERICA,
New York, N. Y., October 11, 1929.

Hon. THADDEUS H. CARAWAY,
United States Senate, Washington, D. C.

MY DEAR SENATOR CARAWAY: I thank you for your letter of October 10 and the friendly spirit it expresses.

This is a purely personal letter between you and me to say that in the selection of organizations a good deal of care would need to be shown in order to avoid seeming discrimination as, for example, between Roman Catholic and Protestant, in order to avoid the appearance of bias. I merely offer this as a hint which has come to me from several sources for whatever it may be worth.

I might call your attention to an interesting case, when one of our secretaries was questioned by a committee before which he appeared representing another body, and when I saw in the press questions which had been raised by Senator Phelan, I took the next train for Washington and laid the cards on the table, quite to the discomfiture of Senator Phelan. It is in the document Hearings Before House Committee on Immigration and Naturalization, Sixty-sixth Congress, first session, June 12–20, September 25, 1919, pages 207 and following. I am pretty sure it would be interesting for you to look this up.

Faithfully yours,

CHARLES S. MACFARLAND.

P. S.—Unless it is inappropriate, I may call at your office Thursday, when I am in Washington, for a brief interview.—C. S. M.

Mr. CARAWAY. Mr. President, I am a Protestant as all my people are, but nobody ever heard me inveighing against the Catholic Church. My relations with it, as I hope is the case with respect to all other churches, have been, and are, friendly; and I was not lending the committee to any organization or person to pursue any denomination because some one had a grievance against it. I could, I think, Mr. President, produce 50 letters, some of them coming from people high in the professional walks of life, urging upon the committee to adopt the contrary course. I did not believe, however, that that was within the province of the committee or within the desire of the committee, and in order to avoid embarrassing the Senator from Montana, not one of those letters was ever laid before him.

I wish to digress here long enough to say, Mr. President, that whatever may be said about any wet or any Roman Catholic pursuing any dry or Protestant—and there are two members of the committee who come within that category, one a wet and the other Catholic—in whose conduct there was not anything from the beginning to the end of the inquiry that would lend the slightest color to such a charge.

As I said, Mr. President, it was not in the mind of the committee, so far as I know, to ask any church organization to

appear before it. Three Christian organizations did ask to come before the committee to reply to what was thought was unfair criticism of their activities. One was the Board of Temperance and Public Morals—if that is the name of the organization—of the Methodist Church North. Another was made by the chairman of the Board of Temperance and Social Service of the Methodist Church South, and a third by the Federal Council of Churches.

The organization first named, the Board of Temperance and Public Morals of the Methodist Church North, was rather insistent upon an early hearing. I said to its representative, both in letter and over the telephone, that I thought since we were investigating the wet side we ought to get through with that, and then a convenient date would be set for its appearance at the first opportunity after this and the Anti-Saloon League had been heard, because we felt that the Association Against the Prohibition Amendment and the Anti-Saloon League, which oppose each other, should be heard and each be given all the time wanted. In order to show that we were fair with the Association Against the Prohibition Amendment we gave it six days more to make its case before the American people than we gave the Anti-Saloon League. The opportunity was given to include every particle of testimony it had and to hear every witness it wanted to be heard. The same thing is true of the Anti-Saloon League.

Then the Methodist Board of Temperance and Public Morals came. Its personal request was that Dr. Clarence True Wilson should appear, but a day or two days before the hearing Mr. Pickett, the secretary of the organization, asked me if he might be permitted to appear instead of Doctor Wilson, who was out of the city. The request was complied with, and Mr. Pickett appeared and testified.

There were three days set for Bishop Cannon to appear, all of them at his request. I am going to include the correspondence in regard to his appearance and some other personal correspondence, in order to refute a malicious lie that is being told.

I have letters here, Mr. President, dated in February last, doing me the honor of asking me to make the closing address at the graduation exercises of a college in Arkansas, of which I am very fond. There came also an invitation some time in April to deliver the address at the graduating exercises of the medical class of the university of my State. Both of these invitations were accepted. Bishop Cannon then—who had been, as I thought, entirely agreeable about testifying—sent me a telegram—I am going to include it in the RECORD—in which he said that he wanted to appear before a mentioned date. It was not possible to accommodate him. Then, on May 23, I had, in response to a telegram from me asking him to appear May 28, this telegram from him:

After careful consultation with coworkers I find I could not appear 28th unless fail to attend to important matters here and en route to Washington. In view of exceedingly unusual heavy work for past four weeks, I hope it will suit convenience of committee for me to appear June 3.

That is the last telegram.

That matter was taken up with the committee, and June 3 was fixed. My appointments covering June 3 and 4 had been made in February and April preceding that.

On May 23 I had sent Bishop Cannon this telegram, above referred to:

Bishop JAMES CANNON, Jr.,
Care of Methodist Conference, Dallas, Tex.:

If possible, would like to wind up investigations before Congress adjourns. Therefore would like to have you appear, if possible, Wednesday next, May 28.

I have read his answer to that. Had he come on that day, since I was here the 28th, 29th, and 30th, I could have been present at all hearings. The committee—not the chairman alone—agreed to the change. So that is the reason the bishop was here on the 3d and not on the 28th and why I was absent.

The PRESIDENT pro tempore. Does the Senator desire that the complete correspondence be printed in the RECORD?

Mr. CARAWAY. I do, if the Chair please.

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

The matter referred to is as follows:

BOARD OF TEMPERANCE AND SOCIAL SERVICE,
METHODIST EPISCOPAL CHURCH SOUTH,
Washington, D. C., April 10, 1930.

Hon. THADDEUS H. CARAWAY,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR CARAWAY: When I wrote you a few days ago concerning the appearance of the officers of the Board of Temperance and Social Service of the Methodist Episcopal Church South before the Senate investigation committee I had just returned from central Africa and had had no opportunity to check up fully the meetings of the various connectional boards of our church. Since then I find that the following boards and committees are scheduled to meet before the general conference: The commission on nationalism, the board of church extension, the board of missions, the college of bishops, the board of education, the board of temperance and social service, and the executive committees of some of these boards. Owing to the fact that all of these boards must make report and recommendations to the general conference, which meets only once in four years, it is necessary that these meetings be held before the general conference meets, and they are all very important meetings, because they outline policies for the work of the church for the next four years.

It is my duty as one of the bishops to attend the meetings of these boards and committees and contribute as far as possible to the make-up of the reports which are to be submitted to the general conference for its action. Moreover, it is required that I submit to the general conference my quadrennial report of my episcopal labors during the past four years, and the report should be prepared with great care. In addition to this it so happens that certain questions have arisen concerning some of my personal activities which I have publicly stated I desire to have fully considered by the committee on episcopacy at the general conference. The document which I must prepare in connection with these matters is of great importance.

I am obliged to write and state that it will be practically impossible for me to appear before your committee until after the meeting of the general conference unless I fail to attend to these very important church duties, the most of which, as you know, are considered only once in four years. I take it for granted that the committee is not especially concerned as to the order in which parties appear before it and that it will not interfere in any way with the committee's plans if the representatives of our board do not appear until after other parties have been heard.

I am leaving for Louisville, Nashville, and Dallas on Monday and will be obliged to you if you can drop me a note this evening whether this arrangement will be satisfactory to you.

Yours sincerely,

JAMES CANNON, Jr.,
Chairman Board of Temperance and Social Service,
Methodist Episcopal Church South.

BOARD OF TEMPERANCE AND SOCIAL SERVICE,
METHODIST EPISCOPAL CHURCH SOUTH,
Washington, D. C., April 12, 1930.

Hon. THADDEUS H. CARAWAY, *Chairman,*
Senate Office Building, Washington, D. C.

DEAR SIR: In view of certain statements which have appeared in the press concerning the work of the Board of Temperance and Social Service of the Methodist Episcopal Church South, as officers of that board we are writing you to state that if your committee desires any information concerning the work of our board, we shall be glad to appear before the committee and furnish such information.

Owing to the annual meetings of the connectional boards of the church it will not be convenient to appear before the committee prior to April 28, and as the General Conference of the Methodist Episcopal Church South begins its sessions on May 6, at Dallas, Tex., it would not be convenient to appear before the committee after May 2. If, therefore, the committee desires any information concerning our board we would appreciate being heard between April 28 and May 2.

Yours sincerely,

JAMES CANNON, Jr., *Chairman.*
EUGENE L. CRAWFORD, *General Secretary.*

APRIL 14, 1930.

Bishop JAMES CANNON, Jr.,
50 Bliss Building, Washington, D. C.

MY DEAR BISHOP CANNON: I have your appreciated favor with reference to the time that it would be convenient for you to appear before the committee.

You state that it will not be convenient before the 28th of April. The committee will accommodate itself to your convenience.

Respectfully,

——— ———.

DALLAS, TEX., *May 12, 1930.*

Hon. THADDEUS H. CARAWAY,
Senate Building, Washington, D. C.:

Virginia advices indicate you inquiring concerning treasurer Virginia anti-Smith Democrats. I personally received and disbursed practically all funds Virginia anti-Smith Democrats 1928, but made no report of such receipts and disbursements as none required by law; regret conflict with general conference session, but, as explained before, official administration and personal character of all bishops reviewed and passed upon quadrennially; and as charges have been brought against me, I must remain to meet those charges. Likewise work of our board

for past four years must be reviewed and plans adopted for coming quadrennium, also matter of assignment of bishops for future work must be determined. To leave before adjournment not simply confusing but would seriously interfere with proper settlement of these important matters. Upon adjournment will return Washington, appearing at convenience of committee.

JAMES CANNON, Jr.

MAY 23, 1930.

Bishop JAMES CANNON, Jr.,
Care Methodist Conference, Dallas, Tex.:

If possible, would like to wind up investigation before Congress adjourns; therefore would like to have you appear if possible Wednesday next, May 28.

T. H. CARAWAY.

DALLAS, TEX., *May 23, 1930.*

Hon. THADDEUS H. CARAWAY,
Senate Building:

After careful consultation with coworkers, I find I could not appear 28th unless fail to attend to important matters here and en route to Washington. In view of exceedingly unusual heavy work for past four weeks I hope it will suit convenience of committee for me to appear June 3.

JAMES CANNON, Jr.

MAY 24, 1930.

Bishop JAMES CANNON, Jr.,
Methodist Conference, Dallas, Tex.:

It will be satisfactory to come 3d of June.

T. H. CARAWAY.

Mr. CARAWAY. A committee with full authority to go into the matter of Cannon's political activity was appointed at the last session of Congress, consisting of the Senator from Oregon [Mr. STEIWER], who was the chairman, the Senator from Vermont [Mr. DALE], the Senator from South Dakota [Mr. MCMASTER], the Senator from New Mexico [Mr. BRATTON], and the Senator from Kentucky [Mr. BARKLEY]. That committee was charged with inquiring into political activities. It had before it the Jameson statement of the $65,300. It had the filed statement of Bishop Cannon, showing that he had gotten $17,000 from E. C. Jameson, and reporting it as a political contribution. It had before it every line of testimony that this committee has, or ever had, except the telegram from Bishop Cannon to Mr. Jameson asking him to report that he gave $48,300 to the Virginia committee against Smith, and $17,000 to Cannon. It was expressly charged by the Senate to inquire into political activities and political expenditures. It did not see fit to call the bishop before it and ask him what he did with this money. I am not criticizing the committee for not doing it. It could not pursue everybody that got money in that campaign, and nobody ever expected it to do it; but at least it had the authority to do it. It was expressly charged with the exercise of that authority, and did not do it. We had no authority to do it. We were not charged with that duty, and of course we did not do it.

It is intimated—and I am not defending it, nor making the charge; I see that it was made by insinuation, at least, on the floor of the House—that Bishop Cannon misappropriated the funds. That may be true, but we were not a grand jury. We uncovered several things that we did not pursue.

We did not pursue and the chairman was not asked to report to the Senate or the grand jury the chairman of the Republican National Committee when it appeared that he had taken funds donated by the Union Carbide Co. for the Tennessee River Improvement Association and put them in his trading account. We did not ask anybody to take any action on it.

We did not ask the prohibition authorities or the district attorney to investigate the fact when it was disclosed that in a banquet given to the former Senator from New York, Mr. Wadsworth, at Baltimore, they had $76 worth of liquor, and served it.

We did not ask the prohibition authorities to pursue Captain Stayton, of the Society Opposed to Prohibition, when it was disclosed in his testimony that they were keeping peach brandy for use by their lobbying friends.

We did not ask the State Department to take any action when it was disclosed that the Cuban ambassador here in Washington was maintaining a lobby, supported in part by money from Cuba, to fight legislation then pending in Congress.

We did not ask the Interstate Commerce Commission to take any action against a railroad in New England when it was disclosed that it was contributing to a lobby fund, against the law of the land.

We did not ask the War Department to pursue a retired Army officer who was engaged in fighting as a lobbyist against his own country while on the pay roll as a retired Army officer.

In fact, repeatedly and repeatedly, when asked if we were going to request that any action be taken in these matters, we said, "That is not our concern. We are trying to find out facts. The country will know what the facts are, and we are not concerned with what action may be taken with reference to the matter."

As I said a minute ago—I have the record here, and I want to include it, but unless it is asked for I shall not take the time to read it—I asked a question of Chairman Huston, of the Republican National Committee—and I have not been accused of being overpartial to him—and it was objected to as being political, and withdrawn. Raskob was asked by the Senator from Indiana [Mr. ROBINSON] a question, and the Senator from Montana [Mr. WALSH] said, "You do not have to answer that."

It dealt with his political intentions; and when Chairman Huston, of the Republican National Committee, and Chairman Raskob, of the Democratic committee, were before the committee no one asked either of them as to what he did with political funds, or what money he collected, or who gave it, or what he did with it. In fact, when a subpœna was being issued to get hold of the records to show what was done with the $36,100 that the Union Carbide Co. had given to the Tennessee River Improvement Association through the chairman of the Republican National Committee—though at that time he was not the chairman of that committee—and it was necessary to look into one of his accounts, a subpœna was being issued, as I said a minute ago, for certain books. The Senator from Montana [Mr. WALSH] had written the first subpœna. It was objected to by the Senator from Indiana [Mr. ROBINSON] on the ground that it might involve an inquiry into the private funds or the political funds of the chairman of the Republican National Committee. The Senator from Montana thereupon changed the subpœna so that it should ask for these two items, and nothing more; and the Senator from Wisconsin [Mr. BLAINE], in making an inquiry, explained the purpose of the committee. I want to read it. It will only take a minute.

When we were talking about inquiring into this $36,100—which was a purely lobby fund, admitted to be so, given by the Union Carbide Co. to further the passage of the Wright bill, then pending and I think still pending in the House—the Senator from Wisconsin [Mr. BLAINE] started to ask a question, as follows:

> Now, as I understand from the Senator from Montana, it is not his purpose or the purpose of the committee to go into the private affairs——
>
> Senator ROBINSON of Indiana. That is precisely what this summons undertakes to do; precisely.
>
> Senator BLAINE. Or the political affairs of Mr. Huston. The purpose is to issue a subpœna for this particular account that includes the contribution of $36,100 from the Union Carbide Co. Now, that account having been placed in Mr. Huston's personal account is not the responsibility of this committee. That is the responsibility of Mr. Huston. Had he not commingled this trust fund or this money that was contributed for the Tennessee River Improvement Association, had Mr. Huston not commingled that fund with his own private funds, he would not be in the situation he is in this morning. But inasmuch as he has commingled the fund which is in the nature of a trust fund with his own private fund the only way by which the committee can ascertain the disposition of that $36,100 is to go into the whole account.
>
> This does not mean, Mr. Huston, that we will investigate your personal part of the account of your political part of the account, if there is such. That is not in my mind, and I am sure is not in the mind of the committee.
>
> So on this question of issuing a subpœna the mere question is whether or not it shall be issued.

Then the Senator from Montana changed his subpœna so that it should read in this way, after the suggestion. The Senator from Indiana continuing to object, the Senator from Montana said:

> If the subpœna were issued in the form in which it was first read to you, Mr. Huston, it was the purpose of the committee to interrogate the gentleman producing the books as to entries in the books showing the receipts or disbursements of the sums mentioned by you or any other sums of money from the Union Carbide Co., and to go no further in the examination. And so as to limit the inquiry to that I suggest that the subpœna take this form.

And this is the form of the subpœna:

> And to have with you any and all accounts, records, canceled checks, or other vouchers or documents in your possession or in the possession of Blythe & Bonner or under your order or control, evidencing or indicating the deposits by W. E. Moore on or about March 8, 1929, of $22,000, and on or about June 26, 1929, of $14,100, or any disposition of such

funds, or of the receipt and disbursement of any other funds coming to the said W. E. Moore from the Union Carbide Co.

I am not defending the course that Cannon took.

At any time before Bishop Cannon came before the committee he could have withdrawn his request. That was done by Bishop McConnell, after he had read more carefully the record and decided that there was no occasion for the Federal Council of Churches to appear unless the committee desired it, and the committee by unanimous vote said to Bishop McConnell, "You requested the opportunity to appear. If you now do not want to come, that is all right with the committee, and you are excused." Of that action no one complained.

The following is the letter of Bishop McConnell:

THE FEDERAL COUNCIL OF THE
CHURCHES OF CHRIST IN AMERICA,
New York, May 24, 1930.

MY DEAR SENATOR CARAWAY: I warmly appreciate your letter of May 23, in which you say that you do not see anything in the activities of the Federal Council of the Churches of Christ in America which should be investigated in the public interest.

If any member of the Senate investigating committee has any question of any kind about any procedure of the Federal Council of the Churches of Christ in America we certainly desire to be given the opportunity to answer such question. I should appreciate it if you would ascertain whether any member of the committee has such questions. If this proves to be the case, we shall be ready and eager to give you full information in regard to them.

If Congressman TINKHAM or any other Member of the Congress of the United States has any question which he would like to raise, we should also regard it as desirable that representatives of the federal council should appear to answer them. So far as I can learn, however, Mr. TINKHAM is the only Member of Congress who has been reported as having raised any such question, and it now appears from his letter in the Baltimore Sun of May 7 that not even he is asking for any investigation or making any charges of lobbying against the council.

If, in your judgment, there is any reason whatever for asking any questions of the representatives of the federal council, they will gladly appear before your committee. If such an inquiry is to be made, however, it seems to me only fair and reasonable that full opportunity should be given not simply for me, as president of the council, to make a statement but also for other responsible and representative church leaders included in the constituency of the federal council to be heard. I refer particularly to President Walter L. Lingle, of Davidson College, North Carolina, who is chairman of the executive committee of the Federal Council of Churches; Dean Luther A. Weigle, of Yale University, who is the chairman of the administrative committee of the council; Dr. Robert E. Speer, of the Presbyterian Board of Foreign Missions, who is a former president of the council; and Dr. Samuel McCrea Cavert, one of the general secretaries.

To put the matter in a word, if there is to be an inquiry, we desire that it should be one which will give full opportunity to make a complete statement and to discuss adequately the purposes and programs of the council, instead of having a hasty and fragmentary hearing which would simply leave the public in confusion.

As to whether such a hearing should be had, I think your committee should make the decision, and we shall be glad to comply fully. In case you feel that such a hearing is desirable, I will hold myself in readiness to appear at your convenience any day after Wednesday of next week. I should hope, however, that we might have several days' notice in advance, so that I would have the opportunity of arranging for the other representatives of the council whom I have mentioned to be present also.

Assuring you of my appreciation of your many courtesies, I remain,
Respectfully yours,

FRANCIS J. MCCONNELL,
President.

Hon. THADDEUS H. CARAWAY,
United States Senate, Washington, D. C.

Had Cannon or his organization withdrawn his request to come before the committee I think I speak for the entire committee when I say it would have granted that request.

After he came, I think he was under obligation to answer every question within the purview of the committee's authority to ask, and he did go fully into every question of lobbying. He said he had been a lobbyist, I believe, for 28 years. He got $5,000 from the board of the Methodist Church North. I think it was a political fund. There was a question as to whether it was or not, however, and he chose to treat it as a lobbying fund, and told us what he did with it. I think that was a political fund. But that was a question about which there might be some doubt, and he gave the committee the benefit of the doubt and told us what he did with that $5,000. As to the $65,300, he stands in an unenviable position, and he can answer for himself; I will not.

Jameson gave $172,000 to help defeat the Democratic candidate for President in 1928. He had never given a dollar before in his life for any political activity, according to his own testimony. At one time, in a burst of generosity, years ago, he gave $25 to the Anti-Saloon League.

I have not any belief at all that Jameson gave his own money. Bishop Cannon was brought to Jameson by Bascom Slemp, of Virginia, who was very much interested, of course, in Republican success, and, as I now recall, Jameson gave $20,000 to the Republican organization in Virginia, $30,000 to the Republican organization in North Carolina; he gave $65,300 to Bishop Cannon; he gave fifty or sixty thousand dollars, I do not remember the amount, to a society calling itself Constitutional Democrats. Jameson did not know where it was, he did not know an officer in it, he did not know where it functioned, he did not know what it was to do, but it was against Al Smith. I do not think that was his money. I think he was passing out the money of the Republican National Committee to fight Al Smith on religious grounds, and did not want to be connected with it. I may be mistaken about that.

The question is asked, Why did we call Jameson if we were not going into political activities when he said this was a political gift? I will answer. Cannon, under his oath, reported that he had received $17,000 from Jameson as a political gift. Jameson had said he had given him $65,300. Cannon was engaged in both political and lobbying activities, and since he reported that he got only $17,000 for politics, it was fair to assume that the $48,300 was a lobbying fund, and Jameson was brought here to ascertain whether that was the fact. He said it was not; that all of it was given for political purposes. Seven thousand three hundred dollars of it was given after the election, $3,000 a month after, and $4,300 two months after the election was over. Every dollar of it was given in checks payable to "Cash," as I now recall, and none of it passed through a clearing house, except one check. Eight thousand dollars was given in money. It was all turned over to Bishop Cannon. Bishop Cannon later sent a telegram to Jameson, when the Steiwer committee was making an inquiry about it, asking that Jameson report that he gave Cannon $17,000, and that he gave the anti-Smith Democratic committee of Virginia $48,300; and Jameson so reported. That is the fund.

Cannon says it was a political fund. Jameson says it was a political fund. Not a man who walks God's earth says it was not a political fund. Being a political fund, and this committee having refused to go into the political funds of the national Democratic Party, or the Republican Party, or anybody else who was engaged in politics, I do not know why the committee should have gone into the political activities of Bishop Cannon.

Personally, and saying it half facetiously and half seriously, I am not concerned with what Cannon did with the money. If he had spent it to raise up religious intolerance, as he is charged by some with doing, no other use could be more objectionable. But that was not our concern. We were not inquiring into political activities. And it had been conceded that the same man might at the same time be a lobbyist and a politician without the two merging, as was Huston.

It was suggested that we ought to have broadened our authority in order to reach Bishop Cannon. If we were going into the political activities of one person, we would have to make it broad enough to go into the activities of all. I do not believe there are half a dozen Senators on the floor of the Senate, I do not believe there is one Senator, who would want to ask the Senate to pass a resolution to go after just one churchman for his political activities. If we should decide to go into the activities of all of them, we would find life too short.

As I said a moment ago, I have letters requesting that we go into various church activities. The writers of some requested that we inquire into the activities of a Baptist preacher in New York who went all up and down this country talking about the political record of Al Smith. Others have asked us to go into the activities of other church organizations. In fact, if we want to go into that phase of politics, and chase down every donor of a political fund and every man who received it, it would be necessary to resolve every Member of the Senate into a special committee and start them all out to hunting that information, and even then there would not be enough Senators to trace all the rumors down.

Again, I ought to have hesitated quite a good while before going into Cannon's political activities or the activities of others

who fought the Democratic candidate, because I supported the Governor of New York. I did whatever the national committee asked me to do to forward his candidacy after he was the nominee.

I did not and do not complain of any preacher's political activity, but I did complain of injecting the religious issue into a campaign. I had hoped that we might have a campaign based upon political questions, because God knows that religious differences can not be settled at the polls. They can not be settled anywhere. They are left to each individual's conscience and the forgiving spirit of God. The reporters made mistakes, of course. But, so far as I know, the hearing to which I have been referring is the first stenographer's notes which went to the printer without revision. No witness was permitted to revise his remarks, and no Senator revised his questions. As I have said, there are mistakes in the transcript, but it was the best transcript we could get, and it reflects exactly what the witness said, so far as the best stenographers we could employ could understand the witness. Therefore, what this committee did is an open book.

Personally—and I have said this before on the floor of the Senate, and I say it again because I am charged with a lack of delicacy, to put it mildly, in my examination of some of the witnesses I never said an unkind word to any living man which I did not regret. I never hurt anybody's feelings that I did not feel that I would like to put my arm around his shoulders and say I am sorry. That does not mean that I will not do it again; do not misunderstand me. It does not mean that I do not believe that in most instances in the committee hearing it was not absolutely necessary in order to get the answers out of the witnesses. We were trying to get information, and some of the witnesses were yielding it reluctantly. But if sometimes, as I have said, a question was as much an accusation as a question, and was calculated to hurt, I was always sorry for it.

And speaking of witnesses not obeying the command of the committee, Cannon was not the first. A very delightful little lady told both Senator WALSH and myself, when we asked her questions, that it was none of our business; and both of us having been married, neither asked her why. [Laughter.]

Chairman Huston offered to furnish us information, and then flatly refused to do so. He said he was not a messenger boy for the committee, that he was not going to be made one, and he did not think we had any power to make him gather information. Whether we had the power or not, we did not insist upon it, however.

The president of the National City Bank said, "I do not think you have the right to ask me to furnish certain information, and I do not want to do it until I can ask my lawyer whether you have such power." I told him that I thought he was entirely within his right, and for him to consult his counsel, and then let us know. He gave us the information.

The distinguished junior Senator from Pennsylvania [Mr. GRUNDY] who facetiously told me on the other side of the Chamber that I put him in the Senate, and I assured him I would do what I could to put him out—made promises to submit certain statements to the committee, and then declined to do it, because, he said, "I think it would be a breach of propriety." I did press him, and asked him whether he had turned "yellow." I was ashamed of it, and followed him down the committee room and said, "Mr. GRUNDY, I want to strike that remark from the record, for I have for you a very high regard." And I struck out other statements from time to time where I thought they were not justified. That is the record.

I have asked unanimous consent to include the correspondence referred to and the page record of the decision of the committee upon questions involved that were similar to the questions that arose in the Cannon case, in each case showing the same ruling. Here is the junior Senator from Virginia [Mr. GLASS] sitting in his place, where he one day sat talking to me about the Cannon case and whether this was a political fund, and that talk was long before Cannon came to the committee. I told him if Cannon said that it was a political fund, all the committee could do would be to say, "You may go." The Senator from Virginia agreed with me.

That has been the position of the chairman of the committee on every occasion, public or private, whenever that question arose. I never could misunderstand the authority delegated by the resolution. I never had any desire to stretch it. If I had wanted to investigate political activities, I would have written it into the committee resolution. I did not want to do it, I did not expect to do it, and I did not do it, with one possible exception. We had before the committee a man by the name of Kent. He was a very fine gentleman. He had loaned $40,000,000 to brokers and there was a crash in Wall Street. He wanted the tariff bill passed immediately and he made a speech charging that the Senate was responsible for the market crash in New York. The committee asked him to tell in what way the Senate was responsible and he said because it would not pass the tariff bill. He said, "My purpose in making that speech was to hasten action of the Senate in passing the tariff bill to bolster the stock market." I think that he brought himself technically within the authority of the committee, but I have been doubtful about the propriety of questioning one who had indulged in political speech making. I think with that exception the committee infringed nobody's rights. It played no favorites.

Mr. HEFLIN. Mr. President, during the hearings regarding Bishop Cannon my name was brought into the matter regarding a speech that was circulated in 1928, a speech made by Bishop Cannon, the title of which was The Repeal of Prohibition Unthinkable. My recollection is that I had it printed in the CONGRESSIONAL RECORD. When I was asked if my frank might be used to send that speech out during the campaign, I gladly gave permission for that purpose. That has been done by Senators from time immemorial.

Speeches on the wet side of the question were printed in the RECORD at the request of former Senator Bruce, of Maryland, and also by his colleague [Mr. TYDINGS] and by former Senator Edge, of New Jersey, and former Senator Edwards, of New Jersey, and some others. Those speeches were franked under the names of the various Senators during the campaign in aid of the candidacy of Alfred Smith for President. They were used to further the wet cause in the United States. I permitted the use of my name to distribute the speech made by Bishop Cannon, a speech with which I was in thorough sympathy. I was very glad to allow the use of my frank for that purpose, and I have no apology to make to anybody for it.

I wanted the RECORD to show this fact in connection with the report made by the Senator from Arkansas.

Mr. THOMAS of Oklahoma. Mr. President, on a former occasion I had something to say about the activities of the lobby committee. At this time I do not care to amplify what I said on that occasion, but since that time I have found a book written many years ago which contains a very interesting chapter on this identical subject matter.

In 1868 Mr. Ransom H. Gillet, formerly a Member of Congress, prepared and had printed a volume entitled "Democracy in the United States." The chapter to which I refer is under the title "Congressional Fishing Parties." The chapter begins as follows:

> Committees in search of the faults of others were uncommon in the better days of the Republic. Since the Republicans have had control of the Capital it has become a very important branch of business.

Mr. President, this chapter is not long. It is interesting. It it to the point. I ask unanimous consent that it may be printed immediately following my remarks.

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

The chapter is as follows:

STATEMENT IN RE "CONGRESSIONAL FISHING PARTIES," BY RANSOM H. GILLET, FORMERLY MEMBER OF CONGRESS FROM NEW YORK, REGISTRAR AND SOLICITOR OF THE UNITED STATES TREASURY DEPARTMENT, AND SOLICITOR FOR THE UNITED STATES IN THE COURT OF CLAIMS, PUBLISHED IN 1868 IN A VOLUME ENTITLED "DEMOCRACY IN THE UNITED STATES"

Committees in search of the faults of others were uncommon in the better days of the Republic. Since the Republicans have had control at the Capital it has become a very important branch of business. If a riot occurs in New Orleans or Memphis, if generals are supposed to have erred or blundered, a collector at New York cheated or been cheated, an old State suspected—Maryland, for example—of adopting an anti-Republican constitution before the Federal Constitution was adopted, or in Washington or Jefferson's time or since, or a murder has been committed and accomplices are unknown, or a printer gets too good a contract or none at all, or it is hoped that the Executive has done or said something wrong, a committee is at once appointed, clerks and stenographers employed, and they all proceed to the place of the suspected wrong, subpœnas are issued, and witnesses compelled to attend, a ream or two of paper is used, the whole matter printed, and, if possible, something against a political adversary extracted or at least made to look suspicious—and for what? For no lawful, constitutional, or useful purpose. The committees have had a pleasant trip to a new place, seen a great many people, have been kindly treated, and talked politics—and the Government has to pay a bill of several thousand dollars. No legislation, but much electioneering, grows out of these expeditions. Sometimes they sit in Washington, and at others go to the Rocky Mountains, and at others look about the country generally. These things are not within the powers or duties of Congress, and, although it will not

be denied that very ignorant men get into Congress and need posting up and instruction, they are never made wiser by the doings of these committees. A bad feature in their labors is that they proceed ex parte and assail, and sometimes injure, men by the falsehoods they gather and publish. They seem to usurp the functions of magistrates, grand juries, and courts without observing the rules of law and regulations applicable to them. These fishing trips seem to serve the purposes of congressional holidays, the Government paying the expenses of the frolic. Their cost is the least of their evils. All such performances are antidemocratic in principle and in practice, and the people should demand their discontinuance, or the country will never get out of debt. They form a part of an espionage system which a free people should never tolerate. Neither the executive nor judicial branch of the Government dare venture upon any policy of the kind, and still each has as much power under the Constitution to apply it to Congress as Congress has to apply it to either or to anybody else. If subjected to such scrutiny, the acts of Members of Congress would prove as objectionable as those they charge upon the President or others. If all the caucus room talking and acting, the private consultation in the rooms of Members and in other places, could be brought out and published, the record would show things as monstrous as any imputed to the worst of men. Why have not the Executive, the judiciary, and the people the same right to invade the privacy of Members of Congress as they have to intrude upon either? True, all such things are forbidden by the amendments of the Constitution, and were not authorized before they were made, but there is no reason why Congress should be exempt from the rules it applies to others. The courts at least have grand juries constituted under the Constitution and laws to inquire into all offenses committed in their countries, but Congress has no such agency, and therefore is not as well adapted as the judiciary to ferret out the crimes that have been committed. The Executive has as much legal right to send officials acting under him to scrutinize and inquire into the acts and motives, and the causes by votes by Members of Congress as they have into his. When Congress says its object is to learn whether the Executive has committed an impeachable offense, it misrepresents its motive. Until complaint is made and a known crime committed and imputed to him, and Congress called upon to cause him to be impeached, that body has no right to search for crime. It will be early enough to examine into the matter when a definite charge is made by responsible parties and the proof indicated, as has been the case in every impeachment proceeding since the Government was formed. It is undeniably true that more crimes have been committed by and before these fishing committees than they have ever brought home to others, and their motives are as objectionable as those they impute to others. They are got up, intended, and worked as political inquisitions, little better than the rack, tortures of religionists in days gone by, and more unauthorized. What right has the legislative branch to engage in business outside of lawmaking? It can not control the world nor, as the evidence shows, perform that duty for itself. Crimes against the national laws it should leave to the Federal judiciary, and those against State enactments to the judiciary of the States and leave the business of President making and the general management of political affairs to the people at home, acting in their capacity of voting sovereigns.

These fishing committees are not only unauthorized by the Constitution but they are not sanctioned by any law of Congress. If the Constitution had clothed them with power in general terms to make such investigations, it would require legislation to regulate the time and manner of action, unless the authority had been directly devolved upon the House alone, as in cases of impeachment when properly presented. But there is not now even the form of a legislative act conferring authority upon one House to make these investigations. In the absence of any such law, from what source does one House derive its power to traverse the country and compel the attendance of witnesses at the expense of the Government? None such has been pointed out. It is simply the will of one House that directs the action taken. Will, not based upon law, is tyranny. If these fishing committees must exist, let the lawmaking branch of the Government provide by law for their appointment and define their powers and duties and bear the responsibility of making such a law

Let provision be made defining the consequences of disobeying the law, so that the people can understand their rights and govern themselves accordingly. Now the punishment for disobedience is provided after the offense has been committed, contrary to the spirit of the Constitution prohibiting the passage of ex post facto laws. But the act of one House imposing punishment, where there was no previous statute defining the offense, has not even the merit of an ex post facto law, because that takes the vote of both Houses and the approval of the President. In cases of disorderly conduct and disturbing the proceedings of one House of Congress, the offenders ought to be punished. But when and how the party is to be tried and what punishment is to be imposed should be provided for by law; and if this is not done, the proceedings are unauthorized and stand upon the same ground as the doings of these roaming committees. We are for a government of laws, and not of the will of any one man or body of men. This is part of the creed of the democracy.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 2834. An act to establish a hydrographic office at Honolulu, Territory of Hawaii; and

S. 4606. An act granting the consent of Congress to the State of Georgia and the counties of Wilkinson, Washington, and Johnson to construct, maintain, and operate a free highway bridge across the Oconee River at or near Balls Ferry, Ga.

The message also announced that the House further insisted on its disagreement to the amendments of the Senate to the bill (H. R. 10813) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1931, and for other purposes.

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

H. R. 10166. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works at Philadelphia, Pa., and for other purposes; and

H. R. 10380. An act adjusting the grades and ratings of the Naval Academy Band.

APPROPRIATIONS FOR BUREAU OF LABOR STATISTICS (S. DOC. NO. 183)

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

CLAIMS FOR DAMAGES TO PRIVATELY OWNED PROPERTY (S. DOC. NO. 182)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting an estimate of appropriation submitted by the War Department to pay claims for damages to privately owned property, in the sum of $734.85, which have been considered and adjusted under the provisions of law, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITION AND MEMORIAL

The VICE PRESIDENT laid before the Senate resolutions adopted by the Fifty-fifth Annual Convention of the United Irish Societies, of Chicago, Ill., protesting against the ratification of the treaty for the limitation and reduction of naval armament, signed in London on April 22, 1930, which were referred to the Committee on Foreign Relations.

Mr. SULLIVAN presented resolutions adopted by the Chamber of Commerce of Cheyenne, Wyo., favoring the passage of legislation increasing the pay of the military and naval forces of the United States, which were referred to the Committee on Military Affairs.

FULL-TIME HEALTH UNITS IN LOUISIANA

Mr. RANSDELL presented the following concurrent resolution of the Legislature of the State of Louisiana, which was referred to the Committee on Commerce:

CONCURRENT RESOLUTION OF THE LEGISLATURE OF LOUISIANA EXPRESSING APPRECIATION TO THE UNITED STATES PUBLIC HEALTH SERVICE, THE ROCKEFELLER FOUNDATION, AND THE LOUISIANA STATE BOARD OF HEALTH FOR THEIR EFFORTS IN BEHALF OF THE HEALTH OF THE PEOPLE OF THE STATE

House Concurrent Resolution No. 14, by Doctor Drouin

Whereas the financial assistance and the cooperation of the United States Public Health Service and the Rockefeller Foundation with the Louisiana State Board of Health there have been established and maintained a number of full-time health units in the parishes of the State of Louisiana; and

Whereas through the activities of said health units modern methods of disease prevention and other practical measures for the conservation of the health of the people throughout the State have been put into effect; and

Whereas this educational and demonstration work has been of great value to the people of the State of Louisiana and has been the means of preventing many cases of disabling illness; and

Whereas the prevention of disease and the conservation of the health of the people is one of the first duties of a State and the Nation; and

Whereas when the health record of the individual State is improved the national health record is favorably affected: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the appreciation of the citizens of Louisiana for work already

done through the aid and cooperation of these agencies be expressed and the desire for their continued assistance be made known through the Legislature of Louisiana; and be it further

Resolved, That the Congress and the President of the United States of America be memorialized to effect passage of legislation placing the financial assistance and the cooperation of the United States Public Health Service on a permanent and more liberal basis to the end that all States so desiring may be aided in the establishment of full-time health service for the more adequate protection of the urban and rural population throughout the Nation; be it

Resolved further, That a copy of these resolutions be transmitted to the President of the United States, to each Representative of the State of Louisiana in the United States Congress, and to the United States Public Health Service, and to the Rockefeller Foundation.

Adopted by the house of representatives and concurred in by the senate June 12, 1930.

J. MARTIAN HAMLEY,
Clerk House of Representatives.

NATIONAL INSTITUTE OF HEALTH

Mr. RANSDELL. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of the act, originally introduced by me, to create a National Institute of Health.

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

[Public, No. 251, Seventy-first Congress]

(S. 1171)

An act to establish and operate a National Institute of Health, to create a system of fellowships in said institute, and to authorize the Government to accept donations for use in ascertaining the cause, prevention, and cure of disease affecting human beings, and for other purposes

Be it enacted, etc., That the Hygienic Laboratory of the Public Health Service shall hereafter be known as the National Institute of Health, and all laws, authorizations, and appropriations pertaining to the Hygienic Laboratory shall hereafter be applicable for the operation and maintenance of the National Institute of Health. The Secretary of the Treasury is authorized to utilize the site now occupied by the Hygienic Laboratory and the land adjacent thereto owned by the Government and available for this purpose, or when funds are available therefor, to acquire sites by purchase, condemnation, or otherwise, in or near the District of Columbia, and to erect thereon and to furnish and equip suitable and adequate buildings for the use of such institute. In the administration and operation of this institute the Surgeon General shall select persons who show unusual aptitude in science. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $750,000, or so much thereof as may be necessary for construction and equipment of additional buildings at the present Hygienic Laboratory of the Public Health Service, Washington, D. C.

SEC. 2. The Secretary of the Treasury is authorized to accept on behalf of the United States gifts made unconditionally by will or otherwise for study, investigation, and research in the fundamental problems of the diseases of man and matters pertaining thereto, and for the acquisition of grounds or for the erection, equipment, and maintenance of buildings and premises: *Provided*, That conditional gifts may be accepted if recommended by the Surgeon General and the National Advisory Health Council. Any such gifts shall be held in trusts and shall be invested by the Secretary of the Treasury in securities of the United States, and the principal or income thereof shall be expended by the Surgeon General, with the approval of the Secretary of the Treasury, for the purposes indicated in this act, subject to the same examination and audit as provided for appropriations made for the Public Health Service by Congress. Donations of $500,000 or over in aid of research will be acknowledged permanently by the establishment within the institute of suitable memorials to the donors. The Surgeon General, with the approval of the Secretary of the Treasury, is authorized to establish and maintain fellowships in the National Institute of Health, from funds donated for that purpose.

SEC. 3. Individual scientists, other than commissioned officers of the Public Health Service, designated by the Surgeon General to receive fellowships may be appointed for duty in the National Institute of Health established by this act. During the period of such fellowship these appointees shall hold appointments under regulations promulgated by the Secretary of the Treasury and shall be subject to administrative regulations for the conduct of the Public Health Service. Scientists so selected may likewise be designated for the prosecution of investigations in other localities and institutions in this and other countries during the term of their fellowships.

SEC. 4. The Secretary of the Treasury, upon the recommendation of the Surgeon General, is authorized (1) to designate the titles and fix the compensation of the necessary scientific personnel under regulations approved by the President; (2) in accordance with the civil service laws to appoint, and in accordance with the classification act of 1923, and amendments thereto, to fix the compensation of such clerical and other assistants; and (3) to make such expenditures (including expenditures for personal services and rent at the seat of government, for books of reference, periodicals, and exhibits, and for printing and binding) as he deems necessary for the proper administration of such institution.

SEC. 5. The facilities of the institute shall from time to time be made available to bona fide health authorities of States, counties, or municipalities for purposes of instruction and investigation.

SEC. 6. That hereafter the Director of the National Institute of Health while so serving shall have the rank and shall receive the pay and allowances of a medical director of the Public Health Service.

Approved, May 26, 1930.

REPORTS OF COMMITTEES

Mr. BORAH, from the Committee on Foreign Relations, to which was referred the bill (H. R. 11145) to increase the authorization for an appropriation for the expenses of the sixth session of the Permanent International Association of Road Congresses to be held in the District of Columbia in October, 1930, reported it without amendment.

Mr. FESS, from the Committee on the Library, to which was referred the joint resolution (H. J. Res. 306) establishing a commission for the participation of the United States in the observance of the three hundredth anniversary of the founding of the Massachusetts Bay Colony, authorizing an appropriation to be utilized in connection with such observance, and for other purposes, reported it without amendment.

Mr. DALE, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 10376. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Kansas City, Kans. (Rept. No. 1006); and

H. R. 10461. An act authorizing Royce Kershaw, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Coosa River at or near Gilberts Ferry, about 8 miles southwest of Gadsden, in Etowah County, Ala. (Rept. No. 1046).

Mr. BLACK, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

H. R. 531. An act for the relief of John Maika (Rept. No. 1007); and

H. R. 919. An act for the relief of the father of Catharine Kearney (Rept. No. 1010).

Mr. BLACK also, from the Committee on Claims, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

H. R. 794. An act for the relief of C. B. Smith (Rept. No. 1008);

H. R. 913. An act for the relief of Belle Clopton (Rept. No. 1009); and

H. R. 2170. An act for the relief of Clyde Cornish (Rept. No. 1011).

Mr. BLACK also, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 320. An act for the relief of Haskins & Sells (Rept. No. 1012);

H. R. 597. An act for the relief of M. L. Willis (Rept. No. 1013);

H. R. 864. An act for the relief of W. P. Thompson (Rept. No. 1014);

H. R. 1058. An act for the relief of Jesse A. Frost (Rept. No. 1015);

H. R. 1066. An act for the relief of Evelyn Harris (Rept. No. 1016);

H. R. 1174. An act for the relief of A. N. Worstell (Rept. No. 1017);

H. R. 1712. An act for the relief of the heirs of Jacob Gussin (Rept. No. 1018);

H. R. 1717. An act for the relief of F. G. Baum (Rept. No. 1019);

H. R. 6243. An act for the relief of A. E. Bickley (Rept. No. 1020);

H. R. 6537. An act for the relief of Prentice O'Rear (Rept. No. 1021);

H. R. 6718. An act for the relief of Michael J. Bauman (Rept. No. 1022);

H. R. 7068. An act for the relief of Fred Schwarz, jr. (Rept. No. 1023);

H. R. 9246. An act to reimburse Lieut. Col. Frank J. Killilea (Rept. No. 1024); and

H. R. 11088. An act for the refund of money erroneously collected from Thomas Griffith, of Peach Creek, W. Va. (Rept. No. 1025).

Mr. BLACK also, from the Committee on Military Affairs, to which was referred the bill (H. R. 7638) to authorize the acquisition for military purposes of land in the county of Montgomery, State of Alabama, for use as an addition to Maxwell Field, reported it without amendment and submitted a report (No. 1037) thereon.

Mr. HOWELL, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 334. An act for the relief of Samuel Gettinger and Harry Pomerantz (Rept. No. 1026);

H. R. 1724. An act for the relief of Margaret Lemley (Rept. No. 1027);

H. R. 3732. An act for the relief of Fernando Montilla (Rept. No. 1028);

H. R. 3889. An act for the relief of Albert A. Inman (Rept. No. 1029);

H. R. 3891. An act for the relief of Harry Martin (Rept. No. 1030);

H. R. 4161. An act for the relief of Isaac Fink (Rept. No. 1031);

H. R. 7027. An act for the relief of Paul Franz, torpedoman, third class, United States Navy (Rept. No. 1032); and

H. R. 8491. An act for the relief of Bryan Sparks and L. V. Hahn (Rept. No. 1033).

Mr. WALSH of Montana, from the Committee on Irrigation and Reclamation, to which was referred the bill (H. R. 9990) for the rehabilitation of the Bitter Root irrigation project, Montana, reported it without amendment and submitted a report (No. 1034) thereon.

Mr. GREENE, from the Committee on Military Affairs, to which was referred the bill (H. R. 3222) for the relief of the State of Vermont, reported it without amendment and submitted a report (No. 1035) thereon.

Mr. BROCK, from the Committee on Military Affairs, to which was referred the bill (H. R. 6340) to authorize an appropriation for construction at the Mountain Branch of the National Home for Disabled Volunteer Soldiers, Johnson City, Tenn., reported it without amendment and submitted a report (No. 1036) thereon.

Mr. HARRIS, from the Committee on Military Affairs, to which was referred the bill (H. R. 8159) to authorize appropriation for construction at the United States Military Academy, West Point, N. Y.; Fort Lewis, Wash.; Fort Benning, Ga.; and for other purposes, reported it without amendment and submitted a report (No. 1038) thereon.

Mr. REED, from the Committee on Military Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 704. An act to grant relief to those States which brought State-owned property into the Federal service in 1917 (Rept. No. 1041);

H. R. 2021. An act to authorize the establishment of boundary lines for the March Field Military Reservation, Calif. (Rept. No. 1039);

H. R. 2755. An act to increase the efficiency of the Veterinary Corps of the Regular Army (Rept. No. 1040);

H. R. 6264. An act to authorize the Secretary of War to donate a bronze cannon to the town of Avon, Mass. (Rept. No. 1042);

H. R. 6871. An act to amend the acts of March 12, 1926, and March 30, 1928, authorizing the sale of the Jackson Barracks Military Reservation, La., and for other purposes (Rept. No. 1043);

H. R. 9280. An act to authorize the Secretary of War to grant a right of way for street purposes upon and across the Holabird Quartermaster Depot Military Reservation, in the State of Maryland (Rept. No. 1044); and

H. R. 11405. An act to amend an act approved February 25, 1929, entitled "An act to authorize appropriations for construction at military posts, and for other purposes" (Rept. No. 1045).

Mr. REED also, from the Committee on Military Affairs, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 1603. A bill to provide for the exchange of lands of the United States in the Philippine Islands for lands of the Philippine government (Rept. No. 1055); and

S. 4683. A bill to authorize the sale of all of the right, title, interest, and estate of the United States of America in and to certain lands in the State of Michigan (Rept. No. 1054).

Mr. McMASTER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 1509. An act for the relief of Maude L. Duborg (Rept. No. 1047);

H. R. 1510. An act for the relief of Thomas T. Grimsley (Rept. No. 1048);

H. R. 1696. An act for the relief of Lieut. Timothy J. Mulcahy, Supply Corps, United States Navy (Rept. No. 1049);

H. R. 6268. An act for the relief of Thomas J. Parker (Rept. No. 1050); and

H. R. 6416. An act for the relief of Myrtle M. Hitzing (Rept. No. 1051).

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 4515. A bill to commemorate the Battle of Helena, Ark. (Rept. No. 1052); and

H. R. 12263. An act to authorize the acquisition of 1,000 acres of land, more or less, for aerial bombing range purposes at Kelly Field, Tex., and in settlement of certain damage claims (Rept. No. 1053).

Mr. HATFIELD, from the Committee on Military Affairs, to which was referred the bill (S. 4248) authorizing the Secretary of War to convey the Fort Griswold tract to the State of Connecticut, reported it without amendment and submitted a report (No. 1056) thereon.

ENROLLED JOINT RESOLUTION PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that to-day, June 19, 1930, that committee presented to the President of the United States the enrolled joint resolution (S. J. Res. 190) authorizing the Postmaster General to accept the bid of the Mississippi Shipping Co. to carry mail between United States Gulf ports and the east coast of South America.

REPORTS OF NOMINATIONS

As in executive session,

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

Mr. REED, from the Committee on Military Affairs, reported the nomination of sundry officers in the Army, which were placed on the Executive Calendar.

Mr. DENEEN, from the Committee on the Judiciary, reported the nomination of Louis H. Breuer, of Missouri, to be United States attorney, eastern district of Missouri, which was placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. CUTTING:

A bill (S. 4732) for the relief of Thomas F. Cooney (with accompanying papers); to the Committee on Claims.

By Mr. SHIPSTEAD:

A bill (S. 4733) authorizing the Secretary of the Treasury to convey certain lands to the city of Duluth, Minn., for park purposes; to the Committee on Public Buildings and Grounds.

A bill (S. 4734) to authorize the conversion of the war-risk term insurance of William R. Wold, deceased; to the Committee on Finance.

By Mr. SMOOT:

A bill (S. 4735) to increase the salary of the Commissioner of Customs; to the Committee on Finance.

By Mr. TYDINGS:

A joint resolution (S. J. Res. 194) authorizing and directing the Comptroller General of the United States to reopen, adjust, and settle the accounts of the city of Baltimore for advances made by the city in 1863 for the construction of works of defense, and for other purposes; to the Committee on the Judiciary.

MERGER OF GEORGETOWN AND WASHINGTON GAS LIGHT COMPANIES

Mr. HOWELL submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 4066) to authorize the merger of the Georgetown Gaslight Co. with and into the Washington Gas Light Co., and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENTS TO RIVER AND HARBOR BILL

ST. ANDREW'S BAY, FLA.

Mr. TRAMMELL (for Mr. FLETCHER) submitted an amendment intended to be proposed by Mr. FLETCHER to House bill 11781, the river and harbor authorization bill, which was ordered to lie on the table and to be printed.

NEW ROCHELLE AND TARRYTOWN HARBORS, N. Y.

Mr. WAGNER submitted two amendments intended to be proposed by him to House bill 11781, the river and harbor authorization bill, which were ordered to lie on the table and to be printed.

AMENDMENTS TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. SHEPPARD submitted an amendment proposing to appropriate $281,305 for the acquisition of additional land in the

vicinity of and for use in connection with the present military reservation at Fort Bliss, Tex., in accordance with the provisions of the act approved June 17, 1930, fiscal year 1931, to remain available until expended, intended to be proposed by him to House bill 12902, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. CARAWAY submitted an amendment proposing to pay $1,000 to Charles L. Watkins for extra services rendered as parliamentarian for the Senate during the consideration of the tariff bill, intended to be proposed by him to House bill 12902, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. FESS submitted an amendment proposing to pay to John C. Crockett and Harvey A. Welsh $500 each for extra services rendered the Senate during the consideration of the tariff bill, intended to be proposed by him to House bill 12902, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on Naval Affairs:

H. R. 10166. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works at Philadelphia, Pa., and for other purposes; and

H. R. 10380. An act adjusting the grades and ratings of the Naval Academy Band.

REMOVAL OF DIAL TELEPHONES

The PRESIDING OFFICER (Mr. FESS in the chair). The Chair lays before the Senate the unfinished business and recognizes the junior Senator from Illinois [Mr. GLENN].

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

Mr. GLENN. Certainly.

Mr. TYDINGS. A few days ago I offered a resolution concerning the removal of dial telephones from the Senate wing of the Capitol and the Senate Office Building. At the time of its introduction the junior Senator from Virginia [Mr. GLASS] wished to study it before action was taken upon it, so the matter has gone over until to-day. I have just conferred with the Senator from Virginia and I believe he is opposed to the resolution as I introduced it. However, I feel that it would be less objectionable to him, although he probably then would not be in favor of it, if the words in line 5, "or in the Senate wing of the United States Capitol," were stricken out. That would mean, as the resolution would then provide, that it would be applicable only to the Senate Office Building and not to the Capitol. In other words, the dial telephones would be taken out of the Senate wing of the Capitol and from all offices in the Senate Office Building except where Senators requested that the dial telephones remain. If it is in order, may I ask for the immediate consideration of the resolution?

Mr. McNARY. Mr. President, the Senator is asking unanimous consent for that purpose?

Mr. TYDINGS. I am.

Mr. ROBINSON of Arkansas. Mr. President, I fear that by the adoption of a resolution on this subject we are apt to get into a state of confusion which will result in even worse service than we have experienced in the past and at present. I think I shall object for the present.

Mr. TYDINGS. Mr. President, will the Senator withhold the objection just a moment?

Mr. ROBINSON of Arkansas. Very well.

Mr. TYDINGS. My reason for pressing the resolution at this time is that unless action is taken before Saturday my understanding is the telephone company will be required to go all through the Senate Office Building and remove the dial telephones at considerable expense and inconvenience. May I furthermore say that this morning at least half a dozen Senators have come to me and asked me to press the resolution, stating that they do not want to have the dial telephones removed. It is for those reasons, after talking with the telephone company as well, that I have ventured to press the resolution at this time.

Mr. GLASS. Mr. President, I am utterly opposed to the resolution in the form in which it was presented, and very likely I should oppose it in any form. The Senate has directed that the dial telephones be taken out. The telephone company has had 30 days within which to comply with that request. This is a resolution which requires each individual Senator practically to serve notice on the telephone company whether he wants to have the dial telephone in his office or to be removed.

Mr. JOHNSON. Mr. President, will the Senator from Virginia yield?

Mr. GLASS. The Senator from Illinois has the floor.

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

Mr. GLENN. I yield.

Mr. JOHNSON. With debate upon this subject, I am compelled to object and call for the regular order.

Mr. TYDINGS. Mr. President, I want to apologize to the Senator from California. When I brought up the matter I had hoped it would be acted upon without any discussion. It was not my intention to interject a debate on it.

Mr. GLASS. Mr. President, with the permission of the Senator from Illinois I want to make this single observation. I have such an aversion to appearing singular and queer that I hesitated to introduce the resolution which was passed 30 days ago by the Senate. The affirmative response to that resolution with the greatest spontaneity and without hesitation has been evidenced by a great number of letters and telegrams from all over the country, from Los Angeles, Calif., to points up in Maine, commending the Senate for passing the resolution.

Mr. LA FOLLETTE. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Wisconsin?

Mr. GLENN. I yield.

Mr. LA FOLLETTE. I do not desire to impinge further on the time of the unfinished business, but I hope the Senator from Maryland will press his resolution. The fact is that the dial or automatic exchanges are installed in the city and will be further installed. It does seem to me that individual Senators should have the privilege of having dial telephones if they desire them. So far as I am personally concerned I would rather dial my own telephone and get the number within a minute or less than to wait while the operators in the House Office Building act on my call, because since they have been put in they would have to dial my calls, which obviously with the present force is going to take a long time.

Mr. TYDINGS. I shall press the resolution at the first opportunity. All that it does is to give each Senator the option to have the dial telephone if he wishes.

Mr. GLASS. It puts each Senator to the trouble of notifying the Telephone Co. that he wants the dial telephone to remain. Every Senator had the opportunity to vote against the resolution.

Responding to what the Senator from Wisconsin [Mr. LA FOLLETTE] said, I would prefer not to take lessons in algebraic figures any longer. I had a distaste for that when I was in school and I would rather get a direct connection than to get half a dozen misconnections, as has been the case recently.

Mr. HEFLIN. Mr. President, I ask for the regular order. Let us get away from telephones.

Mr. NORRIS. Mr. President, if the Senator from Illinois will yield to me I will then be in order.

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

Mr. GLENN. I yield.

Mr. NORRIS. I do not want to find fault with anybody who does not want the dial telephone. I would rather have it myself. I think it is a more modern method of telephoning. It seems to me when we try to have them removed we are standing in the way of human progress. It is true the Senate passed the resolution. I did not know anything about it until after it was passed. I think most Senators did not know about it. If they know about it and the Senate wants it, I can live under the old system, but I believe the Senate makes itself ridiculous and stands in the way of what is modern improvement.

If the Senate wants to do it after it is informed on the subject, certainly I am willing to abide by the result of the opinion of the majority; but the fact that the resolution passed unanimously does not mean that it expressed the unanimous sentiment of the Senate. If I had been here or had my attention called to it I would at least have voted against it. I am told that those Senators who want the newest kind of telephone, the one that is in now, can have it unless the Senate insists on the resolution that was passed. I am told that to-morrow is the last of the 30 days allowed under the resolution, and that to-morrow the telephones must go out no matter whether we want them or not.

Personally, I think it is unfortunate that the Senator from Virginia did not study algebra when he went to school. I did. I think I mastered algebra. For the sake of those who have not studied algebra, let them have the old system; but let those of us who studied it and are educated and who know algebra have the newest and most modern system. [Laughter.]

Mr. BARKLEY. Mr. President——

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

Mr. GLENN. I yield.

Mr. BARKLEY. In this connection I want to say to the Senator from Nebraska that I voted for the resolution offered by the Senator from Virginia [Mr. GLASS] because I then felt like many other Senators did, and I rather resented the necessity of having to go through the trouble of dialing a number; but since they have been in the office and I have learned a little more about them, and have learned the connection they have with other similar telephones all over the city and all over the United States, I am frank to say that I would not have voted for the resolution if I had had that experience at the time it was offered.

Certainly, it seems to me, if we have found we have made a mistake, that we ought at least to give Senators an opportunity to vote to modify the rigor of the resolution, which goes into effect on Saturday and requires the Sergeant at Arms to have the dials taken out, even though 75 per cent of the Members of the Senate might be willing that they should remain. I hope that my good friend from Virginia will not object to the consideration of the resolution.

Mr. GLASS. Mr. President, I was just going to remark that it appears to me that the officials of the telephone company have been quite effective in teaching lessons in algebra. They have been so engaged throughout the Senate Office Building ever since the resolution was adopted by the Senate. They have been personally interviewing Senators and interviewing Senators' secretaries as to what their preference is in the matter. I am not going to be persistent about it; I can take my lessons in algebra and in Chinese puzzles along with other Members of the Senate, and, perhaps, I shall not at some other time object to considering the resolution.

The PRESIDING OFFICER. The regular order has been demanded, which is the consideration of the unfinished business, and the Senator from Illinois [Mr. GLENN] is entitled to the floor. The Chair will hold that if the Senator yields for anything more than a question he yields the floor.

Mr. DENEEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to his colleague?

Mr. GLENN. In view of the statement of the Chair, I do not yield for any remarks; but I will yield to my colleague, who, I understand, desires to suggest the absence of a quorum.

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

The PRESIDING OFFICER. The absence of a quorum being suggested, the clerk will call the roll.

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

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

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 4722) creating the Great Lakes Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the St. Clair River at or near Port Huron, Mich.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 7997) authorizing the purchase by the Secretary of Commerce of additional land for the Bureau of Standards of the Department of Commerce.

The message further announced that the House had agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendment of the House to each of the following bills of the Senate:

S. 3619. An act to reorganize the Federal Power Commission; and

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.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10919) for the relief of certain officers and employees of the Foreign Service of the United States, and of Elise Steiniger, housekeeper for Consul R. A. Wallace Treat at the Smyrna consulate, who, while in the course of their respective duties, suffered losses of Government funds and/or personal property by reason of theft, warlike conditions, catastrophes of nature, shipwreck, or other causes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TEMPLE, Mr. MARTIN, and Mr. LINTHICUM were appointed managers on the part of the House at the conference.

ENROLLED JOINT RESOLUTIONS SIGNED

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

H. J. Res. 280. Joint resolution to authorize participation by the United States in the Interparliamentary Union; and

H. J. Res. 353. Joint resolution 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.

EXECUTIVE MESSAGES AND APPROVALS

Messages in writing were communicated to the Senate from the President of the United States by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolutions:

On June 13, 1930:

S. 2836. An act to admit to the United States Chinese wives of certain American citizens;

S. 4085. An act to authorize the use of a right of way by the United States Indian Service through the Casa Grande Ruins National Monument in connection with the San Carlos irrigation project;

S. 4169. An act to add certain lands to the Zion National Park in the State of Utah, and for other purposes;

S. 4170. An act to provide for the addition of certain lands to the Bryce Canyon National Park, Utah, and for other purposes;

S. 4203. An act to amend the act approved February 12, 1929, authorizing the payment of interest on certain funds held in trust by the United States for Indian tribes; and

S. 4318. An act to amend the act entitled "An act to permit taxation of lands of homestead and desert-land entrymen under the reclamation act," approved April 21, 1928, so as to include ceded lands under Indian irrigation projects.

On June 14, 1930:

S. J. Res. 155. Joint resolution to provide for the naming of a prominent mountain or peak within the boundaries of Mount McKinley National Park, Alaska, in honor of Carl Ben Eielson.

On June 17, 1930:

S. 3298. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Evansville, Ind.;

S. 3386. An act giving the consent and approval of Congress to the Rio Grande compact signed at Santa Fe, N. Mex., on February 12, 1929;

S. 3466. An act to legalize the water pipe line constructed by the Searcy Water Co. under the Little Red River near the town of Searcy, Ark.;

S. 3868. An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River at or near Talisheek, La.;

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

S. 3965. An act to authorize the Secretary of War to grant an easement to the Wabash Railway Co. over the St. Charles rifle range, St. Louis County, Mo.;

S. 4046. An act authorizing the erection, maintenance, and use of a banking house upon the United States military reservation at Fort Lewis, Wash.; and

S. 4175. An act to legalize a bridge across Duck River, on the Nashville-Centerville Road, near Centerville in Hickman County, Tenn., and approximately 1,000 feet upstream from the existing steel bridge on the Centerville-Dickson Road.

On June 18, 1930:

S. 1268. An act to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Vincennes, Ind.;

S. 1458. An act for the relief of the State of Florida;

S. 3810. An act to provide for the commemoration of the termination of the War between the States at Appomattox Court House, Va.;

S. 4157. An act to extend the times for commencing and completing a bridge across the Tennessee River at or near Chattanooga, Hamilton County, Tenn.;

S. 4196. An act to authorize the construction, maintenance, and operation of a bridge across the St. Francis River in Craighead County, Ark.;

S. 4269. An act 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. 4585. An act authorizing the State of Florida, through its highway department, to construct, maintain, and operate a free highway bridge across the Choctawhatchee River near Freeport, Fla.; and

S. J. Res. 127. Joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial to William Jennings Bryan.

On June 19, 1930:

S. 969. An act for the relief of Edna B. Erskine;

S. 1469. An act to quitclaim certain lands in Santa Fe County, N. Mex.;

S. 2371. An act to provide for the appointment of two additional justices of the Supreme Court of the District of Columbia;

S. 3939. An act to authorize the appointment of two additional justices of the Court of Appeals of the District of Columbia;

S. 3970. An act authorizing the Smithsonian Institution to extend the Natural History Building and authorizing an appropriation therefor, and for other purposes; and

S. 4283. An act ratifying and confirming the title of the State of Minnesota and its grantees to certain lands patented to it by the United States of America.

HENRY CLAY—ADDRESS BY HON. VIRGIL CHAPMAN, OF KENTUCKY

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the RECORD a very eloquent and interesting address delivered by Hon. Virgil Chapman, a former Representative in Congress from the Ashland district, of Kentucky, at the unveiling of a statue of Henry Clay, in Statuary Hall, in the Capitol Building, in Washington, on March 3, 1929.

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

ADDRESS BY HON. VIRGIL CHAPMAN, OF KENTUCKY

Mr. Chairman, Doctor McVey, Doctor Hutchins, my fellow citizens of Kentucky, ladies and gentlemen, Oliver Cromwell said to a portrait painter: "Paint me as I am; leave out not one wrinkle, scar, or blemish, at your peril." This is no occasion for fulsome eulogy or extravagant panegyric. Rather is it proper to attempt an appraisal of the character and an estimate of the place in history of the man whom we memorialize to-day.

HIS YOUTH AND EARLY CAREER

Henry Clay was born amidst the stirring scenes of revolution, a few months after his great compatriot, Thomas Jefferson, had written the Declaration of Independence. The place of his nativity was "The Slashes" of Hanover, in the home county of the forest-born Demosthenes, Patrick Henry, whose clarion voice was as a bugle call to arms and whose inspired eloquence fired every patriot's heart. That other great Virginian, George Washington, was translating into armed force the sentiments which Jefferson had written in the study and Henry had thundered in the forum. Clay's plastic mind, like wax to receive and like marble to retain, absorbed its earliest and most enduring impressions in that environment of patriotic fervor and love of liberty.

At an early age it was his good fortune to become the amanuensis of the illustrious George Wythe, signer of the Declaration of Independence, member of the Constitutional Convention, first professor of law in America, preceptor of Thomas Jefferson, James Monroe, St. George Tucker, Edmund Randolph, and John Marshall. The great chancellor's office at Richmond was visited not only by his eminent pupils but also by such other friends as Patrick Henry, George Mason, and George Washington. Thus the "Mill Boy of the Slashes," although deprived by circumstances of the privilege of acquiring an academic education, was afforded an excellent opportunity to improve the talents with which nature had lavishly endowed him, and no young American ever availed himself more completely of such a golden opportunity.

We see him at the age of 20 crossing the mountains to Lexington, intellectual center of the new State of Kentucky, and appearing at the bar, as he afterwards said, "without patrons, without the favor or countenance of the great or opulent, without the means of paying my weekly board." That was an exceptionally strong bar, boasting such beacon lights of jurisprudence as George Nicholas, Joseph Hamilton Daviess, and the elder John Breckinridge, collaborator with the Sage of Monticello in drafting the famous Kentucky Resolutions of 1798, and Attorney General in the Cabinet of President Jefferson.

Following the first dangerous Federal aggression, the enactment of the alien and sedition laws, threatening the life of the new-born Republic, Henry Clay, barely of voting age, denounced those hated laws with such scorching invective that "indignation came like a dark shadow upon every countenance. The flame that burned in his own heart was caught up and lighted in every other." After that speech inveighing against Federal encroachments upon the reserved rights of the States, Clay's reputation as an orator was established, and his vision of an income from his profession of a hundred pounds a year in Virginia money became a reality.

That success at such a brilliant bar and among such a brave and generous people would open the door to a political career for a youth of his personality, character, and attainments was inevitable. At 29 Kentucky's adopted fair-haired son was commissioned a Member of the Federal Senate. At 34 he entered the House of Representatives, meeting then in this historic Hall, the theater of many of his most brilliant forensic conquests. The young war party was ascendant. The need was for a leader who could vanquish in debate the Sage of Roanoke, the most vituperative orator and greatest master of invective whose vitriolic utterances ever resounded through these corridors. "It must be," said one, "a man who can meet John Randolph on the floor or on the field, for he may have to do both." All eyes were turned to young "Harry of the West." He was chosen to the Speakership the day he became a Member of the House, an unprecedented distinction, and Speaker Champ Clark described him as "the most renowned of all Speakers."

THE PARTY LEADER AND GREAT ORATOR

Mr. Clay's election to the Speakership in 1811 marked the real beginning of the great career as a national political leader which ended only with his death 41 years afterward. That period was the golden age of American parliamentary history, and Webster, Calhoun, Benton, and Clay would have adorned any deliberative body ever assembled in the world. The only President during that epoch whose name looms in history as large and resplendent as their names was "Old Hickory" Jackson, whose heroic figure in bronze stands as a mute witness to-day to the unveiling of this statue of the greatest and most formidable of his great political antagonists.

In grim determination and inflexible will, strong though he was, Mr. Clay did not equal the invincible old man in the White House. In close reasoning and inexorable logic, Calhoun was his superior. In profound learning and classic diction his speeches were excelled by those of Webster, the majestic sweep of whose sublime rhetoric and the grandeur of whose glowing perorations have been surpassed, if at all, in no speeches save those of Burke, among all in the English tongue. Yet as an intrepid and inspiring party chieftain, as a resourceful and redoubtable parliamentary leader, as a magnetic and charming personality, as a brilliant and versatile orator, taken all in all, Henry Clay has had no equal in the annals of America.

Without the advantage of power and patronage, throughout most of half a century he was the master and idol of his party, and his only equal in popular affection was the picturesque, indomitable, lion-hearted hero of New Orleans. So remarkable was Mr. Clay's personality that one eulogist said of him that he was able—

"To cast off his friends, as the huntsman his pack,
For he knew when he pleased he could whistle them back."

They would rally around his stately form, draw inspiration from his classic features, catch the gleam of his eagle eye, thrill to the silvery tones of his mellifluous voice, and unswervingly follow his standard even as the soldiers of France followed the white plume of Henry of Navarre. To them his battles were at once a crusade and a feast. They fought, as he did, with visors open, marching to such rallying tunes as—

"Oh, we'll sing a Henry Clay song by night,
And beat his foes by day."

Dr. Robert J. Breckinridge, who knew him intimately, said: "God had bestowed on him a personal presence and bearing as impressive as any mortal ever possessed." Calhoun once said: "I don't like Clay. I wouldn't speak to him, but, by God! I love him." Richard M. Johnson, hero of the Thames, ardent supporter of "Old Hickory," paid him this tribute: "Every spot of ground Henry Clay touches he immortalizes." Gen. John C. Breckinridge, great Democrat, and successor to Clay as the idol of Kentucky, declared: "As a leader in a deliberative body Mr. Clay had no equal in America. In him, intellect, person, eloquence, and courage united to form a character fit to command." Appropriately descriptive of him is Hamlet's tribute to his father:

"* * * What a grace was seated on this brow;
* * * * *
An eye like Mars, to threaten and command,
* * * * *
A combination and a form indeed
Where every god did seem to set his seal,
To give the world assurance of a man."

His voice, flexible and melodious, possessed, we are told by his contemporaries, the tone qualities of a pipe organ. So magical was the power of that voice that his ancient enemy, brilliant and eccentric old Randolph of Roanoke, with whom he had fought a bloodless duel, and who is reported to have requested that he be buried with his face turned toward the west in order that he might watch Clay of Kentucky, the last time he visited this Capitol, asked that he be carried to the Senate Chamber, where, feeble almost unto death, he cried: "Lift me up! Lift me up! I came here to hear that voice again." Then those two sages, erstwhile mortal foes, clasped in friendly grasp each other's hand and gazed through a mist of tears into each other's countenance, exemplifying the truth that—

"The bravest are the tenderest,
The loving are the daring."

The orator was greater than the oration. No adequate conception of the power of his speeches can be gained by their perusal. To those who would measure his oratory by the standard of his reported addresses we should say, as did Æschines to one who had only read Demosthenes On the Crown, "You should have heard the lion himself." In the Sage of Ashland nature mixed in almost perfect proportion the elements that constitute the truly great orator. With his scintillating intellect, pure patriotism, physical, mental, and moral courage, masterful personality, imperious nature, superb histrionic ability, grace and naturalness of gesture, marvelous voice, and consummate mastery of crowd psychology, he was great before any audience, popular or deliberative. He could—

"* * * talk with crowds and keep his virtue,
Or walk with kings—nor lost the common touch."

A born leader, he was the Prince Rupert of debate, the Chevalier de Bayard of the forum.

THE CONSTRUCTIVE STATESMAN

Henry Clay's fame is based not only on his eloquence as an orator and his brilliancy as a party chieftain but also on the greatness of his achievements in the field of constructive statesmanship. Probably none of his compeers equaled him in prophetic vision of the expanding majesty of this Republic; none left as imposing and enduring monuments in the form of national legislation. "He exercised this influence," says one writer, "not as an originator of system, but as an arranger and as a leader of political forces."

For him absolute fixity of mind and unyielding consistency—"The hobgoblin of little minds, adored by little statesmen, philosophers, and divines"—can not be claimed. In the titanic battle over the United States Bank he was embarrassed as its chief defender by the record of his speech 20 years before, probably the ablest argument ever uttered against the recharter of the bank, but impartial history concedes the honesty of his convictions, the purity of his motives, and the integrity of his purpose.

Like most great statesmen, he was not only ambitious but also was a practical politician, and that is not a term of opprobrium, but one of honor. His most fatal mistake of judgment, as he afterwards recognized, was the acceptance of the premiership in John Quincy Adams's administration. That prevented the realization of his laudable and justifiable aspiration to be President of the United States. The charge that his appointment was the result of a bargain for Kentucky's support of Adams is universally branded as a calumny. Sincere and vibrant were the words of Mr. Adams himself, spoken at Maysville, Ky., in 1843: "As I expect shortly to appear before my God, to answer for the conduct of my whole life, should those charges have found their way to the throne of eternal justice, I will, in the presence of Omnipotence, pronounce them false." After the sunlight of truth had dissipated the storm clouds of partisan hatred, Mr. Clay was exculpated even by most of his bitterest political enemies. The retraction of the groundless charge by its author, George Kramer, and the irrefutable testimony of Benton, Blair, Van Buren, General Lafayette, and a host of other qualified witnesses support the verdict of history that Henry Clay was a noble-hearted, virtuous statesman of impeccable honesty and unsullied honor.

In his every utterance and every deed he visualized the splendor and grandeur of America's destiny. At 34 he was the dashing, fiery, intrepid leader of the so-called younger element that forced the administration into the Second War with England, which resulted, to use his words, in giving our country "respectability and character abroad, security and confidence at home." He became the principal advocate of internal improvements, the chief apostle of the American system. His reconciliation of Jackson and Calhoun to his compromise tariff of 1833 averted the horror of internecine strife and postponed for nearly three decades the tragedy of the War between the States.

While not the author, as is generally stated, of the Missouri compromise, which was initiated in the Senate, had it not been for his wise leadership and sagacious rulings as Speaker of the House, it would not have become a law. There was no grander act in the drama of his life than his fight for the compromise of 1850. Ominous clouds hovered close. Feeling that it was his last service to his country, he spoke with all the fervor of a soul that ardently loved both North and South and devoutly hoped for peace. His burning eloquence, pathos mingled with magnificence, was a voice from the brink of eternity. "Without any earthly object of ambition before me," he said, "I am here expecting soon to go hence, and owing no responsibility, but that which I owe to my own conscience and to God." Never was a more impressive scene enacted in this Capitol than when in the old Senate Chamber he made his great speech of February 5 and 6, 1850, pleading with "thoughts that breathed and words that burned," appealing with all the emotion of his fast ebbing life for peace and concord and union, and when he had finished men and women pressed around him, grasped his hand, and kissed his tear-stained cheeks.

DEVOTION TO THE CAUSE OF LIBERTY

The master passion of Henry Clay's life was love of freedom. His eloquence reached its sublimest heights in this historic Hall as he pleaded for recognition of the South American Republics in their struggle for liberation from the galling yoke of Spanish tyranny. Simon Bolivar, the great Colombian liberator, had those speeches translated into the Spanish language and read at the head of the embattled hosts of freedom in the South American revolution. By act of the American Congress the people of the United States soon will present to the people of Venezuela a magnificent statue of Henry Clay in Caracas, the native city of the great Bolivar. The name of Henry Clay is inscribed in the pantheon of immortality as the father of Pan Americanism and enshrined in the hearts of those who love liberty throughout the Western Hemisphere. Of the great man Sergeant Prentiss truly said: "His civic laurels will not yield in splendor to the brightest chaplet that ever bloomed upon a warrior's brow."

HIS HUMAN QUALITIES

Henry Clay was one of the most human of all the human beings that ever lived. Always the center of the storm, to his friends he appeared as a demigod; to his enemies as a demagogue. He was as bold as a lion; as tender-hearted as a little child. Impetuous and domineering, he was at times ill-tempered and vindictive. Naturally he became embittered when he believed he had been betrayed by those in whose friendship he had reposed implicit trust. It seemed that the Whig Party denied him the presidential nomination invariably in years when any Whig could win and placed its banner in his hands at times when party victory was impossible. Gov. Henry A. Wise, of Virginia, in his delightful Seven Decades of the Union, described a scene in a Pennsylvania Avenue hotel when the news of General Harrison's nomination was conveyed to Mr. Clay, who passionately exclaimed: "Would to God there were two Henry Clays. One of them would make the other President of the United States."

Withal he was generous and magnanimous, as evidenced by his consent to the appointment of his old friend, John J. Crittenden, to the Cabinet of Fillmore only a few months after he had felt outraged by Crittenden's support of General Taylor in the Whig convention. Harmoniously blending into the last chapter of his life were the manifestations of mutual regard between the old lion and his former opponents, Benton and Van Buren. Beautiful was the renewal after a lapse of more than 20 years of the cordiality that had characterized the early friendship of Mr. and Mrs. Blair and its genuine reciprocation by him who had suffered most from the trenchant Blair pen.

On that last night yonder at the National Hotel, before his masterful spirit took flight from its tenement of mortality, Henry Clay's mind reverted to the scenes of his childhood and carried him over the old trail through the primeval forest back to old Virginia. He was again for a moment the "Mill Boy of the Slashes" and was heard to whisper childhood's holy prayer, which he had learned at his sainted mother's knee, "Now I lay me down to sleep."

CLAY, THE KENTUCKIAN

He loved Kentucky and Kentucky loved him with a love that amounted to adoration. He loved "Ashland," his beautiful home in the environs of Lexington. He loved his silken-coated, fleet-footed thoroughbred horses. He loved the marvelously beautiful, gently undulating fields and paddocks of the fairest pastoral country beneath the stars—the bluegrass region of old Kentucky. He loved all of Kentucky. He loved its brave, proud, and chivalrous people. He loved "its flowers, its birds, its dews, its rainbows, its glad streams, its vales, its mountains, its green, wooing woods, its moonlight clouds, its sunsets, and its soft and dewy twilights." His name is indissolubly associated with Kentucky's history and tradition. Kentucky is proud of his life of service; Kentucky cherishes his renown.

"His spirit wraps the dusky mountain,
His memory sparkles o'er the fountain;
The meanest rill, the mightiest river,
Rolls mingling with his fame forever."

LEST WE FORGET

To-day Henry Clay takes his place beside Webster, Calhoun, Benton, Cass, Blair's son, and the immortal Jackson, whose figures in chiseled marble and molded bronze stand in this Hall, dedicated by act of Congress to the individual States as a shrine for the statues of the best loved among their illustrious dead. Such ceremonies as this are not for those whom we memorialize, but, rather, are for us and those who are to come after us. Here in Statuary Hall we ought to consecrate our

lives to the service of our country. We ought to dedicate ourselves to the preservation of constitutional government in its dual form and the maintenance of the equipoise among its three departments. Our jealous and vigilant guardianship of those vital, fundamental principles which Henry Clay consistently and stoutly defended will constitute the surest shield and most impregnable bulwark of those cherished liberties which it is our sacred duty to transmit unimpaired to posterity. Let us so shape our lives that those who gave us our great heritage shall not have lived in vain. Let us so live that the immortal spirits of our deathless dead shall seem to live in us and "through us shape far in the future equal destinies."

"God of our fathers, known of old,
Lord of our far-flung battle line,
Beneath whose awful hand we hold
Dominion over palm and pine,
Lord God of Hosts, be with us yet,
Lest we forget; lest we forget!"

SOCKEYE SALMON FISHERIES CONVENTION

Mr. DILL. Mr. President, I hold in my hand a memorandum prepared by Mr. Lewis Radcliffe, Acting Commissioner of Fisheries, regarding the sockeye salmon fisheries convention between the United States and Canada, and a comparison in parallel columns of the draft of May 26, 1930, with the convention signed March 27, 1929, and withdrawn by the United States. I ask that it may be printed in the Appendix.

There being no objection, the memorandum and comparison were ordered to be printed in the RECORD, as follows:

MEMORANDUM SOCKEYE SALMON FISHERIES CONVENTION—COMPARISON OF DRAFT OF MAY 26, 1930, WITH CONVENTION SIGNED MARCH 27, 1929

Article I of the new draft embraces in the convention waters the territorial waters off the western coasts of the United States and Canada between the forty-eighth and forty-ninth parallels of north latitude and the high seas of the Pacific Ocean adjacent to these territorial waters between the same parallels, as well as the Fraser River and the boundary waters between the United States and Canada which were embraced in the convention signed in 1929. The necessity for the inclusion of these portions of the territorial waters and the high seas became evident from the unforeseen development of fishing for sockeye salmon in them during the summer of 1929.

The restrictions imposed by the convention upon fishing on the high seas and the authority which the convention gives to the International Pacific Salmon Fisheries Commission to limit or prohibit such fishing and to prescribe the size of the meshes of gear that may be used on the high seas are limited to nationals and inhabitants and vessels and boats of the United States and Canada. This limitation appears in the provisions of Articles IV and V.

The provisions in regard to the arrest and detention of violators of the prohibitions against fishing on the high seas covered by the convention are contained in Article IX, and also are applicable only to nationals and inhabitants and vessels and boats of the United States and Canada. They are substantially the same as the provisions of Article II of the halibut convention now in force, so far as they relate to fishing on the high seas. Officers of both countries may seize and detain violators of the nationality of the other country on the high seas, as well as violators of their own nationality, but must deliver those of the other nationality to authorities of their own country for trial and punishment.

By a provision of Article I, copies of United States Coast and Geodetic Survey Chart No. 6300 and British Admiralty Chart No. 579, which complement each other with regard to showing the convention waters, are made a part of the convention pending the adoption of the permanent chart for which provision is made in the convention.

The terms of Article II have been altered from the corresponding article of the convention signed on March 27, 1929, in that the provision that the Commissioner of Fisheries of the United States shall be one of the members of the commission is omitted, and that it is provided that the commissioners appointed by each of the high contracting parties shall hold office during the pleasure of the high contracting party by which they were appointed.

The limitation in Article IV of the convention signed on March 27, 1929, by specified dates, of the time within which the International Pacific Salmon Fisheries Commission might limit or prohibit fishing, has been abandoned. Under the provision of the new draft the commission is free to limit or prohibit the fishing in the waters of the United States, Canada, and the high seas, respectively, as may be required by the particular conditions of each year. The greater flexibility of regulation, which is thus provided, as well as the extension of the authority of the commission to the high seas, increase the power which the commission would have had under the convention of 1929 to regulate the fishery, so that there will be an equal division of the catch between the fishermen of the United States and Canada.

By Article V the commission is given authority to regulate the size of meshes in salmon fishing gear used on the high seas at any season of the year, as well as the authority given in the convention of 1929 to regulate the size of meshes in fishing gear used in national waters during the spring or chinook salmon fishing season. As a consequence of the substitution of a fishing season of flexible length in Article IV for the season prescribed by specific dates in the convention of 1929 the specific dates are eliminated from Article V.

The second paragraph of Article VIII is complementary to the first paragraph of that article as well as to Article IX, which is explained above.

Besides the foregoing important features, a number of changes in phraseology from that of the convention signed on March 27, 1929, have been made in the new draft. The minor differences between the new draft and the convention of 1929 as well as the important ones are shown on the attached paper, in which the draft and the convention are presented in parallel columns.

[Prepared for Senator DILL, State of Washington]

SOCKEYE SALMON FISHERIES CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND CANADA

(Words and passages in the Convention of March 27, 1929, placed in brackets are replaced in the draft of May 26, 1930, by substantially equivalent words or passages; those in small capitals in text are omitted entirely from the draft of 1930. All substitutions and new words and passages are indicated in the draft of 1930 by italic.)

DRAFT CONVENTION SIGNED BY THE UNITED STATES OF AMERICA AND CANADA, MAY 26, 1930	CONVENTION SIGNED MARCH 27, 1929, WITHDRAWN BY THE UNITED STATES OF AMERICA
The President of the United States of America and His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, *in respect of the Dominion of Canada,* recognizing that the protection, preservation and extension of the sockeye salmon fisheries in the Fraser River system are of common concern to the United States of America and the Dominion of Canada; that the supply of this fish in recent years has been *greatly* depleted and that it is of importance in the mutual interest of both countries that this source of wealth should be restored and maintained, have resolved to conclude a Convention and to that end have named as their respective plenipotentiaries:	The President of the United States of America and His Majesty The King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India, recognizing that the protection, preservation and extension of the sockeye salmon fisheries in the Fraser River system are of common concern to the United States of America and the Dominion of Canada; that the supply of this fish in recent years has been [gravely] depleted and that it is of THE UTMOST importance in the mutual interest of both countries that this source of wealth should be restored and maintained, have resolved to conclude a Convention and to that end have named as their respective plenipotentiaries:
The President of the United States of America:	The President of the United States of America:
Henry L. Stimson, Secretary of State of the United States; and	Mr. Frank B. Kellogg, Secretary of State of the United States of America; and
His Majesty, for the Dominion of Canada:	His Majesty, for the Dominion of Canada:
The Honorable Vincent Massey, a member of His Majesty's Privy Council for Canada, and His Envoy Extraordinary and Minister Plenipotentiary for Canada at Washington;	The Honourable Charles Vincent Massey, P. C., His Envoy Extraordinary and Minister Plenipotentiary for Canada at Washington;
Who, after having communicated to each other their full powers, found in good and due form, have agreed upon the following Articles:	Who, after having communicated to each other their full powers, found in good and due form, have agreed upon the following Articles:
ARTICLE I	ARTICLE I
The provisions of this Convention and the *orders and* regulations issued *under the authority thereof* shall apply, *in the manner and to the extent hereinafter provided in this Convention,* to *the following waters:*	The provisions of this Convention and the regulations [issued pursuant thereto] shall apply [to the Fraser River and the streams and lakes tributary thereto and*] to [all] waters FREQUENTED BY SOCKEYE SALMON included within the following boundaries:
1. The territorial waters and the High Seas westward from the western coast of the United States of America and the Dominion of	*(Note—the provisions herein embraced in brackets is included in subparagraph 3 of Article I of the new draft.)

DRAFT CONVENTION SIGNED BY THE UNITED STATES OF AMERICA AND CANADA, MAY 26, 1930—continued

Canada and from a direct line drawn from Bonilla Point, Vancouver Island, to the lighthouse on Tatoosh Island, Washington,—which line marks the entrance to Juan de Fuca Strait,—and embraced between 48 and 49 degrees north latitude, excepting therefrom, however, all the waters of Barklay Sound, eastward of a straight line drawn from Amphitrite Point to Cape Beale and all the waters of Nitinat Lake and the entrance thereto.

2. *The* waters included within the following boundaries:

Beginning at Bonilla Point, Vancouver Island, thence along the aforesaid direct line drawn from Bonilla Point to Tatoosh Lighthouse, Washington, described in paragraph numbered 1 of this Article, thence to the nearest point of Cape Flattery, thence following the southerly shore of Juan de Fuca Strait to Point Wilson, on Quimper Peninsula, thence in a straight line to Point Partridge on Whidbey Island, thence following the western shore of the said Whidbey Island, to the entrance to Deception Pass, thence across said entrance to the southern side of Reservation Bay, on Fidalgo Island, thence following the western and northern short line of the said Fidalgo Island to Swinomish Slough, crossing the said Swinomish Slough, in line with the track of the Great Northern Railway, thence northerly following the shore line of the mainland to Atkinson Point at the northerly entrance to Burrard Inlet, British Columbia, thence in a straight line to the southern end of Bowen Island, thence westerly following the southern shore of Bowen Island to Cape Roger Curtis, thence in a straight line to Gower Point, thence westerly following the shore line to Welcome Point on Seechelt Peninsula, thence in a straight line to Point Young on Lasqueti Island, thence in a straight line to Dorcas Point on Vancouver Island, thence following the eastern and southern shores of the said Vancouver Island to the starting point at Bonilla Point, as shown on the United States Coast and Geodetic Survey Chart Number 6300, as corrected to *March 14, 1930,* and on the British Admiralty Chart Number 579, *copies of which are annexed to this Convention and made a part thereof.*

3. *The Fraser River and the streams and lakes tributary thereto.**

The High Contracting Parties engage to have prepared as soon as practicable charts of the waters described in this Article, with the above described boundaries *thereof* and the international boundary indicated thereon. *Such charts, when approved by the appropriate authorities of the Governments of the United States of America and the Dominion of Canada, shall be considered to have been substituted for the charts annexed to this Convention and shall be authentic for the purposes of the Convention.*

CONVENTION SIGNED MARCH 27, 1929, WITHDRAWN BY THE UNITED STATES OF AMERICA—continued

[Beginning at Carmanah Lighthouse on the southwest coast of Vancouver Island, thence in a straight line to a point three marine miles due west astronomic from Tatoosh Lighthouse, Washington, thence to said Tatoosh Lighthouse,] thence to the nearest point of Cape Flattery, thence following the southerly shore of Juan de Fuca Strait to Point Wilson, on Quimper Peninsula, thence in a straight line to Point Partridge on Whidbey Island, thence following the western shore of the said Whidbey Island, to the entrance to Deception Pass, thence across said entrance to the southern side of Reservation Bay, on Fidalgo Island, thence following the western and northern shore line of the said Fidalgo Island to Swinomish Slough, crossing the said Swinomish Slough, in line with the track of the Great Northern Railway, thence northerly following the shore line of the mainland to Atkinson Point at the northerly entrance to Burrard Inlet, British Columbia, thence in a straight line to the southern end of Bowen Island, thence westerly following the southern shore of Bowen Island to Cape Roger Curtis, thence in a straight line to Gower Point, thence westerly following the shore line to Welcome Point on Seechelt Peninsula, thence in a straight line to Point Young on Lasqueti Island, thence in a straight line to Dorcas Point on Vancouver Island, thence following the eastern and southern shores of the said Vancouver Island to the starting point at Carmanah Lighthouse as shown on the United States Coast and Geodetic Survey Chart Number 6300, as corrected to [October 20, 1924], and on the British Admiralty Chart Number 579.

*(Note—Transferred from first paragraph of Article I hereinabove.)

The High Contracting Parties engage to have prepared as soon as practicable charts of the waters described in this Article, with the above described boundaries and the International boundary indicated thereon.

DRAFT CONVENTION SIGNED BY THE UNITED STATES OF AMERICA AND CANADA, MAY 26, 1930—continued

The High Contracting Parties further agree to establish within the territory of the United States *of America* and the territory of the Dominion of Canada such buoys and marks for the purposes of this Convention as may be recommended by the Commission hereinafter authorized to be established, and to refer such recommendations *as the Commission may make* as relate to *the establishment of buoys or marks at* points on the *international* boundary to the International Boundary Commission, United States-Alaska and Canada, for action pursuant to the provisions of the Treaty *between the United States of America and His Majesty in respect of Canada,* respecting the boundary between the United States *of America* and *the Dominion of* Canada, signed February 24, 1925.

ARTICLE II

The High Contracting Parties agree to establish and maintain a Commission to be known as the International Pacific Salmon Fisheries Commission, hereinafter called the Commission, consisting of six members, three on the part of the United States of America, and three on the part of the Dominion of Canada.

The Commissioners on the part of the United States *of America* shall be appointed by the President of the United States *of America.* The Commissioners on the part of the Dominion of Canada shall be appointed by His Majesty on the recommendation of the Governor General in Council.

The Commissioners appointed by each of the High Contracting Parties shall hold office during the pleasure of the High Contracting Party by which they were appointed.

The Commission shall continue in existence so long as this Convention shall continue in force, and each High Contracting Party shall have power to fill and shall fill from time to time vacancies which may occur in its representation on the Commission in the same manner as the original appointments are made. Each High Contracting Party shall pay the salaries and expenses of its own Commissioners, and joint expenses incurred by the Commission shall be paid by the two High Contracting Parties in equal moieties.

ARTICLE III

The Commission shall make a thorough investigation into the natural history of the Fraser River sockeye salmon, into hatchery methods, spawning ground conditions and other related matters. It shall conduct the sockeye sal-

CONVENTION SIGNED MARCH 27, 1929, WITHDRAWN BY THE UNITED STATES OF AMERICA—continued

[They] further agree to establish within the territory of the United States and the territory of the Dominion of Canada such buoys and marks for the purposes of this Convention as may be recommended by the Commission hereinafter authorized to be established, and to refer such [of these] recommendations as relate to points on the boundary to the International Boundary Commission, United States-Alaska and Canada, for action pursuant to the provisions of the Treaty respecting the boundary between the United States and Canada signed February 24, 1925.

ARTICLE II

The High Contracting Parties agree to establish and maintain a Commission to be known as the International Pacific Salmon Fisheries Commission, hereinafter called the Commission, consisting of six members, three on the part of the United States of America, and three on the part of the Dominion of Canada.

The Commissioners on the part of the United States shall be appointed by the President of the United States, AND THE COMMISSIONER OF FISHERIES OF THE UNITED STATES SHALL BE ONE OF THEM. The Commissioners on the part of the Dominion of Canada shall be appointed by His Majesty on the recommendation of the Governor-General-in-Council.

The Commission shall continue in existence so long as this Convention shall continue in force, and each High Contracting Party shall have power to fill and shall fill from time to time vacancies which may occur in its representation on the Commission in the same manner as the original appointments are made. Each High Contracting Party shall pay the salaries and expenses of its own Commissioners, and THE joint expenses incurred by the Commission shall be paid by the two High Contracting Parties in equal moieties.

ARTICLE III

The Commission shall make a thorough investigation into the natural history of the Fraser River sockeye salmon, into hatchery methods, spawning ground conditions and other related matters. It shall conduct the sockeye salmon

DRAFT CONVENTION SIGNED BY THE UNITED STATES OF AMERICA AND CANADA, MAY 26, 1930—continued

mon fish cultural operations in the areas *and waters* described in *paragraphs numbered 2 and 3 of* Article I *of this Convention*, and to that end it shall have power to improve spawning grounds, construct and maintain hatcheries, rearing ponds and other such facilities as it may determine to be necessary for the propagation of sockeye salmon in *any of* the waters covered by this Convention, and to stock *any such* waters with sockeye salmon by such methods as it may determine to be most advisable. The Commission shall also have authority to recommend to the Governments *of the High Contracting Parties removing or otherwise overcoming* obstructions to the ascent of sockeye salmon, that may now exist or may from time to time occur, in *any of* the waters covered by this Convention, where investigation may show such *removal of or other action to overcome obstructions* to be desirable. *The Commission shall make an annual report to the two Governments as to the investigations which it has made and other action which it has taken in execution of the provisions of this Article, or of other Articles of this Convention.*

The cost of all work *done pursuant to the provisions of this Article, or of other Articles of this Convention, including removing or otherwise overcoming obstructions that may be approved,* shall be borne equally by the two Governments, and the said Governments agree to appropriate annually such money as each may deem desirable for such work in the light of the reports of the Commission.

ARTICLE IV

The Commission is hereby empowered to limit or prohibit taking sockeye salmon in respect of all *or any of* the waters described in Article I of this Convention, provided that *when any order is adopted by the Commission limiting or prohibiting taking sockeye salmon in any of the territorial waters or on the High Seas described in paragraph numbered 1 of Article I, such order shall extend to all such territorial waters and High Seas, and, similarly, when in any of the waters of the United States of America embraced in paragraph numbered 2 of Article I, such order shall extend to all such waters of the United States of America, and when in any of the Canadian waters embraced in paragraphs numbered 2 and 3 of Article I, such order shall extend to all such Canadian waters,* and provided further, that no order limiting or prohibiting taking sockeye salmon adopted by the Commission shall be construed to suspend or otherwise affect the requirements of the laws of the State of Washington or of the Dominion of Canada as to the procuring of a license to fish in the waters on their respective sides of the bound-

CONVENTION SIGNED MARCH 27, 1929, WITHDRAWN BY THE UNITED STATES OF AMERICA—continued

fish cultural operations in the area described in Article I, and to that end it shall have power to improve spawning grounds, [acquire,] construct and maintain hatcheries, rearing ponds and other such facilities as it may determine to be necessary for the propagation of sockeye salmon in the water covered by this Convention, and to stock the waters with sockeye salmon by such methods as it may determine to be most advisable. The Commission shall also have authority to recommend to the TWO Governments [the removal of] obstructions to the ascent of sockeye salmon in the waters covered by this Convention, that may now exist or may from time to time occur, AND TO IMPROVE CONDITIONS FOR THE ASCENT OF SOCKEYE SALMON, where investigation may show such to be desirable. [The Commission shall report annually to the two Governments what it has accomplished and the results of its investigations.]

The cost of all SUCH work shall be borne equally by the two Governments, and the said Governments agree to appropriate annually such money as each may deem desirable for such work in the light of the reports of the Commission.

ARTICLE IV

The INTERNATIONAL SALMON FISHERIES Commission ESTABLISHED PURSUANT TO ARTICLE II OF THIS CONVENTION is hereby empowered, BETWEEN THE FIRST DAY OF JUNE AND THE TWENTIETH DAY OF AUGUST IN ANY YEAR, FOR THE WHOLE OR ANY PART OF THE AFORESAID PERIOD, to limit or prohibit THE taking OF sockeye salmon in respect of all the waters described in Article I of this Convention, [or in respect of waters of the United States and Canadian waters separately,] provided, that [when any order is adopted by the Commission limiting or prohibiting the taking of sockeye salmon in regard to waters of the United States or Canadian waters separately, it shall extend to all of the waters of the United States or Canadian waters to which this Convention applies], and Provided further, that no order limiting or prohibiting THE taking OF sockeye salmon adopted by the INTERNATIONAL SALMON FISHERIES Commission shall be construed to suspend or otherwise affect the requirements of the laws of the State of Washington or of the Dominion of Canada as to the procuring of a license to fish in the waters on their re-

DRAFT CONVENTION SIGNED BY THE UNITED STATES OF AMERICA AND CANADA, MAY 26, 1930—continued

ary, *or in their respective territorial waters embraced in paragraph numbered 1 of Article I of this Convention, and provided further that any order adopted by the Commission limiting or prohibiting taking sockeye salmon on the High Seas embraced in paragraph numbered 1 of Article I of this Convention shall apply only to nationals and inhabitants and vessels and boats of the United States of America and the Dominion of Canada.*

Any order adopted by the Commission limiting or prohibiting taking sockeye salmon *in the waters covered by this Convention, or any part thereof,* shall remain in full force and effect unless and until the same be modified or set aside by the Commission. Taking sockeye salmon in said waters in violation of an order of the Commission *shall be prohibited.*

ARTICLE V

In order to secure a proper escapement of sockeye salmon during the spring or chinook salmon fishing season, the Commission may prescribe the size of the meshes in all fishing gear and appliances *that may be* operated *during said season in the waters of the United States of America and/or the Canadian waters described in Article I of this Convention. At all seasons of the year the Commission may prescribe the size of the meshes in all salmon fishing gear and appliances that may be operated on the High Seas embraced in paragraph numbered 1 of Article I of this Convention, provided, however, that in so far as concerns the High Seas, requirements prescribed by the Commission under the authority of this paragraph shall apply only to nationals and inhabitants and vessels and boats of the United States of America and the Dominion of Canada.*

Whenever, at any other time than the spring or chinook salmon fishing season, the taking of sockeye salmon in waters of the United States of America or in Canadian waters is not prohibited under an order adopted by the Commission, any fishing gear or appliance authorized by the State of Washington may be used in waters of the United States of America by any person thereunto authorized by the State of Washington, and any fishing gear or appliance authorized by the laws of the Dominion of Canada may be used in Canadian waters by any person thereunto legally authorized. Whenever the taking of sockeye salmon on the High Seas embraced in paragraph numbered 1 of Article I of this Convention is not prohibited, under an order adopted by the Commission, to the nationals or inhabitants or vessels or boats of the United States of America or the Dominion of

CONVENTION SIGNED MARCH 27, 1929, WITHDRAWN BY THE UNITED STATES OF AMERICA—continued

spective sides of the boundary LINE.

Any order adopted by the Commission limiting or prohibiting the taking of sockeye salmon [in said waters] DURING SAID PERIOD, OR ANY PART THEREOF, shall remain in full force and effect unless and until the same be modified or set aside by the Commission. THE taking OF sockeye salmon in said waters DURING SAID PERIOD in violation of the orders of the Commission ADOPTED FROM TIME TO TIME [is hereby prohibited].

ARTICLE V

In order to secure a proper escapement of sockeye salmon during the spring or chinook salmon fishing season, the INTERNATIONAL SALMON FISHERIES Commission may prescribe the size of the meshes in all fishing gear and appliances operated [in the waters described in Article I of this Convention] WHICH ARE FREQUENTED BY SOCKEYE SALMON.

[Whenever the taking of sockeye salmon in said waters DURING SAID PERIOD BETWEEN THE FIRST OF JUNE AND THE TWENTIETH OF AUGUST IN ANY YEAR is permitted under the orders adopted by the Commission in respect of waters of the United States, any fishing appliance legally authorized by the State of Washington may be used in such waters by any person thereunto authorized by that State, and whenever the taking of sockeye salmon in said waters DURING SAID PERIOD is permitted under the orders adopted by the Commission in respect of Canadian waters any fishing appliances authorized by the laws of the Dominion of Canada may be used in such waters by any person thereunto legally authorized.]

DRAFT CONVENTION SIGNED BY THE UNITED STATES OF AMERICA AND CANADA, MAY 26, 1930—continued

Canada, only such salmon fishing gear and appliances as may have been approved by the Commission may be used on such High Seas by said nationals, inhabitants, vessels or boats.

ARTICLE VI

No action taken by the Commission under the authority of this Convention shall be effective unless it is affirmatively voted for by at least two of the Commissioners *of each High Contracting Party.*

ARTICLE VII

Inasmuch as the purpose of this Convention is to establish for the High Contracting Parties, by their joint effort and expense, a fishery that is now largely non-existent, *it is agreed by the High Contracting Parties that they* should share equally in the fishery. The Commission shall, consequently, *regulate the fishery with a view to allowing, as nearly as may be practicable,* an equal portion of the fish that *may* be caught each year to be taken by the fishermen of each High Contracting Party.

ARTICLE VIII

Each High Contracting Party shall be responsible for the enforcement of the *orders and* regulations *adopted* by the Commission *under the authority of this Convention,* in the portion of *its* waters covered by the Convention.

Except as hereinafter provided in Article IX of this Convention, each High Contracting Party shall be responsible, in respect of its own nationals and inhabitants and vessels and boats, for the enforcement of the orders and regulations adopted by the Commission, under the authority of this Convention, on the High Seas embraced in paragraph numbered 1 of Article I of the Convention.

Each High Contracting Party shall acquire and place at the disposition of the Commission any land within its territory required for the construction and maintenance of hatcheries, rearing ponds and other such facilities set forth in Article III.

ARTICLE IX

Every national or inhabitant, vessel or boat of the United States of America or of the Dominion of Canada, that engages in sockeye salmon fishing on the High Seas embraced in paragraph numbered 1 of Article I of this Convention, in violation of an order or regulation adopted by the Commission, under the authority of this Convention, may be seized and detained by the duly authorized officers of either High Contracting Party, and when so seized and detained shall be delivered by the said officers, as soon as practicable, to an authorized official of the country to which such person, vessel or boat belongs, at the nearest point to the place of seizure, or elsewhere, as may be agreed upon with the competent authorities. The authorities of the country to which a person, vessel or boat belongs alone shall have jurisdiction to conduct prosecutions for the violation of any order or regulation adopted by the Commission in respect of fishing for sockeye salmon on the High Seas embraced in paragraph numbered 1 of Article I of this Convention, or of any law or regulation which either High Contracting Party may have made to carry such order or regulation of the Commission into effect, and to impose penalties for such violations; and the witnesses and proofs necessary for such prosecutions, so far as such witnesses or proofs are under the control of the other High Contracting Party, shall be furnished with all reasonable promptitude to the authorities having jurisdiction to conduct the prosecutions.

ARTICLE X

The High Contracting Parties agree to enact and enforce such legislation as may be necessary to make effective the provisions of this Convention *and the orders and regulations adopted by the Commission under the authority thereof,* with appropriate penalties for violations.

ARTICLE XI

The present Convention shall be ratified by the President of the United States of America, by and with the advice and consent of the Senate thereof, and by his Majesty in accordance with constitutional practice, and it shall become effective upon the date of the exchange of ratifications which shall take place at Washington as soon as possible and shall continue in force for a period of sixteen years, and thereafter until one year from the day on which either of the High Contracting Parties shall give notice to the other of its desire to terminate it.

In witness whereof, the respective plenipotentiaries have signed the present Convention, and have affixed their seals thereto.

Done in duplicate at Washington, the 26th day of May, one thousand nine hundred and thirty.

[SEAL] HENRY L. STIMSON.
[SEAL] VINCENT MASSEY.

CONVENTION SIGNED MARCH 27, 1929, WITHDRAWN BY THE UNITED STATES OF AMERICA—continued

ARTICLE VI

No action taken by the Commission under the authority of ARTICLES IV AND V of this Convention shall be effective unless it is affirmatively voted for by at least two of the Commissioners [from each country].

ARTICLE VII

Inasmuch as the purpose of this Convention is to establish for the High Contracting Parties, by their joint effort and expense, a fishery that is now largely non-existent, [each of the High Contracting Parties] should share equally in the fishery. The Commission shall, consequently, [in regulating the fishery do so with the object of enabling, as nearly as they can,] an equal portion of the fish that [is allowed to] be caught each year to be taken by the fishermen of each High Contracting Party.

ARTICLE VIII

Each High Contracting Party shall be responsible for the enforcement of the regulations [provided] by the Commission in the portion of [their respective] waters covered by the Convention, AND TO THIS END * * * *

*(NOTE.—Remainder of Article VIII is transferred to Article X of new draft.)

DRAFT CONVENTION SIGNED BY THE UNITED STATES OF AMERICA AND CANADA, MAY 26, 1930—continued

ARTICLE IX

The present Convention shall be ratified by the President of the United States of America, by and with the advice and consent of the Senate thereof, and by His Majesty in accordance with constitutional practice, and it shall become effective upon the date of the exchange of ratifications which shall take place at Washington as soon as possible and shall continue in force for a period of sixteen years, and thereafter until one year from the day on which either of the High Contracting Parties shall give notice to the other of its desire to terminate it.

In witness whereof, the respective plenipotentiaries have signed the present Convention and have affixed their seals thereto.

Done in duplicate at Washington, the twenty-seventh day of March, one thousand nine hundred and twenty-nine.

[SEAL] FRANK B. KELLOGG.
[SEAL] VINCENT MASSEY.

CONVENTION SIGNED MARCH 27, 1929, WITHDRAWN BY THE UNITED STATES OF AMERICA—continued

* * * * *

(NOTE.—Article VIII concluded) [they] agree to enact and enforce such legislation as may be necessary to make effective the provisions of this Convention, with appropriate penalties for violations THEREOF.

RIVERS AND HARBORS BILL

The Senate resumed the consideration of the bill (H. R. 11781) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. GLENN. Mr. President, this controversy in the closing days of the present session, when all are anxious to conclude the business of the Congress and get away from Washington, involves a matter which, if all parties who are most directly concerned in it and have spoken about it and have participated in the negotiations looking toward its amicable adjustment are sincere and intelligent, could, it seems to me, easily have been settled and further discussion avoided.

The Senators who have spoken in opposition to the amendment reported by the Committee on Commerce have stated—all three of them, as I recall their remarks—that they are very much in sympathy with the project of constructing the proposed waterway from the Great Lakes to the Illinois River to connect with the Mississippi, and then down that river to the Gulf. They say they believe it would be of value to the Nation and that they are earnestly and sincerely in favor of it. They also say, however, that they fear by the construction of such a waterway and the appropriation of the water necessary for its operation that shipping interests upon the Great Lakes will be grievously injured, to the damage of their respective commonwealths.

On the other hand, those who are advocating the provision adopted by the Commerce Committee of the Senate say "We believe that this great waterway is a proper and necessary artery of commerce for the entire Middle West, reaching into the Northwest and connecting the Great Lakes to the Atlantic Ocean." We say, "We believe this project can be so constructed and so operated that it will not, to any appreciable extent, damage or injure the shipping interests or any other interests of the States represented by those who are opposed to us." It does seem that if both sides are sincere in this, some language could have been agreed upon which would meet the views of the opposing forces, but it seems that such a solution has not been reached.

Before going further with my remarks, I desire to call the attention of this body to the fact that this proposed waterway connecting the Great Lakes with the Gulf of Mexico and with all these other arteries of waterway traffic, some of which have been so recently completed, is not a new and idle dream. It has been the thought of men, as they came from Europe to Quebec, and then to Montreal, and then to Mackinac, and then to the site of Milwaukee, and down to the point where the little Chicago River passed on its way through the swamp, at the site where now is located Chicago, to enter the Great Lakes.

La Salle saw the desirability of a waterway connecting the Great Lakes with the Gulf. Father Marquette—Pere Marquette—saw the same thing. Joliet on his way down the rivers saw the same thing. One after another of the old explorers on their way to see and to conquer a new country saw that thing which some men do not see even to-day—the desirability of taking advantage of these natural waterways in the interest of the coming generations. Back as far as 1814 James Madison, a statesman of vision—of greater vision, perhaps, than some of our statesmen of to-day—saw the need and the desirability and the advantage of utilizing these great geographical conditions for the welfare of the people who inhabit the territories traversed by these great bodies of water.

So it has been a vision, not to say a dream, of intelligent, farseeing men, not for a century but for centuries; and, of course, as we look in imagination upon the desolate site where Chicago is now located, where only about 100 years ago there was but a morass, a dreary, dismal swamp; when we think of the unhealthful conditions there and see other sites along that great lake farther north than Milwaukee, the site at Milwaukee, the site at Waukegan, the site farther around on the way to the east, where the great population of this country then was, and see that within 100 years—a century, a short time in the life of a nation—there has been builded upon that swamp, in that dreary wilderness, a city which is now the third amongst all the cities of the world in population, having, according to the last census, overtaken the city of Berlin, and now is third to London and New York, there is some reason for it. The great reason is geographical location, furnishing an opportunity there for a harbor, not as good as some other harbors, but the prospect at least that sooner or later an intelligent people would see that these geographical conditions should be taken advantage of, and from the Atlantic through the Great Lakes down Lake Michigan to Chicago and down the Illinois River and the Mississippi to the Gulf there would be constructed a waterway capable of carrying, to the advantage of all our people, the commerce of the East and of the Middle West and of the South and of the Northwest.

Chicago is greatly interested in this matter. Some of you wonder why and talk about this long litigation. The other people talk about the lawsuits they have had about water diversion at Chicago. May I tell you why Chicago and Illinois have been interested in this project and in this problem of sanitation and of health? Because in that almost undrained and undrainable territory, without the advantage of an opening down the Illinois River to the Mississippi, death and pestilence are bound to come to the increasing thousands and hundreds of thousands and millions who are coming to our city to build their homes, their lives, their fortunes.

They say that we have litigated with them about this. Let me tell you why we have had these lawsuits. Remember, my friends, that these lawsuits have not altogether been decided in favor of the opponents of this provision of our Commerce Committee; but their great fight was this: They said to Chicago and to Illinois:

> You can not take from Lake Michigan for the purpose of sanitation a single drop of water that you do not return into that lake. Every drop of water that flows through your water mains, that is used by your people for their domestic purposes, that flushes the toilets, that is used in the bathtubs, that is used for all hygienic and domestic purposes, must be returned to Lake Michigan, and not a drop can be diverted across that watershed 10 miles away down into the Mississippi River.

They wanted us to serve these people of now nearly three and a half millions, according to the last census, without a single drop of water being diverted, but putting back all that untreated sewage, or all that effluent of treated sewage as the progress of science develops the art of treating sewage, into the lake at Chicago, to be a certain cause of typhoid fever, of epidemics sweeping not only Chicago but sweeping across to our neighbor on the east, which has grown up so that there is no line between the buildings in Chicago and in Indiana, over into Gary and South Chicago, and all those other great industrial regions of northern Indiana, which is now a real and genuine rival to the steel industry of Pittsburgh, and is growing, growing, growing daily in an almost unparalleled way. They wanted us to put back the effluent of that sewage into Lake Michigan, where it would not only be a scourge to our people and to the people of Indiana but would be washed by the winds across to St. Joseph, Mich., and Grand Haven, Mich., and into the river leading to Grand Rapids, Mich., and all these other lake ports along the western shore of the southern peninsula of Michigan, and up into Wisconsin.

It is but a short distance from Chicago and Waukegan down to those great cities in Wisconsin, Kenosha and Racine, and Milwaukee. Milwaukee is but an hour's ride from Chicago by an airplane, less than two hours by fast train. These men, believing, I suppose, that they were acting in the interest of their people and their States, would have had the effluent from the sewage of three and a half millions of people—yes, more than that, because there are now 3,350,000 people within the city limits of Chicago, and more than 4,000,000 of people, four and a half millions, probably, within the confines of this sanitary district—they wanted all this effluent from human refuse and domestic refuse and animal refuse, and the refuse from that great body of packing plants in Chicago, unrivaled and unparalleled in all the world, to go into Lake Michigan.

We have been their friends. We have had a broader vision and a broader view than they have had for their own people. We have refused and declined, until the last resort—which, fortunately, has never come—to putrefy that lake and make it filthy and foul, so that not only would our people of Illinois and of Chicago be stricken with disease and epidemic by reason of the efforts of these men, but also our neighbors in Indiana, our neighbors in Wisconsin, our neighbors in Michigan; and fortunately the Supreme Court of the United States, when it finally decided that all-important point in this long-drawn-out, bitterly contested litigation, looked upon it with broad humanitarian eyes, and said, "It is unreasonable to demand that this great city shall not be allowed any water at all for the protection of the lives of its people and the lives of its neighbors and those who come to visit us within our midst."

Thank God, we finally won the main, ultimate object of that lawsuit. Chicago is to be protected from epidemic, and Indiana and Michigan and Wisconsin are to be protected from epidemic, because, you know, pestilence and disease and typhoid fever and cholera know no city lines, no State lines; and when they reached the line of Indiana, if you had had your way, they would not have stopped there with having stricken down only our 4,000,000 of people. They would have gone on into Gary, into North Chicago, into all those other great cities, and then on to St. Joe, Grand Haven, South Haven, Ludington, Frankfort, Muskegon in Michigan, there to blast the lives and destroy the homes of your own people, and up into Milwaukee to Racine and Kenosha into Milwaukee and Menominee and all those other lake ports. Thank God, we saved you from yourselves!

What has been the effect? Are these idle words that I am using here? Is this a moot question? I will give you the statistics of what we have done there in Chicago by the expenditure of untold hundreds of millions of dollars. Remember, Chicago has spent for this sanitary disposal purpose more than the aggregate spent by every other city in the United States of over 100,000 people. We have spent upward of $100,000,000; and when this project is completed we will have spent upon it and

this waterway system in Illinois of our own money, asking no Federal aid, more than $300,000,000—more than the Panama Canal cost the people of the United States.

What has been the effect? In 1884 Chicago had a death rate from typhoid fever per 100,000 people of 67.8; from 1890 to 1894 it had a death rate of 96.4; from 1915 to 1919, by this work to which gentlemen object, by this diversion of the water which they would have stopped, that had been reduced to 2.9, and in 1925, instead of 96 people dying, as was the case before, on account of this work which they would have stopped, only 1.3 persons died. In other words, through this work, which they fought for years in the Supreme Court and other courts to stop, we have saved the lives of 39 out of 40 who died of typhoid fever before we undertook this great work, which they condemn and damn.

Now, we have a lower death rate from typhoid fever than any other city of a population of a hundred thousand or more in all the Great Lakes territory. Do not Senators think we have done something that is commendable? Do they not think the Supreme Court of the United States of America was right when it confirmed the report of Special Master Charles Evans Hughes and said that the contention of the lake States that Chicago should not be allowed to divert any water for sewage purposes from the Great Lakes down the Mississippi River was untenable?

That is the result of what we have accomplished. We hope to do more as time goes on. We have not stopped. We are proceeding daily there in an effort to improve and to enlarge the great constructive processes for the health not only of our people but for the health of our neighbors in the neighboring States, and not only that but for the health of all those who come to visit Chicago.

Let me say to the Senators from Wisconsin respectfully that I believe that more people from Wisconsin visit Chicago in the course of a year than visit any city in the State of Wisconsin with the possible exception of Milwaukee.

I can say to the Senators from Michigan that in our judgment more people from Michigan visit and drink the water of Chicago each year than visit and drink the water of any city in Michigan with the probable exception of the city of Detroit.

They say they are friendly to our project. Of course, they should be. From all over the United States, on their way to the West, the people from New York, from Boston, from Washington, from Baltimore, from almost every State in the eastern part of this Union, the natural gateway to the West is through Chicago. It is the greatest railroad center in all the world. On the other hand, from the West, as people come east from California, and Washington, and Oregon, and Arizona, and all that vast expanse of western territory, I presume a great majority of them come through the gateway of Chicago.

How many Members of the Senate from the far West, or from the West beyond the Mississippi River, do not come on their way to Washington to attend the sessions of Congress through Chicago and there drink our water and are there subject to our sanitary conditions? But they would cast that all aside and say, "No; it is wrong to take a single drop of water from Lake Michigan to preserve the health of the people not only of your city and your State but of all the people of all this Nation, of all the world, so far as that goes, who come to visit Chicago."

They say they are friendly to us. Thank God we have not very many more such friends. Recall what a great commander said after a battle in which, though he won a technical victory, his forces had been decimated, crippled, wounded, and killed and slaughtered by the thousands of thousands. Some one congratulated him upon his victory, and he said, "Yes; a victory! One more victory like this and we are ruined." A few more friends like this and we would be destroyed.

I think people should feel friendly to Chicago. Chicago uses more automobiles manufactured in Detroit than Detroit uses. It buys more celery grown in Kalamazoo than Kalamazoo uses. It uses more furniture made in Grand Rapids than Grand Rapids uses. It uses more leather tanned in Milwaukee, the great industry of that city, than Milwaukee uses, and in the good old days, or the bad old days, as people please, Chicago used more of that other product which made Milwaukee famous than Milwaukee did itself. [Laughter.] Some say we in Chicago are willing yet to extend the hand of hospitality to the people of Milwaukee whenever they send down their product.

Chicago has had a tumultuous career. It was incorporated as a town in 1833. My colleague gave the Senate the statistics yesterday, and I shall not go into them at great length. It was a dismal, dreary place for a long time. It was laid out in 1830. In 1827 Congress authorized Illinois to accept each alternate section of land 5 miles in width on each side of this proposed canal. Think of that! A hundred and three years ago Congress authorized that aid to this project, and all this time it has been held up awaiting completion.

In the same year it authorized the construction of this canal, and in 1836 the canal was dedicated. In 1837 a city charter was granted to the city of Chicago, and in 1840—90 years ago—Chicago had a population of only 4,070 people.

I remember well a story that is told about Shawneetown, a settlement in southern Illinois, on the Ohio River, where the first bank in Illinois was founded. The story goes that some people came to Shawneetown many years ago from Chicago, then a struggling little hamlet, trying to borrow money from that bank on the Ohio River. The Shawneetown bank sent some of their trustees up to Chicago to look it over and see what the prospects of Chicago were, and to come back and report. They came back to this town upon the Ohio River, now a town of almost a thousand people, and they said, "This loan will be no good. It will be worthless, because Chicago is altogether too far from Shawneetown." So the loan was not made.

In 1838, 38 bags of wheat were shipped on an eastbound boat out of Chicago, and the traffic on the Great Lakes was begun. In 1841, 212 bushels were shipped. But the next year, in 1842, to show the rapid growth of the city, 586,000 bushels were shipped, and then began the great grain trade of Chicago, which has made it the greatest grain market not only in this country, but in all the countries of the earth. Soon after that the packing industry was started there, and all know how it has grown and developed and flourished.

In 1847 the men of vision had a rivers and harbors convention at Chicago, with Abraham Lincoln present. There were present 3,000 delegates, from 18 of the 29 States of the Union. Horace Greeley was there, Thurlow Weed was there, Tom Corwin, of Ohio, was there. Weed predicted in his Albany Journal after his return:

> In 10 years Chicago will be as big as Albany. On the shores of this lake is a country that will in 50 years support 125,000 inhabitants.

That is, by 1897 he thought we would have 125,000 people in Chicago. So it can be seen how we have progressed.

In 1848 the McCormick harvester industry was started.

I could go on with this entire review for a long time, but I desire at this point to show what some of our neighbors thought of us then.

Other eyes, scientific rather than political, saw possibilities in the shabby little groups of cabins that sat in the mud around Fort Dearborn. Henry Rowe Schoolcraft, author and explorer, looking at the place in 1820, thought it destined to become "a great thoroughfare for strangers, merchants, and travelers," although it presented to his eye not more than a dozen huts and barely 60 souls.

Less optimistic was the report given the National Government in 1823 by Major Long, the surveyor who had been sent out to chart the proposed ship canal over the Chicago portage. In 1823, 107 years ago, the Federal Government sent out its engineers to chart this channel for which we are still fighting now. Major Long set Chicago's climate down as inhospitable, its soil as sterile, its scenery as monotonous and uninviting. He saw only a few huts of bark or logs, filthy, disgusting, wholly without comforts, and inhabitated by a "miserable race of men" scarcely equal to the Indians from whom most of them seemed to have descended. So it can be seen how Chicago year by year has gone on in its great march of progress.

I desire to put into the RECORD at this point the full chart showing the improvement in the typhoid fever conditions as a result of this sanitary district board.

The VICE PRESIDENT. Is there objection?

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

Typhoid fever death rate per 100,000 population; cities of over 100,000 population in Great Lakes region; 5-year-period averages

	Chicago	Milwaukee	Detroit	Cleveland	Buffalo	Rochester	Hamilton	Toronto
1880–1884	67.8	34.4	[1] 54.0	67.2	[2] 53.0	34.0	-------	65.0
1885–1889	57.8	31.8	46.0	52.6	28.8	33.0	39.4	52.8
1890–1894	96.4	32.8	43.4	51.8	44.2	34.6	24.6	62.2
1895–1899	37.6	18.0	19.4	33.4	23.4	20.2	18.2	21.6
1900–1904	29.2	17.4	22.0	56.8	29.4	15.2	15.4	19.6
1905–1909	16.6	23.0	21.6	15.2	24.4	12.4	19.4	23.0
1910–1914	10.1	22.0	18.2	12.1	17.0	10.6	14.08	21.4
1915–1919	2.9	7.48	11.3	5.6	9.0	3.76	4.52	3.7
1920–1925	1.36	1.81	6.10	2.17	4.05	1.93	[3] 4.06	[3] 2.02

[1] Years 1880 and 1881 not included.
[2] Year 1880 not included.
[3] Year 1925 not included.

Mr. GLENN. Mr. President, Wisconsin and Ohio and Michigan all say they would be glad for Illinois to have this canal, for the Nation to have the canal, except that it is going to destroy their shipping, is going to ruin them; that the Federal Government, if it gives any water for this project or devotes any water to this project, will set them back, will destroy their great shipping industry. They say it is wrong for anybody to divert water to increase the flow from the Great Lakes, to divert water to lower the lake levels of Lake Michigan and these other lakes which are affected, Huron and Erie.

The facts are that Michigan and Ohio have diverted and are at this time diverting for their ship canals from Lake Michigan more water than Illinois has ever diverted from it.

Not so many years ago at Port Huron, Mich., opposite the Canadian port of Sarnia, where the Grand Trunk system crosses under a tunnel from the United States into Canada, they found that the harbor was too shallow; that large boats could not anchor; that they needed more of a channel so that the great tonnage could pass along and anchor, if need be, at Port Huron. What was done by these people who are now saying to Illinois that they can not take an inch of water a day, these friends of keeping the lake levels where they are? They just dredged and dredged and dredged and diverted and diverted and diverted until they lowered the level of Lake Michigan 6 inches, six times as much as we are allowed to divert under the Hughes decree, three or four times as much as we have ever asked to be authorized to divert for the purposes of this great Federal national waterway.

Then what was done by their neighbors, with whom the junior Senator from Wisconsin [Mr. BLAINE] is afraid we might get into war, although he said he did not think we would, speaking only of the possibility? They are going to war with the United States, possibly, because we are going to take an inch or two of water from Lake Michigan if the Congress says we may. With the cooperation of their neighbors in Michigan and Ohio and the Lake Carriers' Association, who are the ones who get all the benefit of it, and who are fighting us here, they opened the great Welland Canal.

Now a new one is being constructed, much larger, and what is the effect of the diversion upon the Great Lakes? Do you not think they ought to talk a little about all the diversions instead of just this diversion at Chicago, so we could all know the real truth and facts about the situation? Here are the facts about the effect on the lake levels in Lake Michigan, Lake Huron, and Lake Erie. The authorized diversions in the Chicago Sanitary District are 8,660 cubic feet per second; in the Welland Canal, 3,100 cubic feet per second; in the Black Rock Canal, 1,000 cubic feet per second; and there are changes in the St. Clair River outlet. Then there is a note to these figures:

NOTE.—Upon the opening of the new Welland Canal—

Which was built for the Lake Carriers' Association benefit. They are the ones who get the great benefit of it, those people who are financing largely the fight made here, those people whom Newton Baker represents with his law associates—

NOTE.—Upon the opening of the new Welland Canal the lowering of the level of Lake Erie will be increased 8.4 inches.

And yet the Senator from Wisconsin [Mr. BLAINE] fears war with Canada if Illinois diverts an inch or two of water. It is all right for them to take all they want and there is no fear of war; no army is seen on the horizon approaching across the boundary line attacking our cities when they take 8.4 inches of water, four times as much as we have ever asked to be taken for the purposes which we seek here.

The Black Rock Canal is another one of their projects, taking one-tenth of a foot, and there are changes in the St. Clair River which divides Canada and the United States at Detroit. What do the shipping interests of Michigan do there, and what do their neighbors do on the north, the Lake Carriers' Association, so much interested in fighting Illinois and the Middle West and South and Mississippi Valley? What do they do? By enlarging the outlet they lowered Lake Michigan three-tenths of a foot prior to 1908, and since that time, charging us with unlawfully and illegally taking water at the St. Clair River at Detroit they have doubled their diversion and are now taking six-tenths of a foot or 7.2 inches, or 1.2 inches more than Chicago ever took and three times as much as we could expect or ask to take for the purposes of this amendment.

Have we heard any threat of war because of that from the Senator from Michigan [Mr. VANDENBERG] or from the Senator from Ohio [Mr. MCCULLOCH], whose States benefited so largely by the lowering of Lake Erie? They took out there more water than we ever took or ever asked or even ever hoped to take. Not a word from them while they were doing that, but while we were trying to save the lives of the people of our city and the health of the whole country, quietly and silently they have cooperated to withdraw more water out of the St. Clair River than has ever been taken out of Lake Michigan by Chicago. There is sincerity! There is frankness! There is a broad, wise, statesmanlike vision with the whole country's progress and prosperity and well being kept in mind—and they are not through yet. They have scarcely yet begun. They say that an inch or two or three inches at Chicago will ruin them; that this great business which they have builded up through all the years will be destroyed; that the Lake Carriers' Association will be in bankruptcy and ships can no longer float along the majestic bosom of Lakes Huron, Ontario, and Erie.

Under this very bill there is provided $25,000,000, in round numbers, for what purpose? For dredging and ditching and improving the channels and harbors along their Great Lakes so that where now the Lake Carriers' Association can have ships with a draft of only 20 feet, when we have spent $25,000,000 of the people's money they can have vessels carried along their waterways with a draft of 23 or 24 feet, adding by this bill, by which they would deny us 1 or 2 inches of water at Chicago, from 36 to 48 inches for them on their Lakes, and all at the expense of the Federal Government. Yet they say, while they are getting from 36 to 48 inches greater draft and greater tonnage by this bill, that they will be destroyed if at the same time in the same bill the same Congress says to Illinois, "You can have 1 or 2 inches of that 36 or 48 inches for the purpose of a great waterway for all of the Nation." That is an unselfish, high, upstanding attitude for these opponents of ours to take.

Yesterday my colleague the senior Senator from Illinois [Mr. DENEEN] placed in the RECORD figures which were astounding, showing that these men were complaining that they would be destroyed by what the Federal Government proposes to do if the Commerce Committee provision were enacted, that they could not continue the commerce which they had built up. He showed how greatly increased is the number of the vessels which the Federal Government in its generous way, at the expense of all the people, including Illinois and including the Mississippi Valley States, has made possible by the construction of deeper channels along these Great Lakes of theirs. The river that flows toward the home of our distinguished friend from Michigan [Mr. VANDENBERG] was formerly almost a slough, but it has been dredged and ditched and improved by the Federal Government at Federal expense until now vessels of two or three or four times as great draft, carrying two or three or four times as much tonnage, can be operated there.

While they are objecting to the Federal Government taking an inch or two at Chicago, they did not object when the Federal Government improved the Duluth Harbor from 8.9 feet to 20 feet, or when the Federal Government improved the Ashland Harbor in Wisconsin. Why do they not think of the fact that the Federal Government has improved the harbor at Ashland, Wis., and the one at Menominee, Wis.? At the latter place the Government, which can not give us an inch or two of water, has given them an increased depth of 13 feet, increasing it from 5 feet to 18 feet. At Grand Haven, Mich., almost within a stone's throw of the home of the Senator from that State, who says it would not be constitutional or legal for the Federal Government to lower this lake 1 or 2 or 3 inches, because it would destroy their shipping—almost at his own home the Federal Government has already increased the capacity of the draft of the vessels from 9 or 12 feet to 18 feet.

Mr. BLAINE. Mr. President——

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

Mr. GLENN. I yield.

Mr. BLAINE. The Senator is now talking about a case on Lake Superior which is controlled by compensating works.

Mr. GLENN. I am referring to the Grand Haven Harbor, Mich. That is across the lake from Chicago.

Mr. BLAINE. I thought the Senator referred to Ashland.

Mr. GLENN. I did a while ago, but I have passed that. I am glad the matter of compensating works has been mentioned. I intended to refer to it later. One would think, to hear the opponents of the Commerce Committee provision speak, that there would be absolutely destroyed if an inch or 2 or 3 inches were taken at Chicago.

The Senator from Wisconsin [Mr. BLAINE] mentions compensating works. The bill provides for them. The bill provides an appropriation of money for compensating works which will more than take care of and offset all the water which possibly could be taken at Chicago, and more and more. I think the estimate is $3,400,000 at the utmost, which will raise these lakes a foot or more when they are needed to be raised. No one claims Chicago has ever taken more than 6 inches and under the provisions of the bill now no one asks ever to be allowed to take more than 3 or 4 inches, and perhaps not that much.

Another thing: It has been said that Canada would have to consent to the erection of compensating works. We have already had a joint commission consisting of three Canadians and three Americans, citizens of this country, to study the question of lake levels and to study the question of the construction of compensating works, to take care of the diversion of the water of the Lakes. This commission has found it feasible and practicable and recommended that they be constructed. Further than that, but our opponents did not tell this either, as a result of this study and investigation the Federal Government required the Sanitary District of Chicago to pay whatever finally and ultimately was found to be its proper and proportionate share of the cost of these compensating works, to take care of all the diversion that may ever happen at Chicago.

Further than that, Chicago has posted for that purpose bond of a surety company for $1,000,000 to guarantee the payment of its share of the cost of increasing the levels of the Lakes, so that no possible injury can come to any city on any of these lakes, and these men know it.

The trouble with this matter is that there are too many lawyers involved; there are too many rich fees in it; there is too much litigation in it. It has been going on for 20 years, and as my friend the Senator from Michigan [Mr. VANDENBERG] said on yesterday, describing one of those lawyers, "He has had a large rôle in this matter," and I say that he wants another one or two before it is settled in the interest of the country.

The report of the joint commission, which is not guesswork, shows that the lake interests can not be damaged; and if they have studied this question, as I presume they have, they know that Chicago is bound to build compensating works which will guarantee that not a single fraction of an inch of water will be lost to them, although, on the other hand, Illinois has contributed 15 or 16 per cent of the untold millions of dollars which the Government has spent in doubling and trebling the capacity of their waterways and their harbors. The draft of the harbor at the home of the Senator from Michigan has been increased from 9 feet to 18 feet, 108 inches, all at Federal expense. Yet lake interests have come here and have cried out to this body that they are going to be destroyed if Chicago shall be allowed to take an inch or two of that water, as they will then have only 106 inches instead of 108 inches.

The harbors, the canals, and the other waterways on Lakes Erie, Ontario, Huron, and Superior take everything from the Federal Government. Let Illinois with her great wealth contribute her lavish share in order to double the capacity and draft of these ships which can sail the lakes, but not a drop of water shall be taken for the Mississippi Valley and the South and the Northwest whence the Missouri flows on its way to join the Mississippi north of St. Louis. Oh, no; not a drop.

I want to refer briefly to the treaty provisions, and to the suggested prospective war with Canada, over the couple of inches of water it is proposed to allow Chicago. Senators are aware that we have a treaty with Canada. It was studied pretty well by a good man. Some people do not agree with his ideas upon the League of Nations or the World Court, but I think he is a pretty good lawyer. I refer to Elihu Root, who was then looking after our interests in the negotiation of the treaty with Canada. This is what he found. Some Senators seem to be afraid that we are going to be embroiled with Canada. I do not know why we should be, because Canada now is getting 16,000 cubic feet per second more than we are by way of diversion at Niagara Falls.

The United States members of the International Waterways Commission, created by Congress June 13, 1902, who reported as to the action which was desirable in order to prevent further depletion of water from Niagara Falls, recommended, as a step in the direction of obtaining mutual agreement between the two countries, that legislation be enacted containing, among others, the provision that the Secretary of War be authorized to grant permits for the diversion of 28,500 cubic feet per second, and no more, from the waters naturally tributary to Niagara Falls.

In passing, let me call this thought to the attention of the Senate: Senators will remember the outrage that a Senator from Ohio [Mr. MCCULLOCH], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. BLAINE] thought would be perpetrated if the Secretary of War were allowed to have control of the diversion of water; but in this instance an international commission, headed by perhaps the greatest lawyer who has lived in America during the last 50 years—Mr. Elihu Root—recommended that the Secretary of War be placed in charge of the diversion of water at Niagara Falls. Of course, that was for the benefit of Ohio and some other States. While it was all right then for the Secretary of War to have authority to control the diversion of water, it is altogether wrong now, and the Constitution may be destroyed and the Nation jeopardized if the Secretary of War shall be allowed to have any control of the amount of diversion of water at Chicago. I prefer to accept the legal views and the legal judgment of the man who served in so many distinguished capacities not only in private and professional but also in official life—Mr. Elihu Root—who believes that the Secretary of War is the proper official to control the matter of diversion.

The commission recommended that they be allowed permits for the diversion of 28,500 cubic feet per second, and no more, from the waters naturally tributary to Niagara Falls, distributed as follows:

	Cubic feet
Niagara Falls Hydraulic Power & Manufacturing Co	9,500
Niagara Falls Power Co	8,600
Erie Canal, or its tenants (in addition to lock service)	400
Chicago Drainage Canal	10,000
Total	28,500

That is what Mr. Root recommended; that is what the international commission recommended, and under that recommendation the power companies at Niagara on the American side get 17,000 or 18,000 feet, while Chicago is allowed but 10,000 feet, all of which, as I understand, she has never appropriated. That amount is now to be cut down to 1,500 cubic feet, or about one-sixth of the amount the power companies are allowed to divide at Niagara Falls. It is astounding and surprising to find allied in this fight, perhaps unknowingly and unwittingly, upon the side of the Power Trust, so called, those great progressive Senators who have almost daily, session after session, year after year, inveighed against the Power Trust. I refer to the Senators from Wisconsin [Mr. LA FOLLETTE] and [Mr. BLAINE], who are now joined in a common cause in behalf of this arch enemy of Americanism.

In a report to their Government on April 25, 1906, the Canadian members of this commission recommended that a treaty should be negotiated between the United States and Great Britain, and, with respect to the diversions from the Niagara River, the commission was of opinion that not more than 36,000 cubic feet seconds should be allowed on the Canadian side, and on the American side to the extent of 18,500 cubic feet seconds, exclusive of the amount required for domestic uses; and it was said that while this would give an apparent advantage to the Canadian interests, it was "more than counterbalanced by the complete diversion of 10,000 cubic feet by way of the Chicago drainage canal to the Mississippi River." The report stated that the Chicago diversion should be limited to that amount. The representatives of Canada signed the report recommending that Chicago be allowed 10,000 feet, and that was agreeable to Canada. Now those on the opposite side of this question think we may have war with Canada if the United States shall be allowed to divert in the neighborhood of 20,000 feet, while Canada is allowed to divert 36,000 cubic feet per second at Niagara Falls. I really do not think there is much danger of any war occurring.

Under the report of the joint commission it was provided:

> That the diversion of water from the Niagara River or its tributaries in the State of New York is hereby prohibited except with the consent of the Secretary of War.

It was all right then for the Secretary of War to exercise the authority; at that time the Secretary of War was the proper official to control the diversion; he is not at all to be trusted now; it will not do to trust him now; the authority should be taken away from him and left in the Congress. He has been exercising such power ever since this country was established; he has been trusted with it; he is trusted now to administer such questions in the case of all waterway projects. From Maine to California, all down the Ohio River he is the official who is in charge of waterways. It is all right, so far as Ohio is concerned, that he should have charge when the United States Government was spending $146,000,000 of Federal money for a waterway in which Ohio was interested. Then it was all right; he was a good man; and Ohio made no objection. But when we want a drop of water at Chicago it is a surrender of constitutional authority to allow the authority to be reposed in the Secretary of War. After receiving the benefit of $146,000,000, Ohio is here complaining about a waterway for Chicago. It seems to me those who are representing that State are in a poor position to complain. We have at Federal expense doubled the capacity of their lake harbors and channels so that boats can carry enormously increased amounts of tonnage, and that has been done at the cost of untold millions of dollars, to which Chicago and Illinois have contributed their share, as have all the other States of the Mississippi Valley. But Ohio is now crying out against the proposal in the pending bill which Illi-

nois and the Middle West and the Mississippi Valley want involving a waterway of vast potentialities, and yet for Ohio there has been completed, at Federal expense, a waterway from Pittsburgh to the Mississippi River so that the products of Ohio steel mills, especially, may profit by the low freight on the barges. We, who did our share without objection to make possible the completion of that project along Ohio's entire southern border, and on which the Government spent $146,000,000 are told, No, no, not a drop of water can Chicago or the Mississippi Valley have—not a drop. Is that justice and equity and fair dealing between sections and States of this country?

Of course, they do not want a waterway from Chicago. They do not want the great and growing steel industry of Gary and of south Chicago and of Calumet to compete upon an even footing along a Federal-owned waterway with the steel mills of Pittsburgh, which ship their freight down to the Gulf and through the Panama Canal into every port of every nation of the world as a result of the expenditure by the Federal Government of $146,000,000 of its money. We have already spent $90,000,000 of our own money and we only ask seven and a half million dollars of the Federal Government in order to complete the project.

Now, Mr. President, let us see what the Blaine amendment would do. At this stage of the debate I desire to compare the respective provisions of the amendment reported by the Commerce Committee of the Senate with those of the so-called Blaine amendment so that the Senate may see just how liberal the proponents of that amendment are with us.

This is what all the dispute here is about. The Commerce Committee provided as follows:

Illinois River, Ill., in accordance with the report of Maj. Gen. Lytle Brown, Chief of Engineers, submitted in Senate Document No. 126, Seventy-first Congress, second session, and subject to the conditions set forth in his report in said document: *Provided*, That the diversion of water from Lake Michigan shall be so controlled by the Secretary of War under the supervision of the Chief of Engineers, as to meet the needs of a commercially useful waterway as defined in said Senate document, from Lake Michigan to the Mississippi River.

The diversion is to be so controlled by the Secretary of War, with the advice of the Chief of Engineers—neither one of whom, I believe, happens to be from Illinois—

As to meet the needs of a commercially useful waterway, * * * and to conserve fully existing interests of navigation on the Great Lakes.

What is wrong with that?

The Secretary of War is to operate this waterway. Illinois is to convey all its interest, and the sanitary district is to convey all the interest which it has acquired in this waterway through its expenditure of more than $90,000,000 and more than 20 years of time and effort, to the Government of the United States and say, "Take this waterway. Take our $90,000,000 and use it as you see fit. All we want is that it shall be a waterway, and not a dry ditch—that is all. That is all we want. We have no desire for more water there than will be required to operate it."

Why should we? And why can not the Federal Government be trusted to operate its own property? What other piece of property is there in all America that the American Government owns that it is not allowed to control itself, through its authorized and delegated officers? We only ask that the Secretary of War, with the advice of the Chief of Engineers, be allowed to operate this Federal waterway which we will convey to the United States, with no strings attached to it, in its own way, for the good of all the country.

That does not satisfy them; but with this limitation—

And to conserve fully existing interests of navigation on the Great Lakes.

How can they be damaged with that provision—fully conserved, protected, maintained, not damaged, not injured, not destroyed? It could not be done. With the compensating works which he is authorized and directed to build, and the money appropriated here for building them from Illinois itself, there is no possibility, much less a probability, of damage.

But what do they want? Not satisfied with that provision, they want this: The amendment of the Senator from Wisconsin [Mr. BLAINE] provides:

Illinois River, Ill., in accordance with the report of the Chief of Engineers, submitted in Senate Document No. 126, Seventy-first Congress, second session, and subject to the conditions set forth in his report in said document, but the said project shall be so constructed as to require the smallest flow of water with which said project can be practically accomplished—

No one objects to that. We assume, of course, that the Federal Government will so operate the waterway. We do not object to a provision of that kind—

in the development of a commercially useful waterway: *Provided*, That there is hereby authorized to be appropriated for this project a sum not to exceed $7,000,000: *Provided further*—

At this point in the amendment in theory we have the waterway all constructed, the money appropriated, and the construction provided for; but, unfortunately, the science of navigation has not yet reached the point where a waterway can be successfully navigated without water, so we think we should have some provision for water.

The amendment of the Senator from Wisconsin provides that the water authorized at Lockport under this decree in the Sanitary District case which we have mentioned—I will not read his exact language, but that is what it means; it is a lengthy amendment:

Is hereby authorized to be used for the navigation of said waterway.

We already have that, you know. This does not give us a drop of water—not a drop. As to the water which under the decree of the Supreme Court in the Sanitary District case is going to flow down that sanitary district, down this canal, going to flow down there anyway, the amendment simply says that after having expended $20,000,000 and 20 years of work we do not have to just sit there idly and watch the stream and watch the water flow by and drift along. No; out of the fullness of their hearts they would allow us to use the water that is already there, that is going to go out of Lake Michigan anyway—generous, is it not?—but not a single drop for the waterway purpose itself; not a drop, not a pint, not a gill, not a drop, only the rare, kind, generous privilege to use on our waterway the water that we are already entitled to by the Hughes decree. That is all they allow us to use—nothing else; not a drop. While we give them 9 and 8 and 12 and 14 feet additional in all their harbors, or many of their harbors at least, while they take thousands and thousands and thousands of cubic feet per second at Niagara, thousands and thousands and thousands of cubic feet per second along the Michigan waterway, in the St. Clair River, and in the river at Port Huron, not a drop for Illinois or for the Middle West for navigation purposes—not a drop.

Is that the fair, broad-minded, generous treatment that one neighboring State should accord another?

Well, we go along. The Senator from Michigan [Mr. VANDENBERG] says there will be no crisis until 1938. Well, there will not be much of any waterway before then. You can see this on the map. Here is the waterway from Chicago down to the Mississippi River at Grafton, just above Alton, Ill., a short distance above St. Louis and East St. Louis. You have heard about the Hughes decree. They say that we are bound by the Hughes decree; but Mr. Hughes said differently. He said that under the issues in the lawsuit the question of navigation along the Illinois waterway could not be determined by him. He said it in so many words. I will read the exact language in a moment. I will show you what the Hughes decree decided and what it affects, and nothing else. It affects this little part in red from Lake Michigan over to this point, the navigable part of the Chicago River, a distance of 6 miles, out of the entire distance clear down to the Mississippi River of some 327 miles; and yet they say we are bound by the Hughes decree!

Mr. Hughes says no; we are not bound by it. They say this, too: These eminent lawyers and laymen who have spoken in opposition to Illinois and the Middle West having a single drop of water for navigation purposes for this deep waterway say that there is a watershed up here—about here it is, 10 miles from Chicago—and that water can not be taken from one watershed to another; that this water runs this way, and shall run that way forever; that it never can be made to run this way, regardless of the growing needs of a growing and a changing country in a changing world. They say that is a constitutional objection; that we can not take a drop from one watershed to another. But Mr. Hughes, the special master and now the Chief Justice of the United States, does not agree with them. He says that it can be taken, when in the wisdom of Congress and the judgment of Congress it is best for the country at large to change the flow from one watershed to another; that there is no constitutional objection to it.

Why should there be? With this great and growing Nation of ours, with a population changing, shifting day by day and year by year as conditions change, as they change all over the world, is it right that we should be bound by geographical locations here, put there thousands, yes, millions of years ago, before a living person inhabited the earth?

Divert water from one watershed to another? I think I am right, and if I am incorrect the Senator from California [Mr. JOHNSON] will correct me, when I say that we did that not long ago in our Boulder Dam provision. That is my understanding. I may be incorrect. The Senator does not seem positive. I do know that we took water from a point away up here in one State away down and back over into California, to be emptied out finally, I judge, into the Pacific Ocean—water which, I think, came from one watershed to another.

Chief Justice Hughes says it can be done. I should like to read the language upon that point of the special master in this case, to show you that he differs from the distinguished lawyers who have spoken here in the last day or two, when they state that it is unconstitutional to divert water from one watershed to another. I will find the language in a moment; but that is the position which he took. It has been done before in different sections of the country. I think it was even done once in Wisconsin. That is my impression and my rather distinct recollection. I think it was done down in the Carolinas, too. And remember, as I stated here heretofore, that Illinois is asking, to complete this project only seven and one-half million dollars. Remember when we appropriated Federal money and took over from private parties, and reimbursed them for their expenditure, the Cape Cod Canal not long ago. That was done. We are not asking to be reimbursed. We are not asking anything of that kind at all. For the $20,000,000 of bonds which were authorized and voted when the senior Senator from Illinois [Mr. DENEEN] was Governor of Illinois, and which Illinois has devoted to this purpose, we ask nothing. For the $90,000,000 which has been expended by the sanitary district in building this canal we ask nothing. We ask only that for the completion of this second link in red—all the rest of this has been completed—this second link in red, from Utica to Lockport, that the Federal Government devote seven and one-half million dollars. That is all. Then, at that dam at Lockport, you may not realize the work that has been done by the State of Illinois and by the sanitary district upon this great project. There is a lock there which is greater than any lock at any canal or any place else in all the world—greater than the locks in the Panama Canal. The entire work on this project is more than 90 per cent completed; and if Congress will vote this money and allow the Secretary of War, with the advice of the Chief of Engineers, to take such water as may be needed to operate that project in the interest of all the people, we will have a great waterway there in line with the dreams and the visions and the aspirations of thoughtful-minded, clear-thinking people for two or three centuries who have visited this site.

The first engineer sent by the Government to inspect this site and decide upon the location for this canal was sent many, many years ago in the person of one Jefferson Davis. He decided that this was the place for the canal connecting the Great Lakes finally with the Gulf of Mexico. We want the opportunity for the Great Lakes, for Chicago, for Illinois, for Missouri, for Iowa, for Kentucky, for all these other States to use this waterway for their commerce.

When this seaway comes in down the St. Lawrence River we want to have an opportunity given to the people of our State, to the people of Missouri, of Tennessee, and of Arkansas, and of all the other States tributary to this great inland waterway system, to share in the benefits of the ocean-bound traffic.

We want, too, to have a chance to get some advantage from the money which we have spent, upwards of $100,000,000, so that our barges, with our freight, can go up the Ohio River to the cities on that river, and down the river to the Gulf, and that we be not prevented by this theoretical situation from obtaining a fair share of the benefits of the development of this great waterway system on the Ohio River, to which we have so generously contributed our fair share.

We want to meet the steel organization on equal terms, the "Pittsburgh plus" plan, which throttled us in the Middle West for these many years, which has been finally abolished. We want the opportunity to meet them on a fair business basis, not to be hampered by excessive freight rates, but to compete on a fair rate basis with the steel mills of the Pittsburgh district. That is what we ask—fair treatment, fair dealing between all the people.

What does the Chief Justice of the Supreme Court of the United States say about this little watershed out 10 miles from Chicago, which it is said forever bars the development of this waterway? He knows what he is talking about. He studied the thing day by day and month by month; he heard the evidence of scores and scores of witnesses, with his keen, critical, and analytical mind, with his fair and impartial judgment, with his almost unparalleled knowledge of the law. Does he agree with the Senator from Michigan [Mr. VANDENBERG] or the Senator from Wisconsin [Mr. BLAINE] or the Senator from Ohio [Mr. MCCULLOCH]?

I understood the Senator from Ohio and the Senator from Wisconsin to say yesterday that it is an unconstitutional exercise of power to cross that little watershed there at Chicago, 10 miles west of the city, which is not effective, of course, in time of flood, and never has been. It was traversed in seasons of high water by the canoes of the natives, and by the barges of the settlers in the early days.

I think the Chief Justice knows something about this thing. I really believe he knows more than these other gentlemen. At least, I believe he is in a position to have a more impartial, unbiased judgment as a lawyer. What does he say? I quote:

> It is contended that it is beyond the power of Congress to authorize the transfer of water of Lake Michigan from the Great Lakes-St. Lawrence watershed to the Mississippi watershed.

That was what was contended here yesterday at length by these distinguished gentlemen.

> There is no such limitation in the grant to Congress to regulate interstate and foreign commerce. The power to control navigation, comprehended within that commerce, is a national power, and for the purposes of this control navigable waters are the public property of the Nation.

That is the point in this whole controversy. It is claimed that the public waters bordering the State of Michigan, the State of Ohio, and the State of Wisconsin are the property of those States, but the Chief Justice says that they are the property of the Nation. He cites Gilman against Philadelphia, reported in Third Wallace, and says:

> And subject to such restraint as Congress may deem expedient from a national point of view.

Not from the point of view of Ohio, of Illinois, of Wisconsin, of Michigan, but from a national point of view, looking the whole country over in a comprehensive study of the whole situation, and of the effect of the proposed legislation upon the people as a whole, with a mind broad enough to realize that, after all, we are one people, and not separate nations, in Michigan, Wisconsin, Illinois, and Ohio.

> Not limited by the interests of any particular port, harbor, State or States, watershed, or any territorial division within the national jurisdiction.

That is what the Chief Justice of the United States says in answer to the contentions made yesterday by these gentlemen, and made heretofore in this litigation. Justice Hughes says that the national interest is not subject to any port or any harbor or any river or any watershed.

The Chief Justice quotes Chief Justice Marshall, citing the case:

> If as has always been understood, the sovereignty of Congress, though limited to specified objects, is plenary as to those objects, the power over commerce with foreign nations, and among the several States, is vested in Congress as absolutely as it would be in a single government, having in its constitution the same restrictions on the exercise of the power as are found in the Constitution of the United States. The wisdom and the discretion of Congress, their identity with the people, and the influence which their constituents possess at elections are, in this, as in many other instances, as that, for example, of declaring war, the sole restraints on which they have relied, to secure them from its abuse. They are the restraints on which the people must often rely solely in all representative governments.

Then he goes on to say:

> If Congress decided that it was in the interest of the country as a whole to open and improve a waterway from Lake Michigan to the Mississippi River and the Gulf of Mexico, and for that purpose diverted water from Lake Michigan to the Mississippi watershed, there would seem to be no constitutional difficulty so far as the diversion is concerned. Its practicability, its amount, the effect on the Great Lakes-St. Lawrence watershed, and on the States bordering on the Great Lakes, the question where the balance of national interest lay after appropriate appraisal of all local interest and of international relations would be matters for the consideration of Congress exercising the sovereign power of the Nation in determining national policy.

I hope we will hear no more of this objection raised by these men that it would be unconstitutional for the Congress to authorize the diversion of one watershed to another.

The statement to which I refer as having been made yesterday to the contrary is as follows. I quote from the statement made by my distinguished colleague the Senator from Wisconsin [Mr. BLAINE] on the 17th instant in this debate:

> It is the contention of the Great Lakes States, or at least five of them, that under the Constitution, and under the provisions of the ordi-

nance of the Northwest Territory, there can be no diversion by Congress; that the Constitution and ordinance of the Northwest Territory, which is a part of the Constitution for the protection of those States carved out of the Northwest Territory, forbid the establishment of a waterway by artificial means (id. 11389).

The present Chief Justice of the Supreme Court of the United States, the special master, who devoted long and weary months to the study of this problem, has answered the contention of the distinguished Senator from Wisconsin.

I presume there may be people here who have not traveled through the Middle West recently, who have not seen Lake Erie or Lake Huron or Lake Ontario or Lake Michigan or Lake Superior, who would think, from the outcry raised here, that there was some great and pressing necessity or danger, forgetting all about compensating works, all about the great benefits and the increased draft which we have accorded those other States in their waterways and their harbors.

The fact is that we are suffering now in all of those lakes, not from too little but from too much water. I was out in Chicago the other day, and I saw that owing to the high water of the last two or three years, the last two years particularly, as a result of the storms of last winter, great walks and boulevards for miles were washed out by the high waters of Lake Michigan, the foundations of apartment buildings erected adjoining the lake in Chicago were undermined by the high waters of Lake Michigan.

I happen to live, in the summer time, and have for the last 10 years, in Michigan, directly on the shore of Lake Michigan, closer to the lake than from here to the wall of the Senate Chamber, 75 feet at most. I have just received a letter from my people, who are at my summer home now, saying that the lake is so high and has been so high that the bank has been washed out, and it is not at all unlikely that, owing to the excessive amount of water in Lake Michigan, our house will sooner or later fall into the lake.

The same thing applies all along the lake shore in Wisconsin, Illinois, Indiana, and Michigan. Last summer I drove all the way from Chicago to the northern end of Lake Michigan, to Mackinac, and I saw where the highway department had run in there great trucks loaded with gravel to build up the highways along that lake, where the little inlets and bays came in, so that the high water of the lake would not prevent automobile travel along those highways. If it had not been for this inch or two or three which Chicago so foully stole from Lake Michigan, I do not know what would have been the result there upon the State of Michigan! The ships traveling to those ports would have had to change their landing and loading facilities and build new docks at places because the lake is so high and on account of changing conditions there.

It is said that there is a changing cycle, that in the next 10 or 15 or 20 or 30 years the lake may be lower. Yes; it may be lower within 10 years, or it may be higher within 10 years, but it is very evident that no damage will be done in the meantime to lake shipping at any of those ports.

What do the lake captains say about this situation? I read from what one of them said the 1st day of last September:

Captains of Great Lakes vessels yesterday joined in exploding the myth that Chicago's drainage diversion has been emptying the Great Lakes.

Enjoying the highest lake levels in many years, with never a fear of going aground in the harbors, the masters of the big lake liners scouted the opposition to the diversion.

Low water means distress, delay, and danger to these men and their vessels. But three of the veterans in lake service, demanding the largest passenger boats, declared yesterday it is ridiculous to blame the Chicago diversion for low levels. They all pointed to charts indicating the regular stages of rise and fall on the Lakes and spoke of the rainfall, dry spells, and winds which drive away clouds formed over the basin of the Great Lakes and other causes for the fluctuations in levels.

TELL OF HIGH-WATER DAMAGE

All the masters spoke of the changes made necessary on docks due to the present high water. They told of submerged boathouses, parks, and lawns and beaches along the shores they visited.

Capt. A. C. Anderson, master of the *South American*, who has sailed the Great Lakes for 32 years and who lives in the wintertime in Holland, Mich., said the damage done by the high water in the St. Clair River between Lake Huron and Lake Erie is plainly discernible from the bridge of his ship. The *South American* cruises in Lake Michigan, Lake Huron, Georgian Bay, and Lake Erie.

"Along the Canadian side of the St. Clair River the shore has been washed away, destroying roads and beaches," Captain Anderson said. "The new settlements on the American side near Lake St. Clair have also been damaged by the high water. What two years ago were beautiful lawns and beaches are now several feet under water."

These men want to raise the water on these beaches and on these lawns and put it into the floors of these cottages.

"Levels rise and fall. In seven years they will be down again. We seamen don't put any stock in the charge that Chicago was responsible for low levels. The water taken here has done no damage. Certain as we are that we want high water to cruise in, we believe that petty politics has entered into the quarrel with Chicago."

BLAMES CANADIAN DREDGING

Capt. George E. Johnson—

I have known him for many years and made many trips across the lake with him from Chicago to Manistee, Mich.—

Capt. George E. Johnson, of the steamer *Manitou*, which cruises along the eastern shore of Lake Michigan up to Sault Ste. Marie, said: "Lake men have all given up the idea that Chicago is responsible for low levels." He mentioned that dredging in the St. Clair River by the Canadian Government and the deepening of the channel in the Detroit River contributed largely to lowering of the levels.

"But the weather conditions govern the levels almost entirely," Captain Johnson said. "Just now the Lakes are up. We can sail our ships right into harbors without difficulty. At Petoskey, where we often struck bottom in the low days of 1926, we cruise right into the docks now without a thought of the bottom.

"Many dock changes have been made necessary by the present high levels. In loading automobiles aboard the *Manitou* we used to run them down hill into the ship. When the Lakes began to go up the cars had to be run up hill, and now the gangplank would be so steep that we have had to build additional ramps, and in some cases have had to rebuild docks."

CAPTAIN URGES COOPERATION

Capt. W. J. Petroskey, master of the *Puritan*, has sailed the Great Lakes since he was 12 years old and he has seen the Lakes rise and fall several times. His course is about the same as that taken by the *Manitou*.

"Heavy rains and long winters have raised the Lakes to the present high levels," Captain Petroskey said. "Instead of quarreling over the Chicago diversion, which is of little importance in maintaining levels, the Great Lakes States should get together and put through plans for regulating the levels constantly, by means of movable dams. This would provide constant levels, which is the best thing for navigation."

Remember, Chicago has posted $1,000,000 now for the purpose of building these compensating works.

Capt. Robert R. Ware, of Charlevoix, Mich., who has cruised over the Lakes for 30 years, said:

"The statement that the Chicago Drainage Canal is lowering the lake levels is a huge joke, offered by jealous eastern capital and railroads to keep Chicago from cutting off their profits. The grounds of the Belvedere Club, in Charlevoix, afford a good example of what high water is doing to us now.

"Boathouses and docks are all under water. The Pere Marquette Railroad had to build a new trestle, loading the top down with gravel to hold the timbers down. The shore line has receded into what used to be beautiful lawns and parkways."

They had to rebuild their docks, their lawns were destroyed, and their boats gone, and yet here they are crying out that Illinois is damaging them and will make them suffer further if we are allowed to take an inch or 2 or 3 inches of this abundant water. What would have happened to them if the lake had been higher than it has been in the last two or three years I am unable to tell.

What is back of the whole fight? The junior Senator from Ohio [Mr. McCulloch] yesterday respectfully suggested that the real motive back of the thing was to avoid the provisions of the Supreme Court decree, which specifically says it has nothing to do with the navigation of the waterway. We, on the other hand, believe that, whether or not these men know it, they are being used in the interest of increased diversion for power at Niagara Falls by this great organization owned in America largely, operating in America and on the Canadian side under almost identical conditions as to labor and costs and all, except taxation, charging, so I understand from statements made here authoritatively on the floor of the Senate, two or three times as much or more for the power they sell in the United States as they get for the power they sell in Canada.

This is not a new subject either. This question came up a long while ago. When the question of diversion was before the Senate it was discussed by the then Senator from Michigan, William Alden Smith, the predecessor, I believe, and a former business associate of the present junior Senator from Michigan [Mr. Vandenberg], who is so active in this fight. Questions

were asked and statements were made. I read Senator William Alden Smith's statement about it then, as follows:

In other words, I must sit by and fold my hands and say amen when a valuable river is being used for sanitary purposes, and I must not say a word if at the same moment there is capacity enough there of the utmost advantage to my State for power purposes. Power purposes are private. I think they are so private that the Federal Government if it acquired every foot of this soil, every foot of this riparian land under false pretenses that it needed it for navigation purposes, when it does not actually take 1 per cent of the flow for navigation purposes, I think I would be guilty of a crime to my people if I permitted the Federal Government to come in there and acquire all that land, and then have their hands tied under the Constitution from making power and vending it to the neighboring territory in the State of Michigan.

I hope the Senator from Nebraska [Mr. NORRIS] will listen to this, because I know he is an authority on this subject. This is a statement made by former Senator William Alden Smith a long time ago when the question of whether this diversion of water should be allowed for navigation or for power purposes. Former Senator Smith said:

Power purposes are private. I think they are so private that the Federal Government, if it acquired every foot of this soil, every foot of this riparian land under false pretenses that it needed it for navigation purposes, when it does not actually take 1 per cent of the flow for navigation purposes, I think I would be guilty of a crime to my people if I permitted the Federal Government to come in there and acquire all that land, and then have their hands tied under the Constitution from making power and vending it to the neighboring territory in the State of Michigan. I am not going to permit shackles to be put upon the tremendous power there which may inure to the advantage and benefit of our people for all time to come if I can prevent it. I am going to be very courteous about it and do not mean to be anything else.

Then former Senator Lodge asked him this question:

Do you think that the United States, if it acquired that land, would be prohibited from vending power?

Senator SMITH. I do.

Senator LODGE. Do I understand you to claim that the use for power ought to precede the use for domestic and sanitary purposes?

He first said the Government could not use it for power. Former Senator Lodge wanted to know whether he believed the rights of the power company should precede the rights to health and life of the people who live along this great inland waterway system. Senator Lodge said:

Do I understand you to claim that the use for power ought to precede the use for domestic and sanitary purposes?

Senator SMITH. I hardly want to say that as a Senator, but as a representative of the State of Michigan I feel that it is so valuable that I would be almost willing to let it precede sanitation, which after all can be carried back to the soil.

Take it and turn it over! That has been the policy of the Senators, from Michigan for lo, these many years. Former Senator Smith stated that policy and is followed by Senator VANDENBERG, his successor in office and his former close business associate, who, whether knowingly or not, is being used for the same end. Health subservient to power! The power company should have rights prior to the rights of the men thirsty along the lake at Chicago or Milwaukee or Grand Haven who might want to take a cup of water for a drink or some water to wash their faces and hands.

Mr. NORRIS. Mr. President——

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

Mr. GLENN. I yield.

Mr. NORRIS. I would not interrupt the Senator if he had not referred to me, but since he has I do not want any misunderstanding about it. I am not objecting at all to his reference to me.

Mr. GLENN. I tried to refer to the Senator in the most courteous way.

Mr. NORRIS. The Senator did, and I accept it in that light. But in order that there may be no misunderstanding I want the Senator to know, and the world to know, so far as that is concerned, that I have never advocated and do not now advocate that the use of water for power purposes is superior to its use for domestic purposes or sanitation. I do not believe in that doctrine nor do those whom I have represented. All that I have tried to do in the power world has been always to concede, and, of course, I always will concede, that the use of water for domestic and sanitation purposes is superior to the use of water for power purposes.

Mr. GLENN. While I have never heard the Senator state his position on that point, yet I felt absolutely certain he would take that position and that he would recognize, of course, that the right of the people to take out of the waterways, the lakes and streams of the Nation, water to slake their thirst, to bathe their bodies, or to cook their food would be superior to the right of any organization to take it for power purposes.

Mr. NORRIS. If the Senator will further permit me, I will say that in my judgment—and, so far as I know, it is the prevailing opinion of those who have studied the question—the use of water for irrigation is a superior use to that for power. If there were a conflict between the use of water for irrigation and the use of water for power and no vested rights were involved, I should unhesitatingly say that the use of water for irrigation is a superior right.

Mr. GLENN. While I do not come from an irrigation State and have given no thought to that particular branch of the waterway subject, I believe the idea of the Senator from Nebraska is sound. I think it is entirely harmonious with the views expressed by the Joint Waterway Commission of Canada and the United States. I think there was set up in the treaty the order in which the uses of the water should be granted; that is, the priority of the uses to which water was to be put.

Mr. NORRIS. Of course, the Senator will realize that oftentimes in litigation over the use of water, when a priority is claimed for one use or another, sometimes vested rights intervene. For instance, some one under the law had taken water, let us say, for power purposes and some one else wanted to use it for some superior purpose. They would have the right to use it for that superior purpose; but in a case of that kind they would have to pay the damages, if any, that might accrue to the man who had been using it for some other purpose. That situation might arise, and sometimes does arise. Ordinarily I think the use of water for domestic purposes is regarded as such a superior right that it can not be taken away for any other use. It is subject to the rights of the people for that use.

Mr. GLENN. I, of course, understand that compensation might in some cases fairly be awarded and paid to those who have vested rights.

Referring to the treaty which I had in mind, I invite the attention of the Senator from Nebraska to a provision in article 8. It is in the report of the International Joint Commission on Waterways between Canada and the United States.

Directly in line with our discussion a moment ago, I desire to call the attention of the Senator from Nebraska to the provision of the treaty which seems to be in line with his views and mine. I refer to Article VIII of the treaty between the United Kingdom and the United States of America relating to boundary waters, and questions arising along the boundary between the United States and Canada, signed at Washington, January 11, 1909. Article VIII defines the order of precedence to be observed and provides:

The following order of precedence shall be observed among the various uses enumerated hereinafter for these waters, and no use shall be permitted which tends materially to conflict with or restrain any other use which is given preference over it in this order of precedence:

1. Uses for domestic and sanitary purposes.
2. Uses for navigation, including the service of canals for the purposes of navigation.
3. Uses for power and for irrigation purposes.

This order of precedence recognizes the supreme importance of public health. All other uses are put aside so far as they conflict with the paramount requirement of the uses for domestic and sanitary purposes. Domestic and sanitary purposes, therefore, come first; navigation comes second; and power and irrigation last.

That it was the intention of the members of the International Waterways Commission when they reached an agreement between Canada and the United States to protect the diversion at Chicago appears from the recommendations of the joint commission and by its report of March 3, 1906, when it made the following recommendation as to the uses:

3. The commission, therefore, recommended that such diversions, exclusive of water required for domestic use or the service of locks in navigation canals, be limited on the Canadian side to 36,000 cubic feet per second, and on the United States side to 18,500 cubic feet per second (and in addition thereto a diversion for sanitary purposes not to exceed 10,000 cubic feet per second be authorized for the Chicago Drainage Canal), and that a treaty or legislation be had limiting these diversions to the quantities mentioned.

Congress, on June 29, 1906, passed the Niagara Falls act (34 Stat. 626) providing, in section 1, as follows:

That the diversion of water from Niagara River or its tributaries, in the State of New York, is hereby prohibited, except with the consent of the Secretary of War as hereinafter authorized in section 2 of this act: *Provided*, That this prohibition shall not be interpreted as

forbidding the diversion of the waters of the Great Lakes or of Niagara River for sanitary or domestic purposes, or for navigation, the amount of which may be fixed from time to time by the Congress of the United States or by the Secretary of War of the United States under its direction.

Senator Lodge, on reporting to the Senate the action of the conference committee and replying to Senator Hopkins, said:

Mr. LODGE. Mr. President, I had supposed that the Senator from Illinois, Mr. Hopkins, realizes that the report of this bill in its present condition would not in any way endanger the rights of Chicago to have water from the lake. Certainly I should have adhered to the amendment if I had thought that the drainage canal of Chicago would have been in any way endangered by the commission. The House would not accept this amendment. It is attached to a clause which requests the President to enter upon negotiations. It, of course, is merely advisory * * *. The result of putting on this clause beforehand would have been to have made any negotiations impossible. No country would enter into negotiations with a limitation on the other side like that.

The first section of the bill protects the rights of Chicago. No treaty would be made by our commissioners which would impair or infringe those rights.

* * * * * * *

Every right is safeguarded. The conferees were as anxious as the Senator from Illinois could possibly be to protect the drainage canal at Chicago, but they did not feel warranted in allowing the whole legislation for such an important object to fail.

On January 4, 1907, the International Waterways Commission made a special report upon the Chicago Drainage Canal. This gave a full description of the canal. It concluded with the following recommendation:

A careful consideration of all the circumstances leads us to the conclusion that the diversion of 10,000 cubic feet per second through the Chicago River will, with proper treatment of the sewage from areas now sparsely occupied, provide for all the population which will ever be tributary to that river, and that the amount named will therefore suffice for the sanitary purposes of the city for all time. Incidentally, it will provide for the largest navigable waterway from Lake Michigan to the Mississippi River which has been considered by Congress.

We therefore recommend that the Government of the United States prohibit the diversion of more than 10,000 cubic feet per second for the Chicago Drainage Canal. (See pp. 47–48 Hughes first report.)

It has been the feeling that it was the intent and understanding between Canada and the United States during all these years and all these negotiations that the diversion of water at Chicago should be permitted.

Mr. President, it seems to me that it is only fair and right and just to the people of the Middle West, including the State of Illinois, the city of Chicago, and all the great States bordering along this proposed waterway, that we be allowed to take advantage of the work which has been done and of the geographical advantages which nature has provided.

Illinois and Chicago have, as has been said, expended more than $100,000,000 for this canal, while other States and other cities and other localities have come in here, as those interested in the Cape Cod Canal came in, for instance, asking the Congress to take over their canal at a cost, as I recall, of some twelve or thirteen million dollars, which the Federal Government did. We do not ask for anything like that; we are not asking for such a thing at all; we are simply asking that the Federal Government take over and own and control and operate this waterway, the dream of the century, not in the interest of Chicago or of Illinois or of Indiana or of Missouri but to operate it as a Government project, as Mr. Hughes says, "in the national interest of the country as a whole"—not to damage or destroy lake shipping, of which Chicago has, I presume, more than any other port upon all the Great Lakes, but simply to operate it economically, practically, taking an inch or two or three of water from Lake Michigan, a third or a fourth as much as our opponents from Michigan and Ohio are taking now for their waterways.

We are not asking that the Federal Government reimburse us for any money, although the Federal Government has spent nearly $150,000,000 for the Ohio River waterway, largely for Ohio, for Pittsburgh, and the Pittsburgh district get by all means the lion's share of the benefit of that great project. We are not asking for anything like that. We put our money into it; we built the canal there with locks greater than those in the Panama Canal; we have preserved the health not only of Chicago and of Illinois but also of Wisconsin and Indiana and Michigan. I have said where 40 people died of typhoid fever before we built these works only 1 dies now. We have done it in the public interest. While we have made it possible by the expenditure of Federal money to the extent of millions and millions of dollars for great vessels to ply the Great Lakes by dredging out their harbors and their waterways, so that the depth of their harbors and channels has been doubled and the tonnage on them trebled and quadrupled; while we have raised their draft by from 100 inches to 108 inches, where it was only formerly 36 inches or 48 inches; while we have deepened their channels 9, 10, and 12 feet, and it is now proposed all along these waterways and important harbors to make possible a draft of 24 feet, where at one time there was only 8, 9, and 10 feet, while we have given them 14 feet of water additional, we only ask that the Congress give us 1 or 2 or 3 inches for our $90,000,000, and put it in the hands of the President of the United States and his appointee, the Secretary of War, with the advice of the Chief of Engineers, to operate this great public project in the interest of the Nation as a whole.

MUSCLE SHOALS

Mr. BLACK. Mr. President, I send to the desk a telegram, which I ask to have read.

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

The Chief Clerk read as follows:

FLORENCE, ALA., *June 18, 1930.*

Senator HUGO BLACK:

Telegram you received from Muscle Shoals this morning framed by city fathers, in city hall by light of kerosene lamps, though within 2 miles of tremendous power tumbling to waste over Wilson Dam with administration's consent.

JUDGE FRED JOHNSON, Jr.

Mr. BLACK. Mr. President, in that connection, I desire to call attention to the fact that the telegram referred to, the one which I had placed in the RECORD on yesterday, was a copy of a message sent to the Secretary of War advising the administration that the town of Muscle Shoals, Ala., is now ready to pay more for the power that is going to waste at Muscle Shoals than the Alabama Power Co. is paying at the present time for the small portion used by it.

I desire to call attention further to the fact that another day practically has passed and that nothing has been done by the administration in an effort to bring about the enactment of Muscle Shoals legislation. I wish to state that if the Senate and House of Representatives shall adjourn without action on Muscle Shoals it will be a demonstration of the fact that the power companies of the Nation have such a throttle hold upon the Government that it is impossible for legislation to be enacted to which they are opposed.

I wish to state further that if I can obtain sufficient support in the Senate there will be no adjournment of the two bodies of Congress until and unless some kind of Muscle Shoals legislation shall be passed. The Senate and House of Representatives will be given an opportunity to put themselves upon record whether they consider it more important to get away to their private business than to pass legislation which the Power Trust of this Nation opposes.

That is the situation which faces us to-day. While the people within 2 miles, and even within less distance, of the great project at Muscle Shoals are using kerosene-oil lamps, the power is going to waste, except the small portion that is bought by the Alabama Power Co. at a price of 2 mills.

In that connection may I read a paragraph from a letter which was written a short time ago and published in an Alabama paper by Judge Mike Sollie, of Ozark, Ala.? Judge Sollie is a well-known citizen of Alabama. He was a delegate to the Democratic convention in Houston and placed in nomination for Vice President General Allen. The statements made by Mr. Sollie I feel sure he would not have made if he did not know they were correct. In that letter he said:

Not long ago a $50,000 block of parent Alabama power stock sold at its market value. In three years that value had multiplied sixty-eight and one-half fold, aggregating $3,425,000.

That is the company that some force somewhere in Washington is to-day seeking to protect from the slightest competition from the surplus power at Muscle Shoals; and just as certain as we are here, if the Congress shall adjourn without taking action on Muscle Shoals, it will be because the present Republican administration objects to competition with a company which is making such huge profits as the statement indicates.

May I say in addition I do not intend that the Senate shall forget from now until final adjournment shall take place, whenever that may be, that this question is here, and that it is the responsibility of this administration; that the administration can obtain action if it will; and if it shall not do so, it will be because of the influence of the Power Trust in America.

It is rather strange that at the time this power is going to waste in the South, at the time no legislation can be passed for

the benefit of the people of the South and of the Nation, messages come to this body with reference to Boulder Dam. That great project has been proposed at an expense of millions of dollars to be spent by this Government. It benefits the State of California as well as other States. I voted for the legislation. I favor to-day the appropriation which is sought to carry on the work in that connection. Congress gave to the Secretary of the Interior the right to say whether the project should be built by the Government or by private power companies. It is my understanding—if wrong, I ask that I be corrected by the Senator from California [Mr. JOHNSON], who is familiar with the matter—that the Secretary of the Interior of the present administration, from California, exercised the option in favor of having the Government build the power plants when he was given the right to determine that it should be done either by the Government or by private power companies.

Is it not just a little bit strange that with the power going to waste at Muscle Shoals, with millions of dollars being lost yearly because that power is not sold, with municipalities holding up their hands as suppliants, begging for the privilege of using a little of the power generated and paid for with the people's money, that there is an inexplicable silence from the same place that is seeking legislation with reference to Boulder Dam?

Mr. DILL. Mr. President——

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

Mr. BLACK. I yield to the Senator.

Mr. DILL. The House has passed a measure, and the Senate has passed a measure. There is not anything else that the two Houses can do. Why is it that the conferees do not bring back some report?

Mr. BLACK. The situation is this: There are five House conferees and three Senate conferees. Two of the House conferees have agreed to accept the proposal of the Senate conferees. The three Republican members of the House conference committee have declined to agree. One of them, strange to say, comes from the State of Tennessee. He comes from a section of that State that would be vastly benefited by this great project. They have not agreed, and the word has gone forth that they have not agreed because one of those Republican conferees has made the statement that the President would not sign the joint resolution if they should agree to it. Whether or not the President would sign the joint resolution I do not know. I know this, however: I know that the President would sign that measure if he followed the course he mapped out for himself when he spoke as a candidate in Elizabethton, Tenn. There is no question about that.

There is also another statement from some sources that it is not desirable to have the Executive pass upon this bill before the fall elections. If it were vetoed, it is known that the people of this country would resent it. If it were signed, it is known that the power companies would resent it. Therefore, if it can be delayed by the method of having it said, "We can not reach an agreement on this plan or that plan," when it is known, as the public must know, that the sole question is whether municipalities, States, and counties shall have the preference in the purchase of that power, the country will know what has brought about the delay. But this is sure: If the Senate and House will take the proper position, and will say that no longer shall the years pass by without some legislation, something will be done.

It is rather strange that while the Evening Star carries a strong editorial with reference to the national disgrace growing out of the fact that the House and Senate conferees do not agree on the proper amount of money to be paid by the Government toward the expenses of running the city of Washington. I have seen no editorial as to the national disgrace in longer permitting this great project to have its power go to waste; and it is going to waste. Millions of dollars are being lost every year; and I expect to call upon the Senate at a later time, when the question comes up with reference to adjournment, to say whether or not it is willing to adjourn when one word by the present administration will settle this controversy, and pass Muscle Shoals legislation.

It is my judgment, Mr. President, that after we have passed the rivers and harbors bill and the veterans' bill, the next thing that ought to be done is to insist vigorously on the part of the Senate that Muscle Shoals legislation be disposed of before we leave Washington. It can be done and it will be done if the leaders of the Republican Party are willing to let the country know that that party is not the subservient slave of the power companies of America. Whether or not they are willing to do that, I do not know. I rather question it; but the country will know, and they are coming to a realization of the fact, that the reason why nothing is being done is because of vast campaign contributions being made to fill the coffers of a political party, and the effort to repay the debts which have been brought about on the part of that party to those contributing.

I should very much like to have some of the Senators who believe that this body should legislate, who are in favor of legislation, join me and let it be known that so far as they can they will use every effort to see that we stay here until we force this administration to take some kind of action on this project.

Mr. MCKELLAR. Mr. President, on yesterday I quoted Mr. George F. Milton, editor of the Chattanooga News, in reference to Muscle Shoals. I have received a telegram from him about the subject and have replied thereto, and he has sent another telegram in response to my reply. I should like to have these telegrams printed in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

CHATTANOOGA, TENN., *June 18, 1930.*

Senator KENNETH D. MCKELLAR,
Senate Office Building, Washington, D. C.:

According to Tuesday and Wednesday press dispatches you have made speeches in Senate saying that "the President indicated" to Edward Meeman, of Knoxville, and myself that "he would sign this Muscle Shoals measure." You are further quoted in dispatch to-day as saying that it was this Hoover assurance as to Muscle Shoals which led me to support him in 1928. You have misapprehended the situation, and in justice to Mr. Hoover you should know the facts. While he has been President Mr. Hoover has never given to me any pledge, promise, or indication that he would sign any measure passed by Congress regarding Muscle Shoals containing public-ownership clauses. Statements which he made to which I have referred editorially in the Chattanooga News were made at Elizabethton in October, 1928. Your further statement that it was these declarations on his part which induced me to support him is likewise mistaken. I had determined to support him three months before his Elizabethton speech, and therefore his water-power declarations there obviously could not have caused my decision. I regret as deeply as you do the failure of House conferees to accept Norris compromise on Muscle Shoals, and I applaud your own vigorous endeavor to secure action on this needed development of the Tennessee Valley, but you should have the facts regarding the two matters mentioned above. Cordial regards.

GEORGE FORT MILTON.

JUNE 19, 1930.

Hon. GEORGE FORT MILTON,
Chattanooga, Tenn.:

Your telegram just received. I made no such statements in the Senate yesterday such as you quote in your telegram. The first paragraph of the telegram is so confused that I do not know just what it means, but the second paragraph stating "that it was this Hoover assurance as to Muscle Shoals that led me to support him in 1928." I made no such statement. I quoted your editorial of April 8, 1930, so if there is any misstatement of facts you are responsible for the misstatement and not I. I assume that you correctly stated the facts in this editorial. There is no such statement in my speech indicating any pledge or promise of Mr. Hoover to support any measure. Your telegram is at war with your editorial. I quote from your editorial: "In view of these different statements which Mr. Hoover made as candidate in the summer and fall of 1928 that because of their surrounding circumstances he considers both Muscle Shoals and Cove Creek permissible and necessary exceptions to the general private-ownership theory he had advanced, the Tennessee Valley has a right to hope that President Hoover will sign the Norris bill should it come to me." I made no statement that it was this declaration on his part which induced you to support Hoover. When you read my speech, on pages 11070 and 11071 of the RECORD of June 18, you will find that you have not been misrepresented in the slightest, and I know you will at once withdraw the statements made in your telegram to me. I stated that your paper supported Mr. Hoover most vigorously and so did the Knoxville Sentinel. I further stated: "They felt assured by what Mr. Hoover said that he would approve legislation such as proposed in this compromise." Your editorial absolutely substantiates this statement. If you have sent copies of your telegram to me to others, I hope you will correct instantly.

KENNETH MCKELLAR.

CHATTANOOGA, TENN., *June 19, 1930.*

Senator KENNETH D. MCKELLAR,
Senate Office Building:

Your telegram just received. I have not yet seen CONGRESSIONAL RECORD to which you refer and will appreciate your sending it to me. Am glad to know that dispatch Wednesday carrying inference that my support of Hoover was based on his promise as to Muscle Shoals was incorrect recital of what you said in your speech. Dispatch quoted you as follows: "Two Tennessee editors, George Fort Milton, of the Chattanooga News, and Editor Meeman, of the News Sentinel at Knoxville, had supported Mr. Hoover during the campaign on the hypothesis

that the President would accept the Norris bill if Congress approved it." My editorial in News of April 8, of this year, thoroughly correct statement of situation. In October, 1928, Hoover said to me substantially in words I used in editorial that he deemed both Muscle Shoals and Cove Creek special cases. But Associated Press dispatch from Washington, Tuesday, June 17, describing your speech said you told Senate that Meeman of Knoxville and myself "have said in papers that the President indicated to them that he would sign this Muscle Shoals measure." This direct quotation carried inference that Hoover had made this statement to Meeman and myself since he has been President. The statement to me was made in October, 1928, and since he has been President Mr. Hoover has not made any pledge, promise, or indication that he would sign such a bill. Certainly, I do feel that had the Muscle Shoals bill come before the President that the people of the Tennessee Valley would have the right based on his Elizabethton declaration to hope that he would sign the bill. My telegram yesterday was sent to you alone and not to others. Its purpose was to inform you of the reports of your dispatch which I thought misrepresented my position. Am glad to know that you never attributed my support of Hoover to his Elizabethton declaration. Am looking to you for any necessary clarification of my own position in the matter in view of the press dispatches which apparently have misquoted you.

GEORGE FORT MILTON.

Mr. HEFLIN. Mr. President, the Senate knows how long I have struggled to get favorable action on Muscle Shoals. For 10 years I have battled, in season and out, to dispose of that great project. We have done our part so far as the legislative end of the matter is concerned, and the matter is now in conference. I had something to do with trying to get an agreement between the conferees last week. I am sorry that there seems to be a deadlock for the present. I have no desire to bawl out anybody or to criticise very severely anybody who holds a different view from the one that I entertain. There must be cooperation between the President and the Congress, and I hope that we may yet solve this problem at this session of Congress.

It is my purpose, if we fail in that, to have a delegation call upon the President between now and the next session. If we can not get it disposed of at this session, and there is no way in which we can absolutely force the President to take action at this session, it is my purpose to have a delegation call upon the President with a view to working out some agreement on the subject.

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

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

Mr. McKELLAR. Since the matter has reached this virtually final stage, why does not the Senator get a delegation together and call on the President now, and let us get it done before Congress adjourns?

Mr. HEFLIN. I shall see the President myself before the Congress adjourns, and I hope that we can work out a situation that we can get together on. I do not agree that we can by physical force compel the President to take action. There are other matters here in which I am vitally interested.

One of them is the veterans' bill. Tens of thousands of poor, afflicted World War veterans are in distress and in dire need at this hour. They are at home upon beds of illness, and some of them are near starvation. I want to get the river and harbor bill out of the way and get the veterans' bill before this body and act on it, to relieve those boys who are hungry and whose families are suffering back home.

We can discuss Muscle Shoals day after to-morrow and every other day. For God's sake, let us give relief now to these thousands of American boys who are disabled and suffering from complaints and afflictions connected with their war service. Let us act on the bill as soon as possible. They are the country's brave defenders, and we owe it to them to grant this relief. Let us pass the river and harbor bill and get the veterans' bill up and pass it, and then fight on until the end of the session for Muscle Shoals.

The people of my State want Muscle Shoals disposed of; I want it disposed of, and I am going to be in the attitude of negotiating with the President and appealing to him to give us this relief. I have already done that, and will continue to do it. I am more interested in solving the Muscle Shoals problem than I am in furnishing campaign material for a candidate for the Senate in my State, Mr. Thompson, who supported the ship subsidy bill.

AMENDMENT OF ACT RELATIVE TO WAR DEPARTMENT CONTRACTS

Mr. REED submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 4017) to amend the act of May 29, 1928, pertaining to certain War Department contracts by repealing the expiration date of that act, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

DAVID A. REED,
FRANK L. GREENE,
MORRIS SHEPPARD,
Managers on the part of the Senate.

HARRY C. RANSLEY,
HARRY M. WURZBACH,
PERCY E. QUIN,
Managers on the part of the House of Representatives.

Mr. REED. I move that the Senate agree to the conference report.

Mr. GEORGE. Mr. President, I should like to have just a word of explanation about the bill.

Mr. REED. Mr. President, about a year ago we passed a bill allowing the War Department to make purchases of small amounts—$500 or less, I think, was the maximum amount—without formal advertisement. Occasion often arose for the purchase of forage on the march, and that sort of thing; and many of those purchases were so small that the advertising cost more than the goods cost. The trouble with the act was that it was limited in duration to one year. This bill, which the Senate passed last winter, removed that 1-year limitation so as to allow it to continue in effect indefinitely. The House Military Affairs Committee approved the bill as we had passed it, but on the floor of the House an amendment was put in limiting this new act to one year further. Conferees were appointed, and the House surrendered and receded from its amendment.

Mr. GEORGE. I thought the conference report was on another bill, Mr. President.

The VICE PRESIDENT. The question is on the motion of the Senator from Pennsylvania that the Senate agree to the conference report.

The report was agreed to.

REIMBURSEMENT OF STATES FOR PROPERTY USED IN WORLD WAR

Mr. REED. Out of order, I ask unanimous consent to report back favorably, from the Committee on Military Affairs, House bill 704, which provides for credit to those States which in 1917 advanced State property to the Federal Government to assist in the prosecution of the war.

The militia of those States, the National Guard, was called into service with a lot of State property which was absorbed by the Federal Government. It has all been audited. Practically every State in the Union shares in the benefits of the bill, because none of them stopped to quibble about loaning this equipment. Most of it has been paid or credited to the States, but because of a recent ruling of the Comptroller General it becomes necessary to have this act. The committee was unanimous, and I ask consent that the bill may be given present consideration.

Mr. COUZENS. I object, for the reason that objection is being raised every time an attempt is made to take up the veterans' relief bill, and I am going to object to every bit of legislation that is submitted.

The VICE PRESIDENT. Objection is made.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 2414. An act authorizing the Government of the United States to participate in the international hygiene exhibition at Dresden, Germany, from May 6, 1930, to October 1, 1930, inclusive;

S. 3258. An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes;

S. 2834. An act to establish a hydrographic office at Honolulu, Territory of Hawaii;

S. 3341. An act providing for the acquirement of additional lands for the naval air station at Seattle, Wash.;

S. 3619. An act to reorganize the Federal Power Commission;

S. 4518. An act granting the consent of Congress to the Texarkana & Fort Smith Railway Co. to reconstruct, maintain, and operate a railroad bridge across Little River in the State of Arkansas at or near Morris Ferry;

S. 4606. An act granting the consent of Congress to the State of Georgia and the counties of Wilkinson, Washington, and Johnson to construct, maintain, and operate a free highway bridge across the Oconee River at or near Balls Ferry, Ga.;

S. 4722. An act creating the Great Lakes Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the St. Clair River at or near Port Huron, Mich.;

H. R. 515. An act to extend the benefits of the employees' compensation act of September 7, 1916, to Jackson D. Wissman, a former employee of the Government dairy farm, Beltsville, Md.;

H. R. 593. An act for the relief of First Lieut. John R. Bailey;

H. R. 1029. An act for the relief of Arthur D. Story, assignee of Jacob Story, and Harris H. Gilman, receiver for the Murray & Thregurtha plant of the National Motors Corporation;

H. R. 1306. An act for the relief of Charles W. Byers;

H. R. 1312. An act for the relief of J. W. Zornes;

H. R. 1481. An act for the relief of James C. Fritzen;

H. R. 1494. An act for the relief of Maj. O. S. McCleary, United States Army, retired;

H. R. 2876. An act for the relief of J. C. Peixotto;

H. R. 7205. An act for the relief of Lamirah F. Thomas;

H. R. 7822. An act amending section 2 and repealing section 3 of the act approved February 24, 1925 (43 Stat. 964, ch. 301), entitled "An act to authorize the appointment of commissioners by the Court of Claims and to prescribe their powers and compensation," and for other purposes;

H. R. 7924. An act for the erection of tablets or markers and the commemoration of Camp Blount and the Old Stone Bridge, Lincoln County, Tenn.;

H. R. 8127. An act for the relief of J. W. Nelson;

H. R. 8836. An act for the relief of the French Co. of Marine & Commerce;

H. R. 8881. An act to carry out the recommendation of the President in connection with the late-claims agreement entered into pursuant to the settlement of war claims act of 1928;

H. R. 8958. An act for the relief of certain employees of the Alaska Railroad;

H. R. 10416. An act to provide better facilities for the enforcement of the customs and immigration laws;

H. R. 10668. An act to authorize issuance of certificates of repatriation to certain veterans of the World War;

H. R. 11432. An act to amend the act entitled "An act to provide for the enlarging of the Capitol Grounds," approved March 4, 1929, relating to the condemnation of land;

H. R. 11700. An act to extend the times for commencing and completing the construction of a bridge across the Mahoning River at or near Cedar Street, Youngstown, Ohio;

H. R. 11784. An act to provide for the addition of certain lands to the Rocky Mountain National Park, in the State of Colorado;

H. R. 11786. An act to legalize a bridge across the Arkansas River at the town of Ozark, Franklin County, Ark.;

H. R. 11934. An act authorizing the Monongahela Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Monongahela River at or near the town of Star City, W. Va.;

H. R. 11966. An act to extend the times for commencing and completing the construction of a bridge across Lake Sabine at or near Port Arthur, Tex.;

H. R. 11974. An act granting the consent of Congress to the Beaufort County Lumber Co. to construct, maintain and operate a railroad bridge across the Lumber River at or near Fair Bluff, Columbus County, N. C.;

H. R. 12447. An act to extend hospital facilities to certain retired officers and employees of the Lighthouse Service and to improve the efficiency of the Lighthouse Service; and

H. J. Res. 300. Joint resolution to permit the Pennsylvania Gift Fountain Association to erect a fountain in the District of Columbia.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States making sundry nominations, which were referred to the appropriate committees.

RIVER AND HARBOR BILL

The Senate resumed the consideration of the bill (H. R. 11781) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. BLAINE. Mr. President, I understand we are very close to the time when a vote will be taken upon the pending amendment. Before the vote is taken, I desire to discuss very briefly two or three questions which have been raised by the distinguished Senators from Illinois.

First, on yesterday I discussed the possibility of international complications. I referred then to the government of the Dominion of Canada rather than to the citizens of the Dominion of Canada.

On a reexamination of the treaty of 1909, I find that the treaty agreement is:

> But it is agreed that any interference with or diversion from the natural channel of such waters on either side of the boundary—

Referring to the Great Lakes waters—

> resulting in any injury on the other side of the boundary, shall give rise to the same rights and entitle the injured parties to the same legal remedies as if such injury took place in the country where such diversion or interference occurs.

Secretary Root, in reference to an explanation of the treaty, said:

> This provision creates the same situation on the part of the people on either side of the line between the United States and Canada as now exists on either side of the respective lines between our State (New York) and Pennsylvania, for example. It relieves a great amount of troublesome questions from becoming international questions and substitutes the decisions of the courts.

Mr. President, that is a highly commendable provision of the treaty. So that provision takes care of many of the possible international complications.

On yesterday the senior Senator from Illinois [Mr. DENEEN] and on to-day the junior Senator from Illinois [Mr. GLENN] drew the inference, at least, that there had already been an agreement on the part of the International Joint Commission that 10,000 cubic second-feet might be diverted at the city of Chicago. I want no mistake about this. Beginning on page 22, paragraph (p), of the report of the special master, Charles E. Hughes, found in House Document No. 178, Seventieth Congress, first session, he describes that it was on March 15, 1906, when those representing the United States Commissioners made some representations concerning the various diversions, and it was on April 25, 1906, when the Canadian members of the commission recommended certain specific diversions.

Neither of those recommendations was adopted by either Government. The recommendation on the part of the commissioners of the respective Governments was rejected by both Governments when they entered into the treaty of 1909.

The treaty of 1909 in no way, either by inference or otherwise, even suggests that there should be any diversion of water any place, excepting for the specific purposes, which purposes did not include the Chicago diversion.

Secretary Root testified before the Foreign Relations Committee on two occasions, on January 13, 1909, and January 20, 1909. The matter quoted by the senior Senator from Illinois on yesterday consisted, not of quotations taken from the hearings before the Foreign Relations Committee, but of quotations taken from a pamphlet published, as I understand, by the Chicago Sanitary District Commissioners for the purposes of propaganda, and they took the statement of Secretary Root on the two dates, and out of the two statements extracted certain sentences, and then constructed those sentences together. Let me read what Secretary Root said on April 20, 1909, before the Foreign Relations Committee.

> Senator MCCREARY. What is the reason that we are allowed to divert but 20,000 while Canada is allowed 36,000?

He was referring to cubic second-feet of water.

> Secretary ROOT. There are several reasons. Our people are very much interested in having a limitation, and Canada does not give a cent about it.

That was with respect to Niagara Falls, because Canada might divert the greater portion of the water that goes over Niagara Falls.

> In the next place this International Waterways Commission has examined the subject and reported that double the quantity of water can be diverted on the Canadian side without affecting the Falls. The greater part of the water goes there. In the third place they consented to leave out of this treaty any reference to the drainage canal, and we are now taking 10,000 cubic feet per second for the drainage canal which really comes out of this lake system.

So there was purposely left out of the treaty any reference whatever to the diversion at Chicago. Since the ratification of the treaty the International Joint Commission has never dealt with the Chicago diversion. They have never had it before them or considered it. The treaty in no way makes any provision respecting the diversion at the city of Chicago.

Moreover, at the very time when the commissioners reported, in the report to which I have referred, the Secretary of War limited the diversion at Chicago to 4,167 feet. In 1907 the Sani-

tary District again made application to increase the amount. That was refused by Secretary Root.

In 1908 an injunction suit was started by the Attorney General of the United States to restrain the sanitary district from diverting more than the 4,167 feet.

Therefore it can not be urged or argued that the treaty signed in January, 1909, recognized or intended to recognize 10,000 cubic feet per second for Chicago in the face of the fact that the Secretary of War had limited the diversion to 4,167 feet and the Attorney General of the United States had brought suit to enjoin a greater diversion.

The fact to which Secretary Root referred as to the diversion of 10,000 cubic feet at Chicago was the unlawful diversion at Chicago.

. I could go into the details of why the United States desired not to entertain any question regarding the diversion at Chicago in the treaty, but that would be quite aside from the issue under discussion.

Mr. President, Secretary Root, discussing this treaty, made a statement before the Committee on Foreign Relations on January 13, 1909. Senator Carter asked this question:

On what theory is 36,000 allowed on the Canadian side and 20,000 on ours?

Secretary ROOT. Because the water can be taken out on the Canadian side without interfering. The great bulk of the water goes on the Canadian side, and the Waterways Commission that was appointed sometime ago to deal with the question of the lake levels reports, I think, that 36,000 feet can be taken out on the Canadian side and 18,500 on the American side without injury to the Falls. I thought it wise to follow the report of the commission, and I put in 1,500 feet in addition to get round numbers, so our limit is higher than we want; but their limit could not be cut down below what it is, because there are three companies on the Canadian side who have the right and works there.

That refers to hydroelectric works.

Two of these companies are owned in the United States * * * so that as long as that condition of things exists it is as well for us to have them over there as to have them on our side.

There were some statements which I need not quote, and he proceeded:

Then, there is this further fact which we could not object to this 36,000 provision on the Canadian side. We are now taking 10,000 cubic feet a second out of Lake Michigan. * * * I would not have anything in the treaty about it, and under the circumstances I thought I better not kick about this 36,000 feet.

Mr. President, of course, there was no intimation, no suggestion, that any diversion was permitted in Chicago. I will not go into that matter further.

Just one more thought. Both the distinguished Senators from Illinois argued that Ohio had improved her opportunities and robbed the Lakes. The State of Ohio has taken no water whatever from the Lakes. Ohio has taken none by diversion and none by abstraction. Every port on the Great Lakes has a right to improve its harbor, and that is neither a diversion nor an abstraction. The Dominion of Canada has abstracted no water from the Great Lakes. It has made no illegal diversion. The Welland Canal and all other projects in Canada relating to this waterway involve the taking of water at one point along that waterway and returning that water to the channel or Lakes at a distance down the waterway. That is not a diversion, it is not an abstraction; it is taking no water whatever from this waterway.

Reference was made to the St. Clair River. No water has been diverted by Canada from the St. Clair River. A Canadian company obtained a permit to take gravel out of the bed or banks of the St. Clair River. That was an unlawful thing to do. The very moment the United States found a Canadian company was doing that sort of thing the State Department protested. Canada at once prohibited the further taking of gravel from the river and made such representations as satisfied the Government of the United States that every yard of gravel taken out of that stream would in due time be replaced either by natural or artificial process.

In the Detroit River the United States Government did the dredging. What they did was to take silt and gravel out of one place in the river, the narrows or the shallows of the river, and deposit the same in another place in the same river bed, filling up those great gaps in the river. That was no diversion. That was an improvement upon the river made by the Government of the United States in the interest of navigation without any diversion and without any abstraction of water.

Mr. President, I thought the record ought to be made clear upon these several propositions.

Mr. RANSDELL. Mr. President, I wish to propose an amendment to the amendment offered by the Senator from Wisconsin. I ask his attention, because I think the Senator may be willing to accept the amendment.

Mr. BLAINE. Mr. President, will the Senator yield? I think we ought to have a quorum call. Senators ought to be present when the amendment is presented.

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

Mr. RANSDELL. I do.

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

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

Mr. RANSDELL. Mr. President, I propose an amendment to the amendment offered by the Senator from Wisconsin [Mr. BLAINE] to the pending measure, and I wish to read it. I invite the attention of the Senator from Wisconsin to it. I believe he will accept it.

On page 2 of the Senator's amendment I propose to strike out all of lines 22, 23, 24, and 25 and insert in lieu thereof, after the word "waterway," at the end of line 21:

And that will not substantially injure the existing navigation on the Great Lakes, to the end that Congress may take such action as it may deem advisable.

As amended the proviso beginning on line 12, page 2, would then read as follows:

Provided further, That as soon as practicable after the Illinois waterway shall have been completed in accordance with this act, the Secretary of War shall cause a study of the amount of water that will be required as an annual average flow to meet the needs of a commercially useful waterway as defined in said Senate document, and shall, on or before January 31, 1938, report to the Congress the results of such study, with his recommendations as to the minimum amount of such flow that will be required annually to meet the needs of such waterway, and that will not substantially injure the existing navigation on the Great Lakes to the end that Congress may take such action as it may deem desirable.

I ask the Senator if that is acceptable?

Mr. BLAINE. I accept the amendment in modification of the amendment I have proposed.

The VICE PRESIDENT. The Senator from Wisconsin modifies his amendment to the amendment of the Committee on Commerce.

Mr. RANSDELL. Mr. President, I wish to speak very briefly on the amendment now pending. In proposing the amendment to the amendment of the Senator from Wisconsin I do so without the slightest desire to take sides in the controversy between the Senators of the Great Lakes States and the able Senators from Illinois. After a careful study of the amendment presented by the Senator from Wisconsin [Mr. BLAINE] I am convinced that, changed as I have proposed and modified by my amendment which has been accepted by the Senator from Wisconsin, it will do substantial justice to all interests concerned and not result in the injury to the city of Chicago and the navigation interests adjacent to the Illinois River which their friends seem to dread.

Under the amendment as modified the flow of water from Lake Michigan guaranteed by the decision of the Supreme Court, referred to therein, would amount to 5,000 second-feet until January 31, 1939, in addition to pumpage for domestic purposes. Long prior to that date the Secretary of War will have presented to Congress his recommendation for the amount of water needed for a commercially useful waterway, and Congress will legislate thereon. I can not conceive that the colossal interests of the great city of Chicago will be allowed to suffer when such ample provisions to safeguard them and so many

years in which to legislate thereon are carried in the bill. It is, therefore, my intention to support the amendment of the Senator from Wisconsin with the understanding that he has modified it by accepting the change which I have suggested.

Mr. President, I want to call the attention of the Senate to the wonderful piece of legislation we are considering. It is the most important river and harbor bill ever presented to the American Congress, both in magnitude and number of projects included therein and the cost thereof. In round numbers, the bill carries authorizations for about $120,000,000 and adopts projects which will ultimately cost large additional sums to complete them.

President Hoover, with great vision and foresight, in his Louisville address last year at the celebration of the completion of the 9-foot canalization project on the Ohio River, visualized a great internal waterway system connecting every portion of the country with every other portion by navigable waters. The bill now before us adopts a project for 6 feet in the Missouri River up to Sioux City, for 9 feet in the upper Mississippi to St. Paul and Minneapolis, for 9 feet on the Tennessee from its mouth to Knoxville, and for 9 feet on the Illinois and connecting waters to Chicago. It authorizes the acceptance of the donation from the State of New York to the Federal Government of the great Erie Canal system, which cost New York more than $150,000,000.

When completed, these projects in the valley, along with those already finished, will connect the entire Mississippi system with the Great Lakes and through the Erie Canal with the Atlantic coast, thereby joining in a connected whole practically all the rivers in the Republic east of the Rocky Mountains with the Atlantic Ocean and the innumerable waterways tributary thereto. This would permit a barge drawing 9 feet to load at any of the Atlantic coast cities between Miami and Boston and proceed thence through canalized waters through the Erie Canal and the Great Lakes to Chicago, thence through the Illinois Canal and up the Mississippi to Minneapolis, up the Ohio to Pittsburgh, up the Tennesseee to Knoxville, or down the Father of Waters to New Orleans, and thence westward through the Intracoastal to Corpus Christi, or east from the Crescent City to Florida. The main thing which has permitted the marvelous development of railroads is the fact that a freight car can be moved from any point in the United States to every other point without breaking bulk, and the same advantage to a great extent will be enjoyed by our waterways when the great system contemplated in the pending bill shall have become an accomplished fact,

When this measure shall pass, the Chief of Engineers will be able to pursue vigorously the prosecution of his plans for work on all the great waterways provided for in it, with every prospect of completing them within 10 years, and such is his intention if Congress grants permission. Moreover, it would furnish occupation for many of the unemployed, and materially aid in correcting the unfortunate condition that afflicts a vast number of our people who wish to work and can find nothing to do.

It would be extremely unfortunate for anything to prevent the prompt enactment of this measure. Three years have elapsed since a river and harbor bill was passed, and if this measure shall fail now because of bitter controversy at this long session, the chances are it will fail again at the coming short session, thereby delaying river and harbor legislation for two more years.

The State of New York is entitled to the thanks of the Nation for its proposed donation of the Erie Canal, which for many years has been operating without cost to the Nation and at the sole expense of the Empire State, as a great freight carrier and rate regulator.

The city of Richmond has never enjoyed the real deep-water services to which its importance entitles it, and the pending bill gives genuine ocean transportation to its wharves.

The Great Lakes harbors and channels receive $29,000,000 in this bill, and large appropriations are authorized for the Atlantic coast, the Gulf States, and the Pacific. Every portion of the Republic has been carefully provided for, and the national disappointment will be intense and far-reaching if the measure should fail. All friends of waterways must put their shoulders to the wheel and see that it is passed without delay.

Mr. COPELAND. Mr. President, I should like to direct an inquiry to the Senator from Wisconsin [Mr. BLAINE]. In the event of the adoption of the pending amendment, which provides for a project so constructed as to require the smallest flow of water with which that project can be operated, suppose, after the completion of the project—and I am assuming that the project will be completed in good faith by engineers who will strive to have the smallest possible amount of water used in its operation—it shall be ascertained that, in addition to the pumpage and sanitary supply, amounting now to about 3,000 cubic second-feet, say, a thousand feet more will be needed. Then, coming to 1938, when the present arrangement will pass from existence, assume further that the Congress shall not then have taken action. What, then, would be the fate of this project? Would the project then receive that additional thousand feet? Would it be permitted to operate with that additional thousand feet or would the amount be reduced at once to the figure which the court has held may be diverted for sanitary purposes?

Mr. BLAINE. Mr. President, the Senator's statement is rather complicated, but perhaps I have an understanding of its full import. I think the Senator has made some assumptions that can not properly be made, and I will eliminate them from my statement.

At the end of 1935 there would be 5,000 cubic second-feet, plus the pumpage. That pumpage in 1928, as I recall, was estimated, or measured, as I understand, to be 1,700 second-cubic feet.

Mr. COPELAND. Is not the Senator mistaken about it being 5,000 cubic feet. Is not the correct figure 1,500 cubic feet, plus the pumpage?

Mr. BLAINE. No. On December 31, 1935, there would be the 5,000 second-cubic feet plus the pumpage.

Mr. COPELAND. If the Senator will pardon me, is that the understanding of the Senators from Illinois?

Mr. BLAINE. I am reading from the Supreme Court opinion. I am stating what the Supreme Court said, that—

> On and after December 31, 1935, unless good cause be shown to the contrary, the said defendants are enjoined from diverting as above, in excess of an annual average of 5,000 cubic-feet seconds in addition to domestic pumpage.

Mr. COPELAND. Then when we come to December 31, 1938.

Mr. BLAINE. Then, when we come to December 31, 1938—that is eight years hence—

> Said defendants are enjoined from diverting as above in excess of an annual average of 1,500 cubic-feet seconds in addition to domestic pumpage.

That amount, plus the pumpage in 1928, would aggregate 3,200 cubic feet; the additional pumpage being estimated at 100 cubic-feet seconds a year. So, on the present basis, there would be 200 additional cubic feet down that canal, or 3,400 cubic feet; and in the next eight years, assuming the same amount of extra water would be pumped, it would be 3,400 cubic feet plus 800 cubic feet, or a total of 4,200 cubic feet, which would flow down this waterway under the decision of the Supreme Court. The other day I said 4,000 cubic feet-seconds, and overlooked the increase in pumpage for the last two years on the estimate of 100 feet additional per year that would continue to flow until the arrangement was modified by Congress.

Mr. COPELAND. Mr. President, suppose after the project is finished it is found that the amount of water which could be diverted under the decision of the court is not sufficient to operate the project and that 500 feet or 1,000 feet more are needed, what would happen to the project in the period between that time and the action of the Congress?

Mr. BLAINE. This bill provides for compensating works in the waterway and authorizes an appropriation. Those works of course will proceed after the passage of this measure, when an appropriation shall be made, and likewise the construction of the proper locks and dams and all the necessary and material construction for the waterway will proceed. Those two projects will proceed together; they will go along side by side.

In the meantime, after they have proceeded, then the Chief of Engineers will ascertain the facts and report to the Congress on or before January 31, 1938, the result of the studies of the engineers, and make a recommendation, so that at that time the Congress of the United States will know what the construction has been; it will know what the compensating works will do; it will know what is necessary for this waterway, and of course Congress will then proceed to determine the question upon the recommendation of the Chief of Engineers.

Mr. COPELAND. I understand that, but if it is found that it takes 5,000 feet or 6,000 feet to operate this project, there will have to be some diversion in addition to the sanitary diversion, no matter what compensating works may be constructed. What I want to know is what will happen between the time when the project is finished and the final action of Congress permitting an additional flow of water.

Mr. BLAINE. I think the Senator is suggesting a proposition that is not in accord with the record in this case. The record in this case is that a thousand feet will do the work. I assume that the Chief of Army Engineers and the Army engineers in general are not incompetent to the degree that they have miscalculated by some 3,000 cubic feet. Of course we can

make suggestions as to what will happen, but I do not know what will happen.

If we have not engineers who are sufficiently competent to determine this question, then of course we have not engineers who are competent to supervise the construction of this waterway, and we do not know anything about what might happen. So I can not answer the question, and no one else can at this time; the question can only be answered when the Army engineers shall have completed the physical works and the compensating works shall have been developed to the extent they will have been developed at that time. Then the Army engineers will not be guessing about it, and neither will Congress. We will have the exact facts, and, after that time, Congress, of course, may be presumed to act in the face of the exact actual facts and not on mere estimates. To-day we have the estimate that it will take a thousand cubic feet. The volume of water that will flow down under the Supreme Court decision is four or five times as great as the present estimate as to the amount necessary for the waterway. In view of estimates made by the engineers, there is no occasion for any apprehension about this matter.

Mr. COPELAND. Mr. President, I am distressed because I can see the difficulty which is sure to arise if in 1938 the project shall be finished and the report shall come in and it shall be found that, in addition to the amount of water supplied under the decision of the court for sanitary purposes, another additional thousand feet or 2,000 feet or 500 feet—the exact amount does not make any difference—is not authorized there will be a period during which the project will be useless because of the lack of water.

I am perfectly clear about that; but I am in the disagreeable position in which one sometimes finds himself when he is in conflict with his conscience and convictions and in conflict with the wishes of his State. My State was a party to the case against Illinois. My State, through its officers, is insistent that the Great Lakes States shall operate together. Therefore, I am forced to vote for this amendment; but I do wish the Senator from Wisconsin and the others concerned would be willing to add such an amendment as was suggested by the Senator from Arkansas, which would authorize the operation of the project pending the time when the Congress should actually take a position.

I wish that might be done, and I think it should be done.

Mr. DENEEN. Mr. President, I do not wish to delay the vote on this bill, but I feel it incumbent upon me to make a statement to clear up a number of matters.

So far as the diversion is concerned the amount fixed in the decree of the Supreme Court is 8,300 cubic feet per second until July 1 of this year; 6,500 cubic feet per second until December 31, 1935; 5,000 cubic feet per second from that date until December 31, 1938; and thereafter 1,500 cubic feet per second plus pumpage for domestic purposes.

It will require five years to construct this waterway. The purpose of this amendment is to postpone until 1938 any further action whatever upon the part of the Congress. Then, if authority were granted, the canal would not function as "a commercially useful waterway" for five years thereafter.

There is, however, another phase of this matter that ought to be considered by the Senators. The decree incorporated in the Blaine amendment does not furnish a definite amount of water. It is elastic. The decree itself provides that the sanitary district shall file a report semiannually with the clerk of the Supreme Court of the United States setting forth the progress made in the construction of the sewage-treatment plants and appurtenances and also setting forth the extent and effects of the operation of the sewage-treatment plants, respectively, that shall have been placed in operation and also the average diversion of water from Lake Michigan during the period from the entry of this decree down to the date of such report.

The sewage-disposal plant required will cost $176,000,000.

The master's report—and the decree rests upon it—states that the stage of the art of sewage disposal does not permit the master or the court to anticipate that it will be possible for more than 85 per cent of the sewage to be disposed of by these works; and the 1,500 cubic feet per second which is allowed on January 1, 1939, and thereafter, is to take care of the sewage effluent in the port of Chicago for 12.55 miles only, and transfer it to the other 321 miles in the Illinois waterway to the Mississippi River. The decree provides, however, that either party, on the filing of the semi-annual report, may come in and open up again the question of diversion.

If, for instance, the sanitary district should be able, by the plants constructed at the cost of $176,000,000, and acting in good faith, to dispose of only 50 per cent of the sewage, the sanitary district would have the right to come into court to ask for a larger diversion; but if, in the progress of the art, the sanitary district, under the supervision of the court and the supervision of the complainants, should be able to dispose of 100 per cent of the sewage, then the court would enter a decree forbidding it to divert 1 cubic foot of water from the lake. Then what would become of your navigation? You would have a waterway without adequate water. You are trying by this amendment to place an indefinite, uncertain provision of a decree relating to sanitation into a law relating to navigation of a great waterway which connects the channels of the Mississippi system with those of the Great Lakes and the St. Lawrence systems. The decree can not be made definite, but may be altered every six months.

You are inviting the people of the West to wait and defer action in the way of investments; you are asking the people of the Mississippi Valley to remain inactive for eight years and more, watching the advancement of the art of sewage disposal, to determine whether they are to have adequate water in the waterway connecting Lake Michigan and the Mississippi River at Grafton, 327 miles away.

The provision inserted in the pending bill by the Committee on Commerce of the Senate leaves to the Secretary of War and the Chief of Engineers the matter of controlling the diversion of water so as to make the waterway a commercially useful waterway. There is nothing new in this provision. The Secretary of War has that power now and has had it, as I stated yesterday, for 31 years. It is found in section 10 of the Federal navigation act of March 3, 1899. The Secretary of War and the Chief of Engineers may be trusted.

I want to call attention, too, in connection with the amendment submitted by the junior Senator from Wisconsin [Mr. BLAINE] to the fact which I stated yesterday—that the distinguished Senator from Wisconsin disavowed responsibility for writing this amendment. He said a person whose name he could not disclose had had a good deal to do with writing it. I called attention to the fact that there had been a conference within the past few weeks of a number of attorneys general representing the complainants in the litigation which has been referred to so often, and Raymond T. Jackson and Newton D. Baker met with them. It is apparent that this amendment is written by them. I call attention to what they did or tried to do.

The amendment offered by the Senator from Wisconsin on page 2, line 22, uses these words:

> And that can be diverted without injuriously affecting the existing riparian, navigation, and property interests on the Great Lakes.

That would have been an advance over any law we have now. Let me read what the special master, Mr. Charles Evans Hughes, had to say about that power. You can see how they have tried in this amendment to enlarge the scope of the law. I read from the CONGRESSIONAL RECORD, page 11088, the quotation being from the special master, now Chief Justice of the United States:

> Great States, as riparian owners, as well as individuals, are subject to the authority of Congress, and they have no ownership in navigable waters which they can assert in opposition to the exercise of that authority.

An effort has been made to enlarge the law by giving character to a report to come in to the Senate at another time, and as the basis for new legislation regarding Federal authority over navigation.

Again:

> It is contended that it is beyond the power of Congress to authorize the transfer of water of Lake Michigan from the Great Lakes-St. Lawrence watershed into the Mississippi watershed.
>
> There is no such limitation in the grant to Congress to regulate interstate and foreign commerce. The power to control navigation, comprehended within that commerce, is a national power, and for the purposes of this control navigable waters are the public property of the Nation, and subject to such restraint as Congress may deem expedient from a national point of view—

Now, I direct the attention of the Senate to the closing words of the sentence—

> not limited by the interest of any particular port, harbor, State or States, watersheds, or any Territorial division within the national jurisdiction.

Citing the decision of Chief Justice Marshall in the case of Gibbons against Ogden.

I could not understand why that was put in, and I listened very attentively to the speeches that were made in behalf of this amendment for some explanation of the provision regarding riparian rights and other property interests.

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

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

Mr. DENEEN. I yield.

Mr. NORRIS. I desire to ask the Senator about the quotation which he has just read from Special Master, now Chief Justice, Hughes. Does the Senator believe that the Chief Justice intended by that language to say that because Congress had jurisdiction they were supreme in this matter, and that Canada, for instance, had no rights involved; that we had a right to take water without limit from Lake Michigan, as against the protests of a friendly government on the other side of the water?

Mr. DENEEN. I mean to say that the present Chief Justice was citing the law of the United States, and in support of that was quoting a decision made 100 years ago by Chief Justice Marshall relating to the Constitution of the United States. Of course, the Supreme Court had no authority or jurisdiction to define the rights of Canada.

Mr. NORRIS. The Senator will concede, will he not, that Canada has rights that are equal to ours on any of the international boundary waters?

Mr. DENEEN. I concede that; and I understand that we are not asking the approval of the Dominion of Canada to the amendment offered by the junior Senator from Wisconsin [Mr. BLAINE]. Lake Michigan, however, is an American lake. It is not a Canadian lake. It is within the boundaries of the United States. Canada is not complaining here. I went into this subject at some length yesterday. I will not take the time to reiterate what I said; but Canada is not complaining. Canada has repeatedly conceded that we are entitled to 10,000 cubic feet per second diversion at Chicago, and, because of that, Canada was awarded 38,000 cubic feet per second at Niagara Falls and we were reduced to 18,000 cubic feet per second. It has been recognized in the diplomatic correspondence and also in the reports of the International Joint Commission.

Mr. NORRIS. Mr. President, if the Senator will yield, the Senator said yesterday in the very able argument which he made that the treaty between Canada and the United States expressly gave to us the right to take 10,000 cubic feet from Lake Michigan. I was surprised when the Senator used those figures, and an examination of the treaty has convinced me that the Senator was in error when he said that.

While I am interrupting the Senator I want to refer to the other matter. Have we a right to assume that we are not injuring Canada if we admit that she has rights involved? Are we not in the same position we would be in if we took our neighbor's property and said, "We have not hurt you at all, we have left you money for it, and all that"? As a matter of right and law, has not the neighbor the right to have an opportunity to be heard in court? Canada can not be heard here. If she undertook to interfere with our legislation here, there would be various protests against it. So it seems to me that when the Senator says that Canada is not here objecting, he is really begging the question, because I do not see how Canada could be here protesting against our action.

Mr. DENEEN. Mr. President, I am speaking from recollection, it would take a moment or two to ascertain the exact provision, but I think my recollection is accurate. I hope I will be corrected if I misstate the facts.

The treaty provides that the waters may be taken by the Dominion of Canada or the United States for domestic or sanitation purposes, or for the existing diversions. I am not sure the word "existing" is there, but it refers to the diversions made by the two countries. That was considered, and that is why we gave to Canada 38,000 cubic feet per second.

If there is any force in the objection made by the distinguished Senator from Nebraska, I should think he would vote against the Blaine amendment, because that deals with diversion just as much as our amendment does, except that the Blaine amendment is indefinite and uncertain, and that of the Committee on Commerce of the Senate puts it in the discretion of the Secretary of War and the Chief of Engineers. So we come right back to the question of not legislating at all, but transferring the whole question to diplomatic communications, and a treaty between the Dominion of Canada and the United States. But it had never been so considered.

Having made this statement, may I make a further explanation? The quotation which I made yesterday was from the book I hold in my hand, The Waterway Through the Great Lakes to the Gulf of Mexico, prepared by Mr. George F. Barrett. He is a lawyer, was formerly a judge of one of our courts of record in Chicago, and has been one of the counsel for the sanitary district. He assembled all the information about the district, and submitted it for the convenience of the attorneys, and I understand it has been used by both sides. It is so stated in the record.

While this matter has been proceeding I sent out and acquired what I am told is the only volume of the proceedings of the Committee on Foreign Relations of the Senate, Fifty-seventh Congress to the Sixty-second Congress, inclusive, and on page 272 this statement appears, quoting from the testimony of Secretary Root in answer to questions by Senator Carter:

> Then there is this further fact why we could not object to the 36,000 provision on the Canadian side. We are now taking 10,000 cubic feet a second out of Lake Michgan at Chicago, and I refused to permit them to say anything in the treaty about it. I would not permit them to say anything about Lake Michigan. I would not have anything in the treaty about it, and under the circumstances I thought I better not kick about this 36,000 cubic feet per second.

That is the testimony. Senator Root testified at considerable length, but I notice that this one paragraph would likely answer the statement made in the preceding speeches.

Coming back to the matter I wanted to emphasize, the decree of the court is an open decree. Authority is given any party, complainant or defendant, to go into the Supreme Court of the United States twice a year and to petition for an enlargement or the diminishing of diversion. It depends upon the construction of the sewage plants and their operation, and the advancement of the art of sewage disposal.

No one pretends at the present time that the works or any works can dispose of more than 85 per cent of the sewage effluent. If, in the progress of these eight years, however, the art should be developed so that 100 per cent could be disposed of by these works, we would not have a cubic foot of diversion at Chicago.

If the Senate will indulge me to point out the situation on the map, here is the waterway to Grafton, 375 miles long. This part in yellow from the Mississippi River up to Utica is 230 miles long. That is called the lower Illinois River. It is a Federal project and on January 21, 1927, provision was made by the Congress for a channel 9 feet deep and 200 feet wide therein.

The Illinois waterway is that part of the river comprising the upper reaches of the Illinois River and the lower reaches of the Desplaines River from Utica to Lockport. That is 61 miles long.

The sanitary district begins at Lockport and continues northeasterly to Robey within the limits of Chicago. That is 30 miles.

The port of Chicago is indicated on the map by a little red spot, and that represents 12.55 miles of navigable waterway. It is the Chicago River. All the basis for this suit rests on those 12.55 miles. I quoted yesterday what Justice Holmes and Chief Justice Taft and the master stated that the question of a waterway was not a matter considered by them. The States of Kentucky, Missouri, Tennessee, Arkansas, Louisiana, and Mississippi asked the Supreme Court to make them parties because of their interest in navigation down these 327 miles, and the court refused to allow them to be made parties to the suit, because, the court said, the issue related to sanitation, not to navigation.

"Navigation" is used only as it relates to sanitation to remove the 15 per cent sewage effluent as an obstruction to navigation in the port of Chicago.

We have the sewage plants in Chicago costing $176,000,000. We have the stage of the art where only 85 per cent of the sewage can be disposed of. We have the recognized fact that 15 per cent effluent will be discharged in the port of Chicago as an obstruction to navigation. That is why the court has jurisdiction; that is why the Secretary of War had power to act in this matter. Sewage, in law, may be an obstruction to navigation. The sewage either has to go out in the Chicago River and in Lake Michigan, or southwesterly to the Mississippi River. The court said it would not be equitable to send it to the lake, because the Chicago Sanitary District would be compelled at great expense to build sewers running out into the lake, which would pollute its water supply. Chicago draws its water supply about 3 miles from the lake shore. The court said that if the complaining States came into court to ask equity they must do equity. Therefore the court permitted them, after the 31st day of December, 1938, to discharge this sewage effluent of 15 per cent through the river into the sanitary district, into the Illinois waterway, into the lower Illinois, and the special master said that the experts had advised him that the diversion of 1,500 cubic feet per second would remove from the port of Chicago this 15 per cent sewage effluent and change the water once in two days in the Chicago River. That is all; once in two days.

What becomes of it afterwards? It is pushed out of the port of Chicago, over which the court has jurisdiction, then it goes down these streams to the Mississippi River. The court does not make any provision for it thereafter.

This is the situation as it goes down the streams. The atmosphere would cleanse it if it tumbled over the rocks as in a mountain stream. These are sluggish rivers, and the atmosphere cleanses it only a few feet near the surface.

The sewage has moved down below the Henry Locks and is moving steadily down the stream in the bed of the stream 1 mile a year to Peoria.

That is the condition which obtains.

We see here on the map the Ohio River, here is the Mississippi River, here the Missouri, and here is the Tennessee River. Here is the Cumberland River. Here is the Red River a little below. These rivers all flow into the Mississippi River. There are 9,000 miles of these channels to be built in the Mississippi system. One-half and more of their advantages will be lost if they are not connected with the Great Lakes "by a commercially useful waterway."

I will refer to another map, which shows the situation better. Here is the Illinois River. How are shippers on that to get to Chicago? Here is the Hennepin Canal, and the Missouri and others serving the Northwest. Indiana and Illinois, Kentucky and West Virginia will send their coal around to Duluth and have a zone of distribution there for 300 miles; that coal will have the benefit of cheap transportation. How will they get into those markets unless you have a navigable channel through the Illinois waterway? We are discussing navigation, not sanitation.

We are discussing the longest and greatest waterway within any continent, running 3,300 miles through the heart of the continent, beginning at the Gulf of St. Lawrence, running up the St. Lawrence River and through the Great Lakes; beginning again at Chicago and the Chicago Desplaines, the Illinois and the Mississippi Rivers, and into the Gulf of Mexico. If the Illinois waterway is not made a navigable channel of 9 feet we affect injuriously the commerce of the Great Lakes and the St. Lawrence River. If the Illinois waterway is not made a 9-foot channel we will affect, injuriously, the 9,000 miles of navigable channels of the Mississippi system.

The question is whether we shall adopt an indefinite, elastic definition of water diversion by the court itself that can be varied any six months during the next eight years, or whether we are to leave to the Secretary of War and to the Chief of Engineers that authority, with power in the Congress at any time to change it. Congress has full and exclusive power in this regard.

I was very much surprised at the speech of the distinguished senior Senator from Louisiana [Mr. RANSDELL]. If the Senate will pardon me, I remember about 25 years ago when I was Governor of Illinois I began attending the waterway conventions. If I remember correctly, he, at that time, was president of the Rivers and Harbors Congress and held that position for about 15 years. His lifetime has been devoted to the opening of the Mississippi Valley rivers to the Great Lakes and to the sea.

I am very much surprised in view of that fact that he should hesitate about giving to the Mississippi Valley what we are trying to give to it—because it is theirs. This will cease to be a waterway of Illinois the minute the bill is enacted into law. It then becomes a national waterway. I was surprised that the Senator from Louisiana was unwilling to define a barge line 9 feet deep that would be operated with 9 feet of water when he insists so strongly that 9 feet should be given to the Mississippi River, to the Ohio River, to the upper Mississippi River, and to other rivers. None of them can operate north to the Great Lakes except in the way I have indicated.

Great centers of population and great markets are located in that territory. Some 40,000,000 people of the United States live within 12 hours' ride of Chicago on the railroads. There is the greatest railway center of the world. It is the greatest waterway center within the interior of any continent. Illinois is on the floor of the continent and half the waters of the Nation touch its borders as they move on to the sea. For 276 years, as I said yesterday, the Indians, the French, the British, and the people of the United States have considered this waterway as one which should unite the Great Lakes and the Mississippi River and give to each the advantages of an interchange of goods at cheap freight rates.

We were perfectly willing to leave to the Secretary of War and the Chief of Engineers the making of a statement of the maximum amount of water that should be diverted. They were unwilling so to do because they could not foresee the conditions which would be created in the intervening eight years.

Again, and last, I invite attention to the proposed survey in the Blaine amendment. When the survey is made and comes back to Congress, assuming that Congress would act after 1938, it would take five years to create and build a waterway, so we can look forward, according to the views of the gentlemen who represent the Lake States complaining, to 13 years at least before the Illinois waterway could become operative. How do those Senators regard that, who are interested in the Ohio, the Cumberland, the Tennessee, the Red, the Missouri, and the upper Mississippi?

Mr. President, my friend the distinguished junior Senator from Wisconsin [Mr. BLAINE] made a statement about the diversion of the Lakes other than Lake Michigan. I am quite sure that he meant to be accurate, but I think that he did not state the situation completely. The situation and the facts are shown in the court's decision. The diversion at Chicago, Justice Hughes said, reduces the Lakes 6 inches. There is diversion at the St. Clair River. The outlets of the river were widened and deepened. The water flowed more rapidly, but there was no more rain, and the surface of Lakes Michigan and Huron were reduced correspondingly. He found that 6 inches was the reduction in the two lakes by diversion of the Detroit River.

The outlets were enlarged by the Canadian authorities so an additional 6 inches was taken off the surface of Lakes Michigan and Huron. Therefore the lake is lowered 18 inches by those three diversions. The lawsuits related to Chicago, and not one of those Lake States has made any complaint in court or otherwise as to the diversion at the St. Clair River or the Detroit River.

I would close at once, but my distinguished colleague [Mr. GLENN] asks me to read one sentence. I read from page 122 of the report of the special master to the October term, Supreme Court, 1929:

> Under the opinion of the court in this present suit the question of the allowance of a diversion of water from Lake Michigan without the necessity of a waterway to the Mississippi is not deemed to be open to consideration.

That ought to end the discussion of the decree of the Supreme Court. It reduces it to sanitation. Yet we are asked to enact into a Federal law an open, indefinite decree of the Supreme Court relating to sanitation when we are considering navigation in a river and harbors bill.

Mr. BROUSSARD. Mr. President, before the vote is taken I should like to occupy the time of the Senate for a few moments only.

In 1924 I was appointed one of the members of a special committee to investigate and report on the feasibility of a 9-foot channel from Chicago to the Gulf of Mexico. The late Senator McCormick, of Illinois, was chairman of the committee. The Senator from Tennessee [Mr. MCKELLAR] was also a member of the committee. We had hearings in every town from Chicago down to New Orleans. We traveled on a steamboat and stopped at many places. There was no opposition to a 9-foot channel. We thought we had completed our labors when we wound up at New Orleans, but after returning to Washington the cities on the Great Lakes east of Chicago demanded hearings, so that we had to hold hearings in Washington.

It was claimed that the diversion at Chicago had lowered the Great Lakes 2½ feet. We called in the Chief of Engineers and all of his assistants and found that the diversion at Chicago was responsible for only 5 inches of the 2½ feet. We ascertained, and the reports of the committee so show, that for $30,000,000 the levels of the Great Lakes could be raised 3 feet, and that would be a permanent investment.

As is well known, all of the Great Lakes are connected by very narrow rivers, on each of which there are now Government works, locks, and dams. All that is needed is to raise the level of the spillways or the dams or the locks in order to raise the levels of the Great Lakes. It was shown that steamships drawing 20 feet of water could not enter some of the ports such as the junior Senator from Michigan [Mr. VANDENBERG] spoke about day before yesterday. If the lake levels were raised, there would be more water than they would need. The levels could be raised as high as desired with a comparatively trifling expenditure of money.

It was shown by the evidence, as indicated by the report—and I do not think anybody will deny the statement—that when we entered into a treaty with Canada for the purpose of allowing certain quantities of water to be withdrawn for the purpose of power development, the first item charged against the United States was 10,000 second-feet of water at Chicago. Canada is getting 10,000 second-feet of water more than the United States is given on this side of the St. Lawrence River. The fight of the Great Lakes cities against Chicago does not take into con-

sideration the fact that depriving Chicago of this diversion will not give them the volume of water which they desire to increase the lake level.

The question has gone to the courts since the report of that committee, and the United States Supreme Court has passed upon it. I have read that decision. I think the United States Supreme Court possibly has been somewhat influenced by the interests of the large number of cities east of Chicago. But, whatever the decree of the Supreme Court, no attempt should be made to modify it in any way at all.

I think the Senator from Tennessee [Mr. McKELLAR] will bear me out in the statement that the evidence and the treaty show that the United States is charged with 10,000 second-feet for diversion at Chicago, and, as I have said, the United States Government is getting 10,000 second-feet less than Canada was granted, and the quantity is being reduced from one day to another. Why is it that those Senators and Members of the House representing the States east of Illinois, having cities on the Great Lakes, can not come here and ask for $30,000,000, by the expenditure of which not only could the 5 inches occasioned by the Chicago diversion be recouped but the lake level could be raised 3 feet?

Our committee made that suggestion to the representatives of those States and cities, but they did not accept it. They do not want any diversion at all. They do not want any barge-line connections with Lake Michigan. They are opposed to any commerce going down, although that commerce goes down by gravity. A barge can be turned loose at Chicago, and a man with a pole can take it down to the Gulf of Mexico; it needs no power. However, the cities east of Chicago are insisting that that commerce shall go east, as it has been going for the last 80 years.

Why not give the people in Illinois and those whose business is tributary to Chicago, or who ship anything to Chicago, the benefit of a natural gravity canal to the Gulf of Mexico? For a 9-foot channel from Chicago to the Gulf of Mexico 10,000 cubic feet per second are not needed; but I, as a member of the committee to which I have referred, and I think every other member of the committee, was clearly of the opinion that the Government had retained the right to divert 10,000 second-feet at Chicago. That amount has been reduced by the Chief of Engineers, and the whole purpose of doing so—if the people of the middle and far West would only realize it—is to force them to employ the same channels and means of transportation that have been employed for the last 80 or 100 years, whereas the proposed waterway will give them transportation to the sea at practically one-tenth the present cost.

Mr. President, I did not intend to speak on this subject, and I merely make the statement I have made because of the fact that I am familiar with the evidence adduced, and I thought perhaps I should make this statement before the vote was taken. What I have said is absolutely true and is borne out by the record. Chicago has the right to divert 10,000 feet under the treaty with Canada; nobody will dispute that; but she has been restricted.

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

Mr. BROUSSARD. I yield.

Mr. McKELLAR. The Senator will recall that the more practical portions of the evidence adduced before the committee, namely, the evidence of men who have spent their lives on the Great Lakes, was that instead of this diversion lowering the levels of the Great Lakes, in some remarkable way those levels had been maintained and in some places even increased. The evidence was overwhelming that even the diversion of 10,000 cubic feet per second would not interfere in the slightest with shipping on the Great Lakes.

Mr. BROUSSARD. That is true. Even the extremists, when confining themselves to facts and figures, do not charge more than 5 inches of the 2½ feet against the diversion of water at Chicago. There have been causes other than the diversion of water to reduce the lake levels. For instance, there is seepage from the Great Lakes down the Mississippi Valley. If the diversion were stopped, the level would only be raised 5 inches.

The committee suggested that $30,000,000 be appropriated, which would be sufficient to raise the level of all the Great Lakes 3 feet, thus making the level higher than it was 35 years ago. That can be done by the expenditure of $30,000,000.

Why should the people be deprived of the privilege of shipping their commodities via the Illinois River if an expenditure of $30,000,000 will put every port east of Chicago in a better condition than it ever was before? We have spent more than that on one harbor. According to the statement of the junior Senator from Michigan the other day, there is one hundred times more tonnage on the Great Lakes than in the port of New York. Why can we not spend thirty or forty or fifty million dollars and still provide this 9-foot channel to the south, thus affording every shipper in the central and western portion of the country a cheap means of transportation when he wants to ship his products?

The PRESIDING OFFICER (Mr. JONES in the chair). The question is on the amendment of the Senator from Wisconsin [Mr. BLAINE] as modified to the amendment reported by the committee.

Mr. LA FOLLETTE and other Senators asked for the yeas and nays.

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

Mr. DILL (when his name was called). I have a pair with the Senator from Connecticut [Mr. WALCOTT]. I transfer that pair to the Senator from Arizona [Mr. ASHURST] and vote "yea."

Mr. METCALF (when his name was called). I have a general pair with the Senator from Maryland [Mr. TYDINGS]. Not knowing how he would vote on this question, I withhold my vote.

Mr. MOSES (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING]. He being absent, and I not knowing how he would vote, I withhold my vote.

Mr. McMASTER (when Mr. NORBECK's name was called). I am informed that my colleague the senior Senator from South Dakota [Mr. NORBECK] has a pair on this question with the junior Senator from Kansas [Mr. ALLEN]. If my colleague were present, he would vote "nay," and I am informed that if the junior Senator from Kansas were present he would vote "yea."

Mr. LA FOLLETTE (when Mr. NYE's name was called). I desire to announce that both the Senators from North Dakota [Mr. NYE and Mr. FRAZIER] are unavoidably absent. If present, they would vote "yea." The junior Senator from North Dakota [Mr. NYE] is paired with the Senator from Missouri [Mr. HAWES].

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH], who is at home ill. I do not know how he would vote if present, but, in any event, I am unable to secure a transfer of the pair, and therefore withhold my vote. If permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. REED. I wish to announce that the junior Senator from Pennsylvania [Mr. GRUNDY] is paired with the junior Senator from Iowa [Mr. BROOKHART]. If the junior Senator from Pennsylvania were present, he would vote "yea," and the junior Senator from Iowa, I presume, if present, would vote "nay."

Mr. SHEPPARD. The Senator from Virginia [Mr. GLASS] is paired with the Senator from Connecticut [Mr. BINGHAM]. If the Senator from Virginia were present, he would vote "yea," and the Senator from Connecticut, if present, would vote "nay."

I also desire to announce the absence because of illness of the Senator from Missouri [Mr. HAWES], the Senator from Utah [Mr. KING], the Senator from South Carolina [Mr. SMITH], and the Senator from Florida [Mr. FLETCHER].

Mr. SHIPSTEAD. I wish to announce that my colleague [Mr. SCHALL] is unavoidably absent from the city.

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

The Senator from Maine [Mr. GOULD] with the Senator from South Carolina [Mr. BLEASE];

The Senator from West Virginia [Mr. GOFF] with the Senator from Florida [Mr. FLETCHER]; and

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

I am not advised as to how any of these Senators, if present, would vote, except that the Senator from Maine [Mr. HALE], if present, would vote "yea."

The result was announced—yeas 45, nays 21, as follows:

YEAS—45

Black	Fess	McNary	Steck
Blaine	George	Norris	Steiwer
Borah	Gillett	Oddie	Swanson
Bratton	Goldsborough	Overman	Trammell
Brock	Hayden	Phipps	Vandenberg
Capper	Hebert	Pine	Wagner
Connally	Howell	Ransdell	Walsh, Mass.
Copeland	Johnson	Reed	Walsh, Mont.
Couzens	Jones	Sheppard	Wheeler
Cutting	Keyes	Shipstead	
Dale	La Follette	Shortridge	
Dill	McCulloch	Simmons	

NAYS—21

Barkley	Hastings	Patterson	Sullivan
Broussard	Hatfield	Robinson, Ark.	Thomas, Idaho
Caraway	Heflin	Robinson, Ind.	Townsend
Deneen	Kendrick	Robsion, Ky.	
Glenn	McKellar	Smoot	
Harris	McMaster	Stephens	

NOT VOTING—30

Allen	Glass	Kean	Smith
Ashurst	Goff	King	Thomas, Okla.
Baird	Gould	Metcalf	Tydings
Bingham	Greene	Moses	Walcott
Blease	Grundy	Norbeck	Waterman
Brookhart	Hale	Nye	Watson
Fletcher	Harrison	Pittman	
Frazier	Hawes	Schall	

So Mr. BLAINE's amendment, as modified, to the amendment of the committee was agreed to, as follows:

On page 31, strike out lines 12 to 25, inclusive, and on page 32, strike out lines 1 and 12, inclusive, and insert in lieu thereof the following:

"Illinois River, Ill., in accordance with the report of the Chief of Engineers, submitted in Senate Document No. 126, Seventy-first Congress, second session, and subject to the conditions set forth in his report in said document, but the said project shall be so constructed as to require the smallest flow of water with which said project can be practically accomplished, in the development of a commercially useful waterway: *Provided*, That there is hereby authorized to be appropriated for this project a sum not to exceed $7,500,000: *Provided further*, That the water authorized at Lockport, Ill., by the decree of the Supreme Court of the United States, rendered April 21, 1930, and reported in volume 281, United States Reports, in cases Nos. 7, 11, and 12, Original—October term, 1929, of Wisconsin and others against Illinois and others, and Michigan against Illinois and others, and New York against Illinois and others, according to the opinion of the court in the cases reported as Wisconsin against Illinois, in volume 281, United States, page 179, is hereby authorized to be used for the navigation of said waterway: *Provided further*, That as soon as practicable after the Illinois waterway shall have been completed in accordance with this act, the Secretary of War shall cause a study of the amount of water that will be required as an annual average flow to meet the needs of a commercially useful waterway as defined in said Senate document, and shall, on or before January 31, 1938, report to the Congress the results of such study with his recommendations as to the minimum amount of such flow that will be required annually to meet the needs of such waterway and that will not substantially injure the existing navigation on the Great Lakes to the end that Congress may take such action as it may deem advisable."

RELIEF OF OFFICERS AND EMPLOYEES OF THE FOREIGN SERVICE

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 10919) for the relief of certain officers and employees of the Foreign Service of the United States, and of Elise Steiniger, housekeeper for Consul R. A. Wallace Treat at the Smyrna consulate, who, while in the course of their respective duties, suffered losses of Government funds and/or personal property by reason of theft, warlike conditions, catastrophes of nature, shipwreck, or other causes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

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

The motion was agreed to; and the Presiding Officer appointed Mr. MOSES, Mr. SWANSON, and Mr. PITTMAN conferees on the part of the Senate.

ADDRESS BY SENATOR JOHNSON ON LONDON NAVAL TREATY

Mr. MOSES. Mr. President, last evening the senior Senator from California [Mr. JOHNSON] over the radio discussed the treaty of London, which will presently be submitted to the Senate for consideration. Like all discussions of public questions made by the Senator, the address is a compact, forceful, well-fortified, and thoroughly sincere presentation of the subject. I ask unanimous consent that it may be printed in the RECORD.

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

SPEECH OF HIRAM W. JOHNSON, UNITED STATES SENATOR, IN THE NATIONAL RADIO FORUM, ARRANGED BY THE WASHINGTON STAR, WEDNESDAY NIGHT, JUNE 18, AT 9.30 O'CLOCK, OVER THE COLUMBIA BROADCASTING SYSTEM

When the London treaty, singularly enough without comment or report, was first presented, and the demand was made for immediate ratification, the mildest suggestion of inquiry or for investigation and study was met with ill-concealed impatience that soon developed into downright denunciation. By many newspapers and advocates it was deemed a sort of lese majesty in any respect to question such a sacrosanct document, and the endeavor was made to bludgeon into silence any who had the temerity to speak otherwise than in praise or worship. A treaty asserted to be in the holy name of peace and good will among all men strangely enough aroused in its advocates a spirit which would brook neither question nor opposition; and a week ago over this same radio the distinguished Secretary of State, while indulging in platitudinous generalities and omitting detailed explanation of the treaty, displayed an angry intolerance toward any who might not agree with him, and all who under process had been compelled to testify before the Senate committees contrary to his view.

It is neither as an opponent of disarmament nor as a big Navy man that I am against the London treaty. It is as an American with the due regard of the average American for national security and defense, but with the ever present hope that the nations of the world will limit and reduce armaments; it is as a Californian, born there and living a long life only there, with eyes upon the broad Pacific and a firm belief that the Pacific ultimately will be the theater of world activity; it is as one grown old in public service, to whom the safeguarding of the Nation's future is far more important than an immediate petty political triumph that I take issue upon an instrument utterly lacking in the consummation of its high-sounding purposes, and in its terms unfair and unjust to the United States.

To say that the London treaty has the sanction of one man or another, to plead to the Senate that two of its Members have participated in its negotiations, are to state no reason for its ratification. Does it relieve our people of what politicians like to call the crushing burden of taxation? Does it provide, in reality, naval limitation? Does it prevent competition in naval building in the future? Does it give our Navy parity with that of Great Britain? Does it preserve what we thought we had achieved in previous disarmament conferences? Does it finally give to our country a sufficient Navy to enable us to protect our sea-borne commerce in case of difficulty, and does it accord us adequate national defense? If it does these things, the treaty should be ratified. If it does not do these things, then it ought not to be ratified. And the decision far transcends in importance our pleasure in bending to influence and power or our loyalties to personalities.

THE WASHINGTON CONFERENCE—RATIOS OF NAVIES THEN ESTABLISHED

We are not without past experience to guide us; and the past humiliating experience, if it has not taught us wisdom, should at least have taught care and caution.

In 1922 at Washington a conference upon naval limitation was held. There were more panegyrics delivered concerning it and more apostrophes to peace because of it, than have been indulged even in respect to the London treaty. That we were egregiously fooled then is generally conceded now. As a result of that conference, we scrapped a part of our Navy, wherein we were far superior to all others. We destroyed actually hundreds of millions of dollars of our taxpayers' property, when others did little in comparison. We did it with high-sounding phrases like we hear to-day—to limit navies, to prevent forever competition in naval building, and in the holy cause of peace. And when the conference had closed, with our cheers, and some others' smiles, the American delegation, with Mr. Hughes at its head, wrote of the treaty they then made:

"It is obvious that this agreement means ultimately an enormous saving of money and the lifting of a heavy and unnecessary burden. The treaty absolutely stops the race in competition in naval armament. At the same time it leaves the relative security of the great naval powers unimpaired."

Time has demonstrated that the Washington conference did nothing of the sort. It neither lifted any burden of taxation, nor did it leave the relative security of the great naval powers unimpaired, and worse still, instead of stopping, it actually started a race in competition in naval armament. And these unpalatable results of the Washington conference are now blithely stated by the proponents of the London treaty as reasons for its ratification. Exactly the same unfortunate results that followed the ratification of the Washington treaty will follow in intensified degree the ratification of the London treaty. And at the end of the life of the London treaty, we will find our country in still worse position. Our weakened situation at London, due to the Washington conference, is the excuse for accepting other provisions that render us weaker still; and in 1935, if the nations meet again, and our representatives adopt the theory apparently adopted by them at London, again we must yield to yet unknown and worse conditions.

At Washington in 1922 the ratio of the navies of the three great powers in capital ships and accepted in principle for all auxiliary craft, was 5 for Great Britain, 5 for the United States, and 3 for Japan. We then agreed, in order that this ratio might be fixed and as the price for it, that we would not strengthen our bases in the far Pacific. We kept faith. We hoped then that the disadvantage of our lack of naval bases might be offset by our naval superiority accorded by the 5–3 ratio with Japan. Our naval experts then and now are unanimous in the opinion that that ratio is essential for our safety. At London, upon the demand of the Japanese, this ratio was destroyed, and Japan was accorded a ratio of substantially 10 to 7, instead of 10 to 6; but the United States still continues to pay the price of the 5–3 ratio, and still is forbidden to utilize to the full the bases in the far Pacific. Notwithstanding this 5–3 ratio, Japan demanded at London equality in submarines with us, and our representatives obligingly yielded.

CRUISERS

The cruiser is a necessary and indispensable part of a navy. Great Britain desires one kind. The United States up to the time of the London treaty has desired another kind. Great Britain has many naval

bases and numerous large merchant ships capable of ready transformation into fighting ships. America has few naval bases and not one-fourth the merchant ships available to Britain for naval fighting auxiliaries. The Washington conference limited the maximum tonnage of cruisers to 10,000 and the size of guns which might be mounted upon them to 8 inches and authorized merchant ships under certain circumstances to carry 6-inch guns. Great Britain in the long course of negotiations suggested a total tonnage in cruisers of 339,000. This was accepted. The American Navy desired that, up to the total tonnage, Great Britain should build such cruisers as she wished and the United States should build such cruisers as we deemed appropriate. The needs of the two nations admittedly are different, and the disparity between the two in naval bases and merchant ships which might be armed made this difference. Great Britain has consistently and pertinaciously declined to permit the two nations to build within the limits of the tonnage such cruisers as each thought necessary. Finally Great Britain suggested two categories of cruisers, dividing them, in substance, into those carrying 6-inch guns and those carrying 8-inch guns. Six-inch-gun cruisers are of little value to the United States, particularly in the matter of protecting American commerce, and the position of our country has always been that the first duty of the Navy is commerce protection. The 6-inch-gun cruisers are, generally speaking, all sufficient for Great Britain. The representatives of our Navy in Washington, at the insistence of our Government and that an agreement of limitation might be reached, finally reluctantly agreed to an irreducible minimum of twenty-one 8-inch-gun cruisers, while asserting, nevertheless, that we should have 23. Great Britain refused to permit us 23. Great Britain refused to permit us 21. Ultimately Great Britain offered to "permit" the United States to build 18. Even this under the treaty was coupled with the condition we could have only 16 during the life of the treaty and 2 thereafter. Of course, an equivalent of 6-inch-gun cruisers was offered, but these the great preponderance of naval authorities hold to be of little consequence to the United States.

In 1927 at Geneva the same attitude was maintained by Great Britain. Great Britain then insisted, as she insisted at London, that the kind of cruisers we should have for our Navy should be as designated by her. Our representatives at Geneva thought we ourselves should determine the kind of cruisers within the limitation we might build. At London Mr. MacDonald never varied in his demands, and we graciously yielded. The question involved is far greater than a mere three or five cruisers, as the case may be. In 1936 the surplus of British and Japanese cruiser strength, counting built and building tonnage over and above the 5-5-3 ratio, will be for Great Britain 87,000 and Japan 44,000. Again we are restricted in the type of cruiser best suited to our needs. And if we admit this principle now, we are definitely committed to it at the forthcoming conference of 1935 and at the long series of distant future conferences so rosily pictured by Secretary Stimson. At these there will be many American cruisers cut to foreign pattern if we now accept the principle. Moreover, a casual reading of the treaty would lead an unsuspecting person to believe that during the life of the treaty we were to obtain 18 cruisers as compared with 15 for Great Britain. As stated, we are to have but 16 during the life of the treaty, and when the complicated, ramified exceptions to the treaty are unraveled it develops that the number of this type of cruiser which the British are to have is not 15 at all, but may be as many as 19 during the greater part of the life of the treaty. Thus there are at issue in reality the question of 11 cruisers, 7 American and 4 British, and a principle operating to our disadvantage covering many future cruisers, British, American, and Japanese.

Accept if you will the minimizing of what is called the cruiser controversy, the fact remains that the question was of sufficient importance for Great Britain from first to last, and during all the years, to deny us what we demanded for our protection, and was deemed of sufficient importance by Great Britain, at London, to threaten the collapse of the entire conference.

In justification of the violation of American interests in the matter of cruisers, it has been suggested that we had little cruiser tonnage to bargain with, and that a great concession has been granted us by Japan and Great Britain in "permitting" us to build up to their cruiser strength. Yet an exactly parallel situation existed respecting our destroyer and submarine tonnage. We entered the conference with a substantial advantage in both these categories. If it had been a matter for bargaining, we gave away our advantage there without any corresponding return in relation to cruisers. If the London treaty is carried out as contemplated by its terms, the ratio in 1936 for combined cruisers, destroyers, and submarines, counting ships built and building, will be 5 for us, 5.7 for Great Britain, and 3.6 for Japan. This is the abandonment of the ratio fixed by the Washington conference—the ratio for which we destroyed the world's greatest battleships, sunk hundreds of millions of the taxpayers' money, and stopped fortifying our own possessions in the Pacific.

And the destruction of this ratio, in case of difficulty, imperils our sea-borne commerce and endangers our national defense. And not only is it an abandonment of the necessary ratio agreed to at Washington but it makes of our boasted parity a mere irridescent dream.

THE COST OF THE TREATY—NO SAVING TO TAXPAYERS

The testimony that has been adduced demonstrates that if we build up under the London treaty, and, of course, it is of no use whatsoever to us unless we do, it will cost us $1,071,000,000. By some sort of arithmetical ledgerdemaine, it is constantly asserted by the advocates of the treaty that it results in economy for us, because figuring first upon how much it would cost us to replace certain battleships, which upon the mere suggestion of the countries involved could have been eliminated, and then adding a complete new building program which doubtless never would have been consummated, the treaty devotees reach a sum almost as great as that rendered necessary by the treaty itself. The mode of computation is like the description of his winnings in the inimitable Van Bibber stories of some years ago. Van Bibber at the close of a day of racing announced his winnings to be a very large amount, and they consisted of the addition of the sums of the bets he had intended to make, but none of which he made, and all of which would have been lost, and which because not made, he counted as winnings. The fact is, if we enter into this treaty, we have got to carry on, and we have got to spend more than a billion dollars, and spend it building, in part, ships that are of little benefit to us and which can not adequately perform the proper function for our Navy.

THE "ESCAPE" CLAUSE PRECLUDES LIMITATION

The "escalator" or "escape" clause, of course, makes a mockery of naval limitation. It provides that if any party to the treaty believes its security demands it, it may build additional ships, and the other parties may then do likewise.

The greatest contributing cause to limitation of navies is economic necessity. In the present situation, neither Great Britain nor Japan is in any position, economically, to indulge in competitive naval building; and we, fortunately, under no circumstances, wish to indulge in an armament race with any nation. In existing conditions of the great nations of the world, there was no excuse for our people yielding the ratios so dearly bought with Japan in 1922, or our right to build the kind of ships we desired, so consistently fought for for eight years in the past, and maintained so vigorously by President Coolidge at Geneva in 1927. With the will to stop competition that America has, with the power to indulge in it if America had to, our representatives at London, while respecting all others, without difficulty and without rancor, could have maintained our rights, and could have maintained our rights without jeopardizing in the slightest peace or good will.

THE PAPERS IN THE CASE WHICH THE ADMINISTRATION REFUSES

Much, lately, has been said about documents related to the negotiation and consummation of the treaty. With studious misrepresentation, the facts have been distorted, and the simple request for these papers has been paraded in a certain part of the press as an unheard of and unwarranted procedure. The simple fact is the signers of the treaty themselves, made public a document which referred to certain dispatches and other communications, and which contained in quotation the remarks of Premier MacDonald in relation to cruisers, and referring to Japan and the British Dominions. Of course, when the proponents thus put in evidence and in the public record this document, the opponents of the treaty demanded that all the related communications be produced. Parts of them, as confidential communications, were sent to the Foreign Relations Committee by the State Department, and other parts refused as incompatible with the public interest. The remarkable situation is presented, therefore, of those who favor the treaty making public a part of the record, and refusing to make public such other parts as they see fit to designate as incompatible with the public interest. Before any treaty can bind this country, the Senate must consent to it. The Senate is thus made by the Constitution a part of the treaty-making power. To deny it the papers and communications upon which the treaty is negotiated, and finally signed, is to deny it the full information upon which its partner in treaty making acted. To refuse the Senate, as in this case, where the country's future security is at stake, whatever may be relevant and pertinent, is to destroy its coequal power in treaty making and relegate it to mere subordination to the Executive. This the Constitution does not do. Where the signers of the treaty use a part and then refuse the remainder, there is in the refusal neither justice, nor fairness, nor candor.

The statement of the situation and the attendant circumstances of the refusal are illuminating and require no comment.

THE OFFICERS OF THE NAVY

The internationalist newspapers and those who seek the flattery of other peoples by decrying their own are united now in a dismal chorus of denunciation of naval experts; and yet, while denouncing the vast majority, depend upon the small minority for ratification of the London treaty. In his radio address a week ago the Secretary of State joined this chorus, and in staccato tones talked of "fighting men" and "warriors," who had before Senate committees answered the questions propounded to them and expressed themselves adversely to the treaty. The first rule of good sportsmanship is never to hit a man who can't hit back. Officers of the United States Navy can not personally respond to

the assaults made upon them by the Secretary of State and the sponsors of the London treaty, and the very fact of the assaults taints the cause in behalf of which they're made. The Secretary, however, after voicing his contempt of officers generally of the Navy, in order to justify his opinion of the treaty, devotes a paragraph in praise of one "warrior" and "fighting man" who expressed himself as the Secretary desires. It is true that Admiral Pratt, who is about to become the Chief of Naval Operations, has expressed himself in favor of the treaty; and it is equally true that Admirals Wiley, Robison, Hughes, Jones, and Coontz, all of whom preceded Pratt as commander in chief of the fleet, and Admiral Chase, who is to succeed him, all expressed themselves as against the treaty. For each officer of the United States Navy who took the easier course and agreed with the administration at least six, with a courage that does them infinite credit, demonstrated the iniquity and inequity of the London treaty. These officers, true to the highest traditions of their service, with full knowledge of the possible consequences of their testimony, with the self-sacrificing patriotism that has ever distinguished the American Navy, dared to tell the truth. One group of these constitutes what is known as the general board, and they are the duly selected technical advisers of the Government in all naval matters. They told how this London treaty with the increased ratio to Japan was a disadvantage to our country, imperiled its seaborne commerce, and might endanger our national security, and with absolute unanimity they agree that the cruisers permitted us by Great Britain are insufficient for our naval needs. Admiral Pratt, it is true, approved, but, unfortunately for himself, Pratt is of record concerning the ratio with Japan, and when he expressed himself in writing some years after the Washington conference in 1922 he said in part:

"We must insist upon the maintenance of the ratio established regardless of whatever pleas may be made by any country that its particular interests require special consideration. This was one of the great points gained at the last conference. We sacrificed our projected battleship strength to gain it. We gave up our position as the coming leading naval power to establish it, and, having made the sacrifice, we should insist that it be maintained by the powers party to the treaty which established it. Although our assets are greater and our potential strength is far greater than that of any other single power, our desire to limit armaments is well known, as is also our wish to establish economy in the administration of government. These facts may be played upon in the endeavor to have the United States accept a position which she would be sorry for later. Pressure may be exerted to make us, in the interests of economy and good will, accept inferiority in future naval limitations proposed. But we, when we were strong, accepted equality with England, and in the case of Japan we scrapped actual ships and dollars and cents for the sake of the cause of peace and economy, when Japan actually scrapped nothing except a paper program, with the exception of two ships partially constructed. Therefore we can not and will not, I take it, yield the position we fought to gain. Moreover, there is no country, when conditions are analyzed closely and we consider imports, exports, loans, assets, trade in general, prestige, size, etc., who has a fairer claim to equality with the best, and certainly a preponderance of naval strength in the ratio of 5–3 with any others.

"The 3–5 ratio gave Japan ample strength for defense, and article 19, which preserved the status quo of Pacific bases, drew our teeth both in a defensive and in an offensive sense and really gave Japan a preponderance in the eastern Pacific. We have no right now to put the United States in a position of inferiority in the matter of foreign relationships, and as is well known historically, a country's strength in international relations bears a direct ratio to its naval strength. The generations that come after us, if they be good Americans, will not thank us for having done it."

Just ponder these words of the chief witness of the Secretary of State: "We must insist upon the maintenance of the ratio, regardless of whatever pleas may be made. * * * Pressure may be exerted to make us, in the interests of economy and good will, accept inferiority in future naval limitations proposed. * * * We can not and we will not yield. * * * The 3–5 ratio gave Japan ample strength for defense, and article 19 (Washington treaty), which preserved the status quo of Pacific bases, drew our teeth both in a defensive and offensive sense and really gave Japan a preponderance in the eastern Pacific. We have no right now to put the United States in a position of inferiority. * * * The generations that come after us, if they be good Americans, will not thank us for having done it."

Ah, Admiral Pratt, some of us yet believe we should not yield to pressure, and some of us are still thinking of the generations that come after us!

Americans may determine with whom the honors rest among officers of the Navy who have testified upon the London treaty. A few took their position—in good faith, we assume—where the road may lead to favors and preferment. To their undying honor be it said the great majority, in the proportion of five to one, of the officers of the United States Navy have gone the difficult road of opposition to influence and power, and have dared tell the truth, even at the expense of being derided by a Secretary of State. And after all, who best knows about a technical treaty such as this? We maintain with pride our splendid academy at Annapolis, where men are educated in naval knowledge and for command upon the seas. Upon graduation, some devote their lives to the profession for which the Government has fitted them. These, grown old in service, recognizing but the one flag, with a thought single to their country's welfare and protection, tell us how to beware, would halt us on an emotional brink, where we find ourselves in part because of our feelings and in part because of our politics; and should we not heed the warning of these men to whom we entrust the Nation's safety in time of peril? Who makes wars? Our Secretary of State would imply our naval officers. Not so. Our country has fought many wars, and every one of them has been dictated by civilian officials—never by naval officers.

The Secretary of State demands immediate ratification. He asserts that the consequences of delay would cause the treaty to be a matter of political discussion this year, and that what he terms irresponsible misrepresentation and a spirit of international suspicion and ill-will would be a part of every political canvas. This is the argument made by every foe of democracy. There never has been a piece of legislation which could not stand detailed scrutiny, but what its friends always insisted that it was of little consequence, and should be immediately passed and got out of the way. And today, this is the specious plea most often heard in the Congress for immediate ratification. It is an argument ever to beware of in legislation, but when is added to it the statement that the treaty may be discussed with our people, and therefore should be ratified before that discussion is possible, men who believe in the people and their right to govern should instantly repudiate it. I express my humble opinion that the demand for immediate ratification and for no delay is not fear that this treaty may become a part of a political campaign, but fear that it may not become a part of the ensuing political campaign.

It is a treaty that was made, not because of its merits but because by certain people it was deemed necessary to have a treaty. It becomes thus a political treaty for use in the domestic politics of the Nation. I would take it out of politics, if I had the power, by postponing its consideration until after election. Not only would this take it from the political arena and not permit it to be used as a buffer and an alibi in a political campaign but it would give us a short four months for the people of the United States to understand it, and, understanding it, to express themselves concerning it. The treaty is a highly technical document. I am quite within the fact when I say that very few Senators have any adequate conception of it, and even a smaller proportion necessarily of our people know what it is. Four months will do no harm to this treaty if it be what the Secretary of State and its signers say it is. If they are right, this brief time will justify them; but if they are wrong, and we act with the haste that they desire, then an irreparable injury, which never can be undone, will have been inflicted upon our country.

It is nonsense to deny a people the right of investigation of what may affect their future welfare, and the denial upon the ground that international relations may be intimately discussed is a counsel of fear which should frighten nobody. For more than three months what was considered at London? It was the relation of the navies of Great Britain, the United States, and Japan. Every conceivable aspect, from mass combat to commerce protection, from submarines for immediate defense to great ships in far-flung battle array, was discussed. With meticulous care Great Britain and Japan measured our Navy in comparison with their own, and each was concerned in preserving either its equal balance or superiority. It wasn't a question of war at London. It isn't a question of war now. Nations, of course, wish in this world of realities, unfortunate as we may think it, to feel safe in any contingency. And in the last analysis it is peoples who are to be safeguarded, who, if not, must themselves pay the price; and when the very subject matter is their future protection, who have a better right of understanding and discussion than the very people themselves?

The great preponderance of testimony is against this treaty. Among the witnesses who were summoned, and who testified because summoned, were Rear Admiral Mark L. Bristol, Rear Admiral J. V. Chase, Rear Admiral J. M. Reeves, Rear Admiral George C. Day, Rear Admiral Henry L. Hough, Admiral Charles F. Hughes, Rear Admiral H. P. Jones, Rear Admiral William D. Leahy, Rear Admiral L. M. Nulton, Rear Admiral J. R. P. Pringle, Rear Admiral Samuel Shelburne Robison, Rear Admiral George H. Rock, Rear Admiral Frank H. Schofield, Rear Admiral W. H. Standley, Rear Admiral M. M. Taylor, Rear Admiral H. A. Wiley (retired), Rear Admiral R. E. Coontz, Capt. Adolphus Andrews, Capt. Alfred W. Johnson, Capt. J. K. Taussig, Commander Harold C. Train, Capt. D. W. Knox. All favor reduction and limitation of navies. Their testimony demonstrates to any disinterested person:

First. That the treaty carries with it no economy and does not reduce the burden of taxation of our people.

Second. That if we act under it, we immediately enter upon a building program that belies any cessation of competition; and what is worse, if the unsettled condition in Europe continues and the "escalator" clause is invoked, none can foresee the end of naval building.

Third. That we are not given parity with Great Britain. Even in battleships, with the scrapping of five by Great Britain and three by

us, the *Rodney* and *Nelson* and their battle cruisers give Britain a marked superiority. And here is the complete refutation of the statement recently made that we obtain parity of our battleship fleet almost at once. According to authoritative testimony, the fact that we fail to build new battleships will make it necessary to modernize all of our old battleships, if we are to approach parity with Great Britain. The present disparity is primarily due to the fact that Great Britain since the Washington conference has built the two ultramodern battleships, the *Rodney* and *Nelson*. The modernization of our old battleships will cost approximately $118,000,000. For this great sum we could have nearly built three new battleships instead of sinking vast expenditures into modernizing old ships, which will not last as long and can never be as efficient as new ones would be. In contrast with this method of modernization, the British and Japanese, by a special provision of the treaty, hasten the scrapping and replacement of many of their old cruisers, and to them this appears to be the more sensible way of modernizing their navies. In the long run it certainly is the more economical way. And do not forget that recognizing our inferiority and our lack of parity, our representatives at London asked the right to construct a new superdreadnought like the *Rodney* or *Nelson*, and of course, their request was immediately denied.

As has been pointed out, the destroyer and submarine programs of the treaty are unfair to us because of the very substantial superiority we had in these classes when we went into the London conference, and which we yielded without commensurate return.

Fourth. The ratio of 5–3 with Japan accorded by the Washington conference is substantially increased in favor of Japan, to our disadvantage and the peril of our sea-borne commerce.

Fifth. We can not with the cruiser strength given us by Great Britain adequately protect our commerce. Great Britain with her bases and merchant marine with the allotted 8 and 6 inch gun cruisers can thoroughly well protect hers, but our lack of both bases and merchant marine, and the refusal to us of the larger-gun cruiser, deny us exactly what Great Britain has, with meticulous care, preserved for herself.

Sixth. Our time honored naval policy, by which the primary duty of our Navy is to protect our commerce, is abandoned in favor of designing our Navy for fleet combat strength alone.

Seventh. The important cruiser part of the United States Navy must be built not as the United States requires, but according to British specifications.

The Secretary of State suggests the "warriors" of all nations are attacking the treaty and he refers to a hazy press dispatch that some unfortunate officer in Japan committed suicide because of it. As an argument this is scarcely worthy a Secretary of State. The Japanese are a clever and a patriotic people. It may well be that, observing the ease with which their representatives obtained exactly what they wished, some Japanese may resent that they did not ask more and, by mere insisting, obtained greater concessions. But from the standpoint of those who in the Congress oppose this treaty, the question is neither British nor Japanese. It is American.

Here is a document which its sponsors dare not permit our people to discuss; a treaty, the papers and communications relating to which they refuse not only to the people, but to the Senate as part of the treaty-making power; a pact so difficult and complex that few have any adequate understanding of it, and one which requires detailed and prolonged study; an international agreement which, when first carefully scrutinized at home after execution abroad, demanded an exchange of notes with Great Britain and Japan to clarify and explain one of its most important provisions.

Whatever incense may be burned at the altar of internationalism; whatever Hosannahs of praise may be sung to peace and good will; whatever genuflections may be made to power that demands at all hazards a treaty as a demonstration of achievement and accomplishment, this document that is sought to be crammed down the throats of the American people has within it not only the germs of future misunderstanding and ill will, but above and beyond all this, it is unjust and unfair to our country. It robs us of that which we thought by sacrifices we had obtained in 1922; it may imperil our marvelously growing commerce, now equalling that of any nation on earth; and endanger even our national defense; and after all the boastful utterances concerning parity, it yields us only inferiority. It does not measure up to our material necessities and it falls far short of our ideals. It is a treaty that is un-American, and Americans should reject it.

PURCHASE OF VOLLBEHR COLLECTION

Mr. FESS. Mr. President, on yesterday a report was made from the Committee on the Library on the purchase of what is known as the Vollbehr collection of incunabula. I ask unanimous consent to have printed in the RECORD the statement of Dr. Herbert Putnam, Librarian of Congress, on the subject.

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

STATEMENT OF HERBERT PUTNAM, LIBRARIAN OF CONGRESS

The committee was called to order by the chairman.

The CHAIRMAN. There are several bills which I want to take up this morning, and one is H. R. 12696, authorizing an appropriation for the purchase of the Vollbehr collection of incunabula, which is identical with the Senate bill (S. 4629) introduced by Senator BINGHAM. There was some difference in the bills——

The LIBRARIAN. It was the first House bill that had some different features. The bill reported out from the House committee is the same as the second one introduced in the Senate by Senator BINGHAM.

The CHAIRMAN. I would like to state for the record that I have not given approval of this proposal—rather, had expressed disapproval—on the grounds that it was an expenditure of public money that might be used or employed for better purposes, and that this collection could be, or might be, secured by some public-spirited men if we only knew who they are—many of them are in the country—who would be glad to purchase a collection of this sort and present it to the Library. I thought I was expressing the attitude of those who were most intimately associated with the Library when I took this position, but I find the interest has been so widespread that I could not resist giving a hearing on the bill at the suggestion of Senator BINGHAM, and for that reason I asked the Librarian to come over and state to us what he thinks should be done with reference to the matter. The Librarian is here, and we will be glad to hear what he has to say.

The LIBRARIAN. Mr. Chairman and gentlemen, I am now absolutely for this bill, indeed, urgently for it.

The CHAIRMAN. May I ask, Doctor, does that mean that there has been some change of attitude in the matter?

The LIBRARIAN. Yes; from the dubious to the strongly affirmative. But the dubious was based, not on the merits of the bill but on the expediencies. In the present situation, I believe the failure of the bill would be a calamity; and an impression that it had failed because of indifference on the part of the Librarian and the Library Committee would do us a very serious injury. My original attitude was embodied in a letter which I wrote to Representative MOORE of Virginia, on the eve of the hearing before the House committee. He had written me urging me to withdraw what he understood to be my "opposition" to the bill. I wrote him:

"I could not myself be responsible for such a proposal, or by any advocacy of it imperil pending measures which I deem fundamental to the welfare of the Library in its present stage. But the committee will have no reason to think that I differ from the librarians who will testify as to the significance of the collection, if including the Gutenberg, the additional power and prestige its possession would bring to the Library, and the probability that the acquisition of it by Congress upon its own initiative would extraordinarily impress the world of culture and would inspire many gifts of a value ultimately in excess of the sum expended."

But I added that so large an expenditure of public money for such a purpose involved a question of legislative policy on which I could not then risk a recommendation.

The hearing did not disclose anything new to me as to the merits of the collection. What was to me significant in it was the enthusiasm of the witnesses and the various angles of interest that they represented.

During my 31 years here, I think I have gained a certain repute for moderation. I could not risk impairing it by indorsement of a proposal which from its apparent exorbitance might cause a very unfavorable reaction in Congress. But apprehensions of this sort were quenched by the action of the House last Monday. Very remarkable it was, Mr. Chairman. The bill was called up by the majority leader, and passed under suspension of the rules, without a single substantial objection. The chairman of the Library Committee, Mr. LUCE, did demand a second, but it was only for the purpose of cautioning the House that if the proposal went through, others involving cultural projects were certain to follow which would prove expensive; and at the end of the debate he indicated that on the whole he was glad that the House seemed disposed to act.

In the meantime, the measures that I thought such a proposal would imperil, have been taken care of; and in the meantime also, there has developed throughout the country an enthusiasm for this project which amounts to an exhilaration—that the Government of the United States may match the other governments of the world in the recognition of cultural objects. You have had evidence of that in the letters and editorials with which you have been deluged.

It is not merely the literati, the scholars—it is also the man on the street, who has been touched and stirred. And among the groups so stirred is one group of exceeding importance to us; that is, the group representing connoisseurship.

Now we are constantly receiving expressions of respect and admiration for the development of the Library, but there is one kind of admiration and respect and interest that we have thus far lacked. That is the interest of the connoisseur who values books as books. Last fall one of my associates wrote to such a man asking him if he would lend one of two of his rare editions for exhibit in the Library. He wrote back: "Why should I lend them to the Library of Congress? What does Congress care about such books as I care for?" (What he actually wrote was, "What does the Senate care?") Now that man, stirred by this bill, came down for the hearings. He told the committee, and told me afterwards, that if Congress would do this thing it would mean that collectors such as he would think of our

Library instead of some other as the place where, as gifts, their collections would find real appreciation.

The CHAIRMAN. May I now ask, Doctor Putnam, if we purchase this collection because it is rare, what will be the effect upon the people who have what they think is rare, in asking the Government to take it over?

The LIBRARIAN. I think there will be other proposals submitted, but I do not believe that they need inconvenience you. Of course the procedure should be different. The one pursued in this bill would not in general be a healthy one. The bill was introduced without consulting me, but I could not be consulted because it proposed a compliment to me. The normal method by which such a proposal should come to you is on recommendation of those of us across the way, who are your responsible advisers in such matters. But that is a detail now corrected as far as this measure is concerned. I do not think the prospect of other proposals which may prove inconvenient should induce you to reject this unique opportunity, which will never recur.

As to the value of the collection: I could not support the figures given to the House Committee that these 3,000 books are worth over $3,000,000; but with the Gutenberg Bible they are certainly worth a million and a half. Except for the Gutenberg, they lack, to be sure, many of the items of greatest bibliographic distinction produced during the period. They include few examples of the English press. Even so, they constitute a collection which can never be reproduced, illustrative of the latter half of the fifteenth century.

Now that half century, Mr. Chairman, led the way to modern civilization—opened the way to America, and began the ferment that became the Renaissance and the Reformation. These books set down the manners, customs, interests, thoughts, and aspirations of the peoples of that period. Few of them are available in other forms. They are indispensable to the student of history, of art, and of printing—the art which more than any other has influenced modern civilization. Don't think of them as merely curios. They are in one sense museum pieces. But that is not their only value. They contain substantial material for the study of that period.

As to the Gutenberg Bible, that stands by itself. We have a facsimile of it. [We have also a facsimile of the Declaration of Independence, exhibited in a case 20 feet from the original. It is much more legible than the original, but it isn't the facsimile that our visitors pay any attention to.] Consider this Gutenberg. It is the Bible; as literature to us the supreme book. As the Gutenberg, it is the surpassing edition—in itself a surpassing achievement in printing, and the first book of consequence printed in Europe. And this copy—one of three on vellum surviving—is the surpassing copy. Mr. Chairman, the British Government once paid $300,000 for a work of Raphael; individual Americans have paid nearly a million dollars for a single painting by a relatively modern artist. But there is not a painting—not the Sistine Madonna nor the Transfiguration nor the Night Watch—that has the absolute primacy in the world of art that this book, and this copy of it, has in the world of books. Its primacy is absolute, and will always remain so. Its commercial value can't be definitely set. Some estimate it at $600,000; others as high as a million. What is fact is that Doctor Vollbehr is under contract to pay $305,000 for it. But a precise valuation of it does not enter into the figure of $1,500,000 for the collection as a whole. That figure was set by Doctor Vollbehr before he intended to include the Gutenberg. With the Gutenberg included, the collection of one and a half million dollars is certainly an excellent investment; and that is discounting much the estimates of men competent to judge. Our partial check has satisfied us of this.

Mr. BARKLEY. I have not read the House hearings, and do not have a very comprehensive idea of what the 3,000 volumes consist of.

The LIBRARIAN. There are 3,000 different books printed during the years 1450 to 1500, partly in Latin, partly the current dialects of Europe; French, German, Italian, Spanish, etc. Some of them are editions of the classics, some of them theological treatises, many others are on miscellaneous subjects covering the whole realm of culture. Besides these, there is the Gutenberg Bible, which is one of the three existing copies on vellum, of which one is in the British Museum and the other is in Paris. This is the finest of the three copies.

Mr. MCKELLAR. In your judgment, do you think the collection is worth one and a half million dollars?

The LIBRARIAN. Yes, sir.

Mr. MCKELLAR. Do you favor its purchase?

The LIBRARIAN. Yes, sir.

Mr. MCKELLAR. How many books?

The LIBRARIAN. Three thousand books and the Gutenberg Bible.

Mr. MCKELLAR. How much would that be on an average apiece?

The LIBRARIAN. Five hundred dollars.

Mr. MCKELLAR. Five hundred dollars a volume.

The LIBRARIAN. Mr. Huntington put $25,000,000 into books for the Huntington library. They include some of the books that are in this collection.

The British Museum has for years been buying copies of these identical books. If it is not obliged to spend large sums for them now, it is because it has them already. That was the British Government doing that.

Mr. BARKLEY. Are these books written by numerous men who are recognized in the literary world as being authorities on those subjects?

The LIBRARIAN. Yes. Of the fifteenth century. Some of the great minds of the fifteenth century and earlier.

Mr. GILLETT. Then you are advocating that we adopt the policy of the British Museum and other great collectors, of paying large sums for curios. That is what the Gutenberg Bible certainly is. Is not that a new precedent for us to establish?

The LIBRARIAN. It would be a policy for the Library which in my administration of ordinary appropriations I never, of course, followed. I never followed the policy of spending large sums for things that we could get along without because we had them in some other form.

Mr. MCKELLAR. What did the other libraries pay for the other copies of this Gutenberg Bible?

The LIBRARIAN. I don't know. They acquired them years and years ago.

Mr. MCKELLAR. What is the general conception that those objects are worth?

The LIBRARIAN. The highest price paid for a copy thus far was for a copy on paper—$126,000. That was bought by Mrs. Harkness and presented to Yale University.

Mr. GILLETT. They are worth that just because they are rare?

The LIBRARIAN. No, sir. Not merely because they are rare.

Mr. MCKELLAR. Was that just a copy on paper?

The LIBRARIAN. Merely on paper.

Mr. MCKELLAR. Just a copy from the original?

The LIBRARIAN. That was a copy produced by Gutenberg, but it was only on paper. There are only three vellum copies existing. When you get to the question of form, there is a great deal of sentiment that surrounds such an item from the point of view of connoisseurship. Vellum counts and the finish counts and all the details count.

Now, if this were just some ordinary curio, if I were just inviting you to go in to a dealer and spend a large sum for something which is, as Senator GILLETT calls this, just a curio, even though it is in a sense a museum piece, I would not be here.

Mr. MCKELLAR. What did Mr. Vollbehr pay for it?

The LIBRARIAN. Vollbehr contracted to pay for the Gutenberg Bible $305,000.

Mr. MCKELLAR. Is there any doubt about its authenticity?

The LIBRARIAN. Not at all. It has been absolutely in the possession of this monastery for several centuries.

He could get, no doubt, $600,000 for it to-day. The people at the hearing, like Mr. Rosenbach, the dealer, dealing in just such things, said that they thought that a million dollars would not be too much for the Gutenberg Bible. You could readily believe that.

Mr. MCKELLAR. Are there other books in the collection that are supposed to be valuable?

The LIBRARIAN. There is not a book there that is not valuable. Do you mean from a scientific or a commercial point of view?

Mr. MCKELLAR. From the scientific sense.

The LIBRARIAN. Every one of them is valuable in its presentation of the manners and customs and art and interests and the thoughts and aspirations of those people at the time when Europe was in a ferment and preparing for the Renaissance and the Reformation.

Mr. Chairman, I revert to my repute, if I have one, for moderation. What had worried me when this bill was introduced was the fear that I should be called before the committee and asked this question: "Mr. Putnam, if we should say to you that we think that a million and a half could be available for some useful thing for the Library, is this the use that you would put it to?" and I did not feel that I could say "Yes." But I can now say it, Mr. Chairman, absolutely. I think that at this stage, in this crisis, that this expenditure of a million and a half would be the finest investment you could make for the Library. I can not think of any application of it that would be so important to our enlarged future.

The CHAIRMAN. I frankly state to the committee that my attitude, which was antagonistic to this bill, was due almost entirely to not having the hearty recommendation of it by the Librarian, whose judgment on these matters would be the first thing I would seek. That is one thing.

The other thing was that I was afraid of opening the door to various dealers who might come in and put pressure upon the committee to purchase this and that and the other thing, which becomes a great embarrassment to the committee.

But after listening to the Librarian on the value of this selection of books dating prior to the fifteenth century, and realizing that our Library is not rich in anything of that sort, I am inclined to take his view of it, provided that we can feel that it is not going to disarrange our plans for other things that might be quite necessary.

We have been much obliged to you, Doctor Putnam.

The LIBRARIAN. I hope I have made all clear. A great expectation has been aroused throughout the country. It ought not to be disappointed.

Mr. BINGHAM. Mr. Chairman, when I first introduced this bill at the suggestion of Mr. COLLINS, I was very much surprised to find the opposition that there was to it on the Senate side. I realized this morning more than ever before that due to our enthusiasm for the Librarian himself, we were putting him in a position where it was extremely difficult for him to advocate a matter of such moment as this, which was to be a monument to him in the Library. At the same time, without his hearty support the chairman and others did not feel that they could approve of such a very great expenditure.

The new bill, which is the bill that passed the House and which is identical with the bill that I introduced a few days before that on this side, eliminated that feature to my regret. I realize now that in so doing, I have unsealed the lips of him whom we have for many years here regarded as our oracle on such matters, whose wonderful service for the Library has raised it from the position of one of the lesser esteemed libraries of the world to that of one of the great libraries of the world. Everybody recognizes that fact.

It has given me the greatest satisfaction this morning to be able to listen to Doctor Putnam's description of the collection and his enthusiasm for it; and I am delighted to see that he has converted the chairman of this committee, who conscientiously was opposing consideration of the bill, because I believe entirely with the Librarian that from the point of view of a collector the prestige of the Library of Congress will be immeasurably raised by the purchase of this collection.

The feeling of the rich collector that while Congress was glad to give him a place to deposit his books, they were not really willing to spend any money matching those books with similar books—that feeling of the collectors will be greatly changed toward the Library.

I agree with his opinion that our failure to take advantage of this opportunity, which, as the Librarian has said, will never occur again, would be a disgrace to the American Congress.

I think it is marvelous that the House passed this bill without any more opposition than it received, and I hope that we can put it through rapidly.

Mr. MCKELLAR. I would like to ask Doctor Putnam a question or two. Doctor Putnam, in the first place, how does our Library compare with others, for instance with that in London and that in Paris?

The LIBRARIAN. They are about equal numerically; but we have always coupled that statement with the mortifying remark that as to the material of distinction we are painfully lacking.

Mr. MCKELLAR. Doctor Putnam, it has been my idea for a long time that America ought to have the greatest library in the world. In your judgment, the purchase of this collection adds materially—I do not mean in the number of books, but I mean in the right kind of books—would the purchase of this collection add materially to the bigness of the Library; I mean the value of the Library?

The LIBRARIAN. Mr. Chairman, in my judgment no expenditure for any other purpose of even $5,000,000 would do as much as this purchase at this time to lift the Library onto a different plane—a plane upon which are those two libraries of England and France. Not to match them. We can not match them; but we can begin to approximate their nature as regards printed books.

Europe has known of this bill. I have heard from Europe expressions about it and curiosity as to what Congress will do with it.

Mr. BARKLEY. You might not want to answer this question. But would not the purchase also create the impression that Congress after all is composed of men who look upon matters a little differently than from the materialistic and narrow standpoint; that they have a little æsthetic sense?

The LIBRARIAN. Exactly.

The CHAIRMAN. That was the comment that Doctor Putnam made to me the other day—that this would be the finest display of public appreciation of the Library.

The LIBRARIAN. Of the cultural side of it. And in the thrill apparent among our people—that our Congress is going to do this thing for our Library.

The CHAIRMAN. I had a comment made to me the other day that was very significant, speaking of these rare libraries that are valuable because of the old books—the rare books that we never can get again because they do not exist—but they are there now. This man stated that the Vatican was very much impressed by the manner of our cataloguing here in this Library, and said that they were expecting that when all those books that had been stored away for centuries were catalogued, there will be some most remarkable discoveries that they do not know they have; that there will be a great veneration of the era. This same party said to me that this particular collection doubtless is worth $5,000,000.

Mr. MCKELLAR. Doctor Putnam has no doubt already explained before I came in just what period this collection covers. Can you tell us again?

The LIBRARIAN. The Gutenberg Bible is the first great printed book of Europe. It was printed in 1450. The collection runs from 1450 to 1500—that half century, 50 years.

Mr. MCKELLAR. It covers that entire period?

The LIBRARIAN. Those 50 years; yes. They are 50 most important years, which are the basis of our modern civilization.

Mr. BARKLEY. I am going to move that we report this bill favorably.

Mr. MCKELLAR. I second the motion.

Mr. THOMAS. Does the Library receive many books of this kind by gift?

The LIBRARIAN. We have received, Mr. Chairman, in gifts of material numerous books, but with one exception not of any very great significance bibliographically. The exception was of a bequest from Mrs. Thatcher of a collection of fifteenth-century books, a collection formed by her husband.

Mr. THOMAS. Would the passage of this bill increase those gifts or deter them, in your judgment?

Mr. MCKELLAR. He said that he thought that it would increase them.

The LIBRARIAN. I do not think that any other investment of a million and a half dollars would serve to enrich the Library by gifts of material as would this purchase.

The CHAIRMAN. The motion is made to report the bill favorably. All those in favor say "aye," contrary minded "no." It is a unanimous vote.

(Whereupon, at 10.50 o'clock a. m., the hearing was concluded.)

ADDENDUM

A little over a century ago the Government paid Thomas Jefferson $24,000 for his library. In proportion to the resources of the country that sum then was not much short of the million and a half involved in this bill. And the debate was protracted, even acrimonious. I have before me the record of it. An objection was the number of "atheistical, irreligious, and immoral" books in the collection, and the number of others not "necessary or useful." The record continues:

"Those who opposed the bill did so on account of the scarcity of money, and the necessity of appropriating it to purposes more indispensable than the purchase of a library; the probable insecurity of such a library placed here; the high price to be given for this collection; its miscellaneous and almost exclusively literary (instead of legal and historical) character, etc.

"To those arguments, enforced with zeal and vehemence, the friends of the bill replied with fact, wit, and argument, to show that the purchase, to be made on terms of long credit, could not affect the present resources of the United States; that the price was moderate, the library more valuable from the scarcity of many of its books, and altogether a most admirable substratum for a national library."

What was true of that purchase is certainly true of the one before you. It would form "a most admirable substratum for a [greater] national library," such as yours is not yet, but should develop into.

HERBERT PUTNAM.

UNEMPLOYMENT

Mr. WAGNER. Mr. President, I ask unanimous consent that there be printed in the RECORD an article which appears in the July issue of Harper's Magazine, entitled "Man Out of Work."

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

MAN OUT OF WORK

(By his wife)

As a political liberal I have for years been interested in the problem of unemployment; but never until this past year have I actually known, through long and bitter experience, the hideous misery and long, dull agony that those 12 letters can spell.

I had been brought up on a farm where, though actual cash had not been plentiful, the necessities of life, food—and plenty of it—clothing, and shelter had been taken as much for granted as the sunshine, space, and air we had in abundance. So when, at last, after a 5-month period of unemployment, our savings were all gone and the rent was due, and I had no cash wherewith to buy groceries, I knew, with every nerve quivering, that the "wolf at the door" of proverb was a real, actual horror, beside which a real wolf from a Russian forest would have been as little to be feared as a large tabby cat.

For the first time I have come to realize what is back of that commonplace paragraph I have so often encountered in the newspapers: Man Out of Work Commits Suicide. And I have trembled if the step at the door was late, lest such a thought might have occurred to my own breadwinner. I have known what it means, not only not to be able to buy the new, warm coat my daughter needs for the winter but to fear that I might not even be able to buy her proper milk and food. Perhaps—sharpest pang of all!—I might have to renounce her to some one who could care for her properly.

Before my marriage nine years ago I had been one of the "8,000,000 gainfully employed women" statistically reported. I had taught school for a time, worked on a newspaper, and after that had been a well-paid organizer in various women's organizations for a number of years. Jobs in what I now consider my merely lucky experience had not been hard to get and had paid well.

Mark was a newspaper man when we married and for three years thereafter. Our income was small, but steady; so after my daughter's birth I gave my attention to her and earned no money except by an occasional essay or lecture. I had learned from my German mother the first principles of thrift. So, though it seemed impossible to save

out of our income—a fact about which I worried quite a little—we managed to live comfortably and have our share of good times.

Then—crash! The newspaper on which my husband worked was bought by the owner of a string of papers and, with no warning whatever other than a brief day or so of vague rumor, it was killed overnight, and its entire staff, from office boy to managing editor, was thrown suddenly into the street. Incidentally, the printers and such, having more good sense and brains economically than the highbrows of the city room, were protected in that crisis by their unions—poetic justice for the scribes who were above that sort of thing!

I remember the sense of bewilderment and the all-gone feeling I had at the pit of my stomach at that time. It was as though the floor had suddenly floated out from under me.

But, luckily for us, after a few days of suspense the floor floated back and we stood on it once more. My husband had gone to an advertising agency and had "sold himself" for a salary that was 50 per cent more than he had been getting on the paper. Life looked rosy, especially when on the day of the newspaper's "funeral" the assembled editors of the papers owned by the man who had killed it told Mark condescendingly that he had been assigned to work on the staff of one of them. "Would he care to," they asked, as if in afterthought. How pleasant to say, "No; thank you!"—to thumb one's nose at the newspaper owner and all his hirelings!

For the next three years we were economically on the make. A southern advertising agency offered Mark a job at a very good salary in Florida. During our two years there, which were coincident with the real-estate boom, we managed to save what, to us, was a considerable sum of money. Almost every week I managed to put $30 or $40 into the savings bank. It is possible if we had invested that money in the wild real-estate poker game which was going on in that State at the time that we might have come out, when the boom and the agency simultaneously collapsed, with ten or twenty times the few thousand dollars we did have. On the other hand, it is much more likely that we should have had less than nothing.

After our return to our own city, New York, such a long train of evil circumstances befell us that we both had the unspoken feeling that Old Lady Calamity was on our trail. My husband, who had never before been ill, contracted a form of blood poisoning while helping to care for a dying friend. He had two long and fearful illnesses, one right after the other, so that not only were all our savings eaten up, but he was too weak to work for the better part of a year, and for the first time we were reduced to borrowing.

Up to that time I, who was the financial manager of our family firm, had laid down the rule that there was to be no borrowing or installment buying. This was because my journalistic husband, further handicapped by having been the seventh child of a poor parson, completely lacked any sense about money. (I never exactly told him this, but he admitted it.) In this he was not untypical of his scribbling brethren. I have seen so many pathetic examples among his friends of families perpetually in financial hot water—phones shut off, doctor's bills unpaid, plus threats of eviction—all because they never, seemingly, had sat down with pencil and paper and figured what one could or could not do in New York City on $65 or $75 a week.

During my husband's long convalescence I tried hard to be the breadwinner, but I fear a record of my attempts would not read like one of the glowing "success" stories of women so prevalent now. I tried writing, but sold very little. Then I got a part-time welfare job that paid miserably. The only other part-time work that offered itself at this time was that of waiting on tables in a tea room where I knew the tips were good. When I suggested to my husband the greater earning possibilities of this job I immediately sensed that his pride would be so much hurt by seeing his wife doing menial work publicly that I promptly abandoned the idea. My German instinct to care for my own child kept me from turning her over to some one else except for two brief months in the summer when I did full-time field organization work at a good salary for one of the women's organizations with which I had formerly been connected.

Finally my husband was able to return to work on a part-time basis on a salary on which we could just squeak through. I had a little part-time job that paid enough to cover the price of my daughter's tuition plus very modest wardrobes for herself and me.

When Mark's health was finally restored, he went to work in the advertising department of a large manufacturing concern at a salary of seven thousand. Once more we seemed to be going up instead of down the financial ladder. During the next six months our income was $3,500, plus little checks for odds and ends that I earned, which brought it up to about $4,000 in all.

We did wonders with that $4,000. First, we paid a number of debts that were hangovers from my husband's illness of the previous year. Several friends had lent us several hundred dollars without ever dunning us for the money that they knew we did not have. This was also true of the two fine specialists—God bless them—who had treated my husband. These debts amounted to about $700 in all. Then we bought new clothes, being nearly threadbare. Nothing fine or expensive, but a pretty spring outfit for my daughter, a new coat, dress, hat, and shoes for myself, and a new suit and shoes for my husband. We also paid a long-delayed and much-needed family call on the dentist, the bill for which was $145.

We enjoyed a few luxuries—little reckless escapes from penury. I took a $50 course at one of the city's universities. Allowing for the extra maid service that this entailed, the real cost was about $80. We went to the theater frequently, always at modest rates, and my husband indulged his love of music by sneaking off to a $2 concert now and then. And sometimes we rode in taxis. When my daughter's school was out, I took her on an inexpensive six weeks' outing to the near-by mountains.

And then I saved. At the end of six months's work at the new job, a two weeks' vacation had been volunteered and scheduled for my husband. And I was determined that after the two gruelling years he had been through, he should have a fine one, away from work and family. So toward this end, as well as toward a permanent bank account, I had saved religiously. In the savings account at the end of six months I had over $800.

The plan was that my husband should go to Canada for his vacation. His clothes were packed and his ticket bought, when—crash! On this pay-day Friday afternoon, on the very eve of his vacation, the blow fell!

II

In the organization where he was employed there had been a political upheaval several months previously. The head of the department, who had hired my husband, had been forced by artful maneuvering to resign, and the member of the department who had been there longest had been put in his place. This new man, seemingly in order to make his own position more secure because most of those under him had been partial to the old chief, had been gradually firing all of the people his predecessor had engaged.

We should have had forebodings; but because most of Mark's sales plans, advertising ideas, and copy had gone through with such enthusiastic recommendation he had felt falsely secure in spite of this. Alas! His head, the last to fall, had been reserved for a special guillotine. While a number of others were bidding cheery good-bys, vacation bound, he was hearing these words from a sadistic chief who had casually stepped up to the desk Mark was locking, "Sorry, Mark, but your job is no good any more."

If I live to be very old, I shall never forget the poignant heartsickness of that day. Instead of bidding my tired man a cheery vacation farewell, I nursed him through a short physical illness that the shock and anger caused by such treatment had brought on.

When he was again well I urged him to go on a vacation just the same. I argued that with our $800 saved he could well afford to do so. I also reminded him that midsummer was a slack season in advertising. But he countered that he had to get this job question settled first, and then he would go away to rest. He would enjoy himself so much more. Surely, with the numerous fine samples he had collected and the prestige of his latest position, it would take him only a couple of weeks, even in the slack season, to land with another first-class firm. Poor boy! Little did he guess that those "couple of weeks" would lengthen sickeningly out into a goodly number of months!

Just at this time, when my husband was starting out on that always hard, and often soul-sickening task, the search for work, his sister wired from the Middle West that she was starting eastward to make the visit that she had talked about for years. Though she had never been in New York, there was a chance of her getting radio-broadcasting work. * * * It was not an opportune time for a 4-month guest.

Instead of entertaining my sister-in-law royally, as we should ordinarily have done, with sightseeing, theaters, and the like, we felt restricted both in time and money. Also, so as not to spoil her visit—not realizing how long we should have to keep up the pretense—we decided not to let her know that Mark was out of work. There was an element of proper pride in this. He had been the only one of a large family to attain a degree of success in that mecca of success to Westerners—New York. So to have admitted his embarrassing situation would have been humiliating.

Our apartment was small—only four rooms—therefore, in various ways, we felt the strain of having another person in the household. Also, it cost considerably more to feed four persons than three. I remember my mean feeling of exasperation, as time wore on and our bank balance each day grew slimmer, when I noticed that my dairy bills were $2 higher per week because my sister-in-law consumed unlimited quantities of butter. At other times I should never have noticed it.

To the uninitiated—that is to say, to those who have not yet been forced by their own experience to think about it—my husband's experience of being five months out of work will probably suggest that there must have been something lacking in him or his ability. But these uninitiated are behind the times. Through long years of economic security they have come, I believe, to look with middle-class haughtiness upon the bread and soup lines, saying, "Well, if those men really wanted work they could get it."

I say this mental attitude is behind the times because I am aware that the plight of these bread-line men has crept up the social scale

and is to-day threatening the middle class. It is destined, I believe, even to creep to the very threshold of the well-to-do.

For a man to be long out of work, provided there is work to be had, has heretofore indicated to us middle-classers a lack of ability or experience. But those who are privy to the quirks and absurdities of present-day business will realize that my husband's long failure to find a job may readily be attributed to causes over which he had no control.

For example: If you have climbed as high as $7,000 a year and lose your job, it is correspondingly harder to find a niche that is as good as the one you have lost. Seven-thousand-dollar jobs are not so plentiful as berries on a bush. This is particularly true in my husband's business; as you may be aware, advertising salaries, like salaries in the theatrical and certain other professions, are greatly exaggerated in report.

Finding a first-rate job in any of the several branches of the advertising business is, as perhaps it also is in any of the other branches of the commercial and industrial world to-day, a sort of "pussy wants a corner" game.

This was especially true last year, not only a year in which business mergers, creating their natural wake of unemployment, were noticeably on the increase, but a year that turned out to be one of decided financial depression.

Right now I know two advertising men, one an advertising manager whose last salary was $10,000 and the other a copy chief who had been earning $8,000, who have been out five and three months, respectively. These friends tell me what I have already come to know: That for a man who has been receiving a given high salary to offer his services at a lower rate makes his ability questionable in the eyes of his prospective employer.

Also one should mention that in this land of canned courtesy as well as canned sentiment, where an organization called the "I Thank You League" was once started and where the typical up-and-coming village bears on its signboards, "Welcome," and "Thank you! Come again!" there is a surprising amount of rudeness and lack of common, decent civility.

As an example: At the beginning of his campaign for work my husband applied for a position in a large public-service corporation as a minor executive—a job for which his talents well fitted him. This corporation had a fully equipped personnel department that had got out the most complete, if not the most sensible, questionnaire for prospective employees ever heard of. They wanted to know about Mark's teeth—whether his own or the dentist's; his religious scruples; how he spent his leisure; and his taste in women. He spent two full days conscientiously filling this out.

About a week after turning in this confessional about personal habits and predilections (which would seem to have little or nothing to do with his capacity for this particular job) my husband made so bold as to ask the secretary of the personnel director what impression his life story had made. She reported, "Good," but that usually the various heads did a vast amount of "psychologizing" over all prospective employees. It seemed that they did.

From August until Christmas this firm did not give Mark a definite "yes" or "no." Always one of the chiefs was sailing the Mediterranean or playing golf in Pinehurst. Or the interview of Monday had been postponed until Thursday or Friday.

Finally, six months after his first application, when he had gone to work elsewhere and could not honorably accept, this firm made him an attractive offer. The mystery to us was, why, if they were the psychologists they pretended to be, could they not have finished their psychologizing in one month instead of six?

Looking back upon this five months' search for work, I should say that the much-heralded courtesy and ethics of American business men were conspicuously lacking. There were several good letters, asking for an interview, written by my husband to firms of good standing that were not even given the courtesy of a reply. There was the obscure little outfit that led him to believe that they were about ready to hire him at a fair salary if he would work out some selling plans and write several pieces of convincing advertising copy to convince the company's president. After working on this for two days and after repeated efforts to get a decision on it, Mark was at last told hesitatingly that his copy had not been "convincing." But several weeks ago we noticed that that self-same copy, for which Mark had received not a single penny, was "convincing" enough to have been used, with only slight changes, in several full-page newspaper spreads.

There was the large public service corporation whose advertisement for a publicity man Mark answered. They said frankly that he was the only man who had answered the advertisement who had the exact qualifications they wanted; but, sensing his need and seeing his shabby overcoat, I suppose, they tried to beat him down to half his former salary. When they asked him his age and he truthfully replied, they courteously said, "Well, you look older."

A decent offer, at a fairly good salary, came recently from this corporation. It seems they had tried out for several months an inexperienced man at a low salary, but that he had proved unsatisfactory. It would seem that maturity and experience are not always handicaps, though the prospective employer would usually have one think so.

As autumn wore on and so many bright prospects faded into thin air while our precious bank account was painfully shrinking toward its last hundred, our mutual anxiety was sharpened into agony. We would find each other lying awake at night, tense with worry. The saddest sound to me those days was my husband's whistle—a sound I had heretofore always loved. I knew now, when he whistled as he came in the door or while he shaved, that it was not because he was really gay, but to keep his courage up. My own nerves were threadbare, and very often I gave way to fits of weeping when alone.

I myself did my best at trying to earn money at that time. Together with the housekeeping for three and a guest, plus the laundry, I kept up my part-time job at my daughter's school that earned her tuition and wrote a few magazine articles on the side that brought in tiny checks. But my state of mind was such as to make most of the things I wrote unsalable. When I went out looking for work I was conscious of the fact that I needed a new suit and hat. Two traveling jobs were offered me, but each would have taken me away from home and my small daughter for weeks at a time.

We touched the depths at Christmas week, when the rest of the world was cheery. Buying the makings for dinner, instead of being a merry task as in other days, was a painful one because of my shrunken purse. Also the gifts for my daughter's tree were sparse. In lieu of the new, warm coat she really needed, I had interlined her summer one, and this, plus a few 10-cent-store presents, had to suffice.

To add to Mark's Christmas gloom, he had the week before run into an old newspaper friend, a man of 60, who had had, by way of a little Christmas greeting from the paper on which he had worked as an artist for 10 years, this little notice, "Your services are no longer required." Mark's inability to help this friend, in an even more desperate plight than himself, made him almost hysterical.

At least half a dozen of our friends, as well as several acquaintances, were out of work at this time; and it increased our misery to think that where, ordinarily, we should have been able to help a bit, we had now almost reached the point of needing help ourselves. The best I could do was to tell all and sundry that as long as we had food to eat they, too, were welcome. I had also felt obliged to give up my charwoman, and she, too, was in need.

Mark no longer tried to hide his despondency. His nervous state was such that each night, if he were a little late for supper and had not phoned, I became anxious. One night 6 o'clock came, then 7, then 8, but no husband. I telephoned to all the places where he might have been likely to be. At 10 I found him on a neighboring park bench, sobbing like a child. He said he just couldn't bring himself to face me again on still another night with nothing whatever to report. In all our years together I had never seen him thus before. "I'm just no good," he said, as I pulled his head down into my lap. "Why, here I am, almost 40, and a failure. I can't even pay the rent and buy the groceries for my wife and child next week. I can't 'sell myself.' If I only knew what handsprings these chaps want me to turn for them, I'd turn them; but I just can't find out."

III

After paying the January rent we should have exactly $20 left. We had put off paying the $12.50 insurance premium that was due. There seemed to be no friends or relatives from whom we could borrow any worth-while sum at that time. That week Mark pocketed all his pride—and he is immensely proud—and went to a firm with which he had had a friendly acquaintance for some years. Without mincing matters, he told the chief there his whole situation. This employer was a man of unusual sympathy and understanding. In his youth he had fallen heir to a large fortune, but had dissipated it and his own powers. Rather late in life, realizing the plight into which he had thrown his wife and children, he had come back, like a prodigal son. He was not the average executive.

He told Mark that they were in no need of a new man at that time, but would try to make a place for him. "Let me show you that I am in earnest," Mark replied. "I'll come to you at half the salary I got last year, and when I've had a chance to show you what I can do you can raise me accordingly."

New Year's Day found us with just $2 in our purse, but with light hearts. No longer need we fear the landlord's ring might mean a threat of eviction. Nor need we ask friends or relatives to take us in—bitter thought—until we might get on our feet again. True, we have to live economically on a small salary, but after what we have just been through that seems easy.

But we still bear the scare of those "five months out of work." In the back of our minds is always the fear that through illness or unforeseen circumstances the experience may be repeated. We shall do our very best to save—never an easy feat in an expensive city. We realize that each passing year that puts more gray hairs into Mark's head will make the finding of new work more difficult. We should both like to head a larger family, for the sake of the child we already have, as well as for our own enjoyment. But, weighed down by our sense of

economic insecurity, we refrain, feeling that it would be unfair to have more children, knowing that there might come times in which we would not be able to give them the simple essentials to which every child is entitled. Always, we have the dim sense of living close to a precipice—the common fate, I suppose, of the average skilled or unskilled worker who sells his services for a weekly wage in this great era of prosperity.

In a country like ours, where the real wealth is so vast that the liveliest imagination can scarcely comprehend it, is there not enough corporate intelligence and good will to do away with the mighty load of human misery borne by 3,000,000 men out of work? We are like people in a rich and beautiful garden who, through a sort of willful stupidity, go hungry because we do not know how to cultivate it or because we waste the abundance of food that is therein.

When we are nationally threatened with an epidemic, such as the Spanish influenza of 1918, each community is stirred to take measures of prevention and cure. But the suffering, spiritual and mental and physical, entailed in an epidemic of unemployment must be greater than that of an epidemic of mere physical illness. If our business executives, from the presidents of firms down to the heads of the smallest departments, could but see the unemployment problem in that light, instead of as a sort of act of God, as the smallpox we no longer have was viewed years ago; if they could but understand—as I now do—what agony it brings to its victims, would they not be able to do away with it? Or must we be forced to believe that, as the radicals tell us, American business will never learn to think in human terms?

JUDGE H. M. GARWOOD

Mr. CONNALLY. Mr. President, recently Judge H. M. Garwood, a distinguished citizen of Texas and a great lawyer, passed away. Memorial services in honor of Judge Garwood were held before the Supreme Court of Texas. I ask unanimous consent to have published in the RECORD an address made on that occasion by Hon. Frank Andrews, an outstanding member of the Texas bar and an eminent citizen of that great State.

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

JUDGE ANDREWS DELIVERS SUPREME COURT MEMORIAL ADDRESS ON H. M. GARWOOD

The following address was delivered by Judge Frank Andrews at the memorial services of the Supreme Court for Judge H. M. Garwood, held June 4.

"May it please the court: The tribute paid by Judge Phillips, a former chief justice of this court, to Judge Garwood is richly deserved. Judge Garwood often appeared before this court with great distinction to himself and honor to his profession. I could add nothing to what Judge Phillips has said as to his great ability or splendid legal accomplishments, and I feel that any effort to do so would mar the beauty and symmetry of the wonderful encomium just paid to a great lawyer. But I do, nevertheless, crave the privilege and the indulgence of this court for a few words of love and affection for the man as a man, loved by so many members of our profession, and for a clean, Christian gentleman, who has been my intimate friend for more than 40 years. I knew him as men seldom know each other. I loved him as few men love each other. And our friendship was intimate, endearing, and unselfish for nearly half a century. I think of him now as the most scholarly and polished gentleman in all avenues of cultivated attainment that it has been my good fortune to intimately know. He knew accurately more of the world's history, of its important events, of its philosophy, than anyone with whom I ever come in contact. Its biography, its civilization, its development, causes as related to effect, were thoroughly mastered by him and formed a strong background for a liberal education of this cultured and accomplished gentleman. And, while he never tried to specialize in history, he became, through the processes of omnivorous reading and intelligent acquisition, a great historian. In literature, ancient and modern, he was a great master. He knew and loved the great and scholarly books of the ages and the great scholars who wrote them as a man knows and loves his personal friends and associates. He knew the characteristics of the great authors and therefore understood them better and admired them more. So thoroughly versed was he in history and literature that he could deliver, as he frequently did, an instructive and accurate lecture of the highest literary merit with the briefest preparation.

"But the greatest and most endearing of all his virtues and accomplishments was his unselfish devotion to his friends. He grew up in an environment where friendship counted for much. His prototypes were of those hardy pioneer Texans to whom loyal friendship meant, next to honor, the most of all things in the world, and during all of his lifetime he never withheld his hand from a friend or turned his face from an enemy. The people who knew him loved him. They loved him in the proportions of how well they knew him. And when he passed, numberless people said: 'The best friend I ever had is gone.' A great city poured out to do him honor. Floral tributes from loving friends were massed by tender hands in such profusion and beauty as would do honor to a king. Although the end had been expected and seemed inevitable for some time, we were shocked and stunned by the blow.

"I desire to pay this simple tribute of love, affection, and esteem to a Christian gentleman in every respect worthy of it, to a friend whose devotion and loyalty never wavered, to a lawyer who had few equals and no superior in this great State, to an advocate who was resistless in the cause of righteousness, an orator of matchless eloquence, and a philosopher of the strictest intellectual honesty.

TRIBUTE OF ESTEEM

"Simply and finally, he was my friend and I come to pay him the simple tribute of love and esteem. As I stand before this great court to-day, where he so often stood to plead the just cause of his clients, I know that the members of this court loved him, too, as he was loved by his friends and professional brethren throughout the State. Standing before this bar to-day I can not but feel the presence of the great judges of other days, who have gone on before, who were also his friends and who made this court one of the great courts of the world; and all of us know that his brilliant eloquence and scholarly arguments added much to this attainment. Standing with him and them and before this great bar in this august presence, I can feel the welcoming presence of those great judges before that Eternal bar, as they extend to him a loving hand, and, as we part, he stands in the presence of the unerring Judge and looks upon his face unashamed and unafraid. I bow my head in sorrow at the parting, but I know that I have an advocate there, and I say to my beloved friend, 'Good-by, we shall meet again.'"

PARTICIPATION OF UNITED STATES IN PARIS EXPOSITION

Mr. BORAH. Mr. President, there is on the calendar a joint resolution authorizing the expenditures necessary to enable the Government of the United States to take part in the Paris exposition. If it is not passed at this time it will be impossible to secure the appropriation.

I ask unanimous consent for the immediate consideration of Order of Business 962, House Joint Resolution 311.

The PRESIDING OFFICER. The Senator from Idaho asks unanimous consent for the present consideration of a joint resolution, which will be read by the clerk.

The Chief Clerk read the joint resolution (H. J. Res. 311) for the participation of the United States in an exposition to be held at Paris, France, in 1931, and it was considered by the Senate, ordered to a third reading, read the third time, and passed.

WILLACY COUNTY, TEX.

Mr. SHEPPARD. Mr. President, I should like to have passed House bill 11050, Order of Business 964, which transfers a county from one division of a Federal court district of Texas to another.

The PRESIDING OFFICER. The Senator from Texas asks unanimous consent for the present consideration of a bill which will be read by the clerk.

The Chief Clerk read the bill (H. R. 11050) to transfer Willacy County in the State of Texas from the Corpus Christi division of the southern district of Texas to the Brownsville division of such district, and it was considered by the Senate, ordered to a third reading, read the third time, and passed.

TERM OF DISTRICT COURT FOR DISTRICT OF NEVADA

Mr. ODDIE. I ask unanimous consent for the consideration and passage of House bill 7643, Order of Business 963.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 7643) to establish a term of the District Court of the United States for the District of Nevada at Las Vegas, Nev., which was ordered to a third reading, read the third time, and passed.

RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock to-morrow.

Mr. HEFLIN. Mr. President, can we not make the hour 11 o'clock to-morrow?

Mr. McNARY. The Senator who has the bill in charge prefers 12 o'clock.

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

The motion was agreed to; and (at 5 o'clock and 32 minutes p. m.) the Senate took a recess until to-morrow, Friday, June 20, 1930, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 19 (legislative day of June 18), 1930

UNITED STATES ATTORNEY

Henry M. Holden, of Texas, to be United States attorney, southern district of Texas. (He is now serving in this office under an appointment which expired June 15, 1930.)

UNITED STATES MARSHALS

Asa W. Butler, of Missouri, to be United States marshal, western district of Missouri. (He is now serving in this office under an appointment which expired May 17, 1930.)

Richard B. Quinn, of Oklahoma, to be United States marshal, western district of Oklahoma. (He is now serving in this office under an appointment which expired June 15, 1930.)

COAST GUARD

The following-named officers in the Coast Guard of the United States, to rank as such from April 23, 1930:

To be captains (engineering)

Commander (Engineering) Quincy B. Newman.
Commander (Engineering) Lorenzo C. Farwell.
Commander (Engineering) California C. McMillan.
Commander (Engineering) George W. David.
Commander (Engineering) Lucien J. Ker.

PUBLIC HEALTH SERVICE

The following-named officers in the Public Health Service, to take effect from date of oath:

To be medical directors

Senior Surg. Taliaferro Clark.
Senior Surg. Claude H. Lavinder.
Senior Surg. Milton H. Foster.
Senior Surg. Ezra K. Sprague.
Senior Surg. Claude C. Pierce.
Senior Surg. Leslie L. Lumsden.
Senior Surg. Mark J. White.
Senior Surg. John McMullen.
Senior Surg. Lunsford D. Fricks.
Surg. Charles W. Vogel.
Surg. Carroll Fox.
Surg. Joseph W. Schereschewsky.
Surg. Allan J. McLaughlin.
Surg. Edward Francis.
Surg. Dunlop Moore.
Surg. John D. Long.
Surg. Richard H. Creel.
Surg. Francis H. McKeon.
Surg. Albert D. Foster.
Surg. John W. Kerr.
Surg. Walter W. King.
Surg. Bolivar J. Lloyd.
Surg. George W. McCoy.
Surg. Benjamin S. Warren.
Surg. Arthur M. Stimson.
Surg. John W. Trask.
Surg. Frederick C. Smith.
Surg. George L. Collins.

To be senior surgeons

Surg. Eugene H. Mullan.
Surg. Marshall C. Guthrie.
Surg. James P. Leake.
Surg. Edward R. Marshall.
Surg. Hermon E. Hasseltine.
Surg. Hugh de Valin.
Surg. William M. Bryan.
Surg. Emil Krulish.
Surg. Harry J. Warner.
Surg. Paul Preble.
Surg. Randolph M. Grimm.
Surg. Joseph R. Ridlon.
Surg. Charles M. Fauntleroy.
Surg. Lawrence Kolb.
Surg. Carlisle P. Knight.

PROMOTIONS IN THE NAVY

The following-named captains to be rear admirals in the Navy from the 10th day of May, 1930:

Walter R. Gherardi.
Arthur St. C. Smith.

Commander Conant Taylor to be a captain in the Navy from the 1st day of April, 1930.

Lieut. Commander Melville S. Brown to be a commander in the Navy from the 1st day of April, 1930.

Lieut. Oscar H. Holtmann to be a lieutenant commander in the Navy from the 9th day of March, 1930.

Lieut. William McK. Reifel to be a lieutenant commander in the Navy from the 11th day of March, 1930.

Lieut. William W. Warlick to be a lieutenant commander in the Navy from the 6th day of April, 1930.

Lieut. Owen E. Grimm to be a lieutenant commander in the Navy from the 11th day of May, 1930.

The following-named lieutenants to be lieutenant commanders in the Navy from the 5th day of June, 1930:

Earl E. Stone.
Edward F. McCartin.
Hayden H. Smith.

Lieut. (Junior Grade) Malcolm M. Gossett to be a lieutenant in the Navy from the 1st day of October, 1929.

Lieut. (Junior Grade) Robert B. Rothwell to be a lieutenant in the Navy from the 11th day of October, 1929.

Lieut. (Junior Grade) Louis D. Libenow to be a lieutenant in the Navy from the 4th day of February, 1930.

Lieut. (Junior Grade) Arthur L. Pleasants, jr., to be a lieutenant in the Navy from the 17th day of February, 1930.

Lieut. (Junior Grade) Delbert S. Cornwell to be a lieutenant in the Navy from the 1st day of April, 1930.

Lieut. (Junior Grade) Byron S. Anderson to be a lieutenant in the Navy from the 1st day of April, 1930.

Lieut. (Junior Grade) Thomas Aldred to be a lieutenant in the Navy from the 18th day of April, 1930.

Lieut. (Junior Grade) Malcolm W. Pemberton to be a lieutenant in the Navy from the 16th day of May, 1930.

Lieut. (Junior Grade) John L. Nestor to be a lieutenant in the Navy from the 2d day of June, 1930.

Lieut. (Junior Grade) William V. Saunders to be a lieutenant in the Navy from the 5th day of June, 1930.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 5th day of June, 1930:

Kenneth M. McLaren.
Frederic S. Withington.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 2d day of June, 1930:

Walter H. Albach.
Richard Wagner.
Melvyn H. McCoy.
George W. Anderson, jr.
Warren F. Graf.
Shirley S. Miller.
Francis C. Manville.
Jacob C. Schwab.
Leonard S. Mewhinney.
Warner R. Edsall.
Earl B. Patterson.
Wallace B. Mechling.
Henry H. Caldwell.
Arthur E. Loeser.
William H. Leahy.
Bloomfield M. Cornell.
James F. Benson.
Thomas J. Hamilton.
Earl K. Swearingen.
Carl J. Pfingstag.
David B. Young.
Frederick Funke, jr.
Frederic F. Agens.
Miles H. Hubbard.
Robert C. Winters.
Charles D. Griffin.
Samuel G. Mitchell.
Edward M. Condra, jr.
John W. Malley.
Arthur S. Born.
Allen Smith, jr.
Timothy F. Donohue.
James M. Roberts.
Sylvius Gazze.
Seymour A. Johnson.
Wellington A. Hammond.
Hubert G. Wall.
Fritz Gleim, jr.
Andrew H. Bergeson.
Raymond J. Moore.
Robert C. Brixner.
Lannie Conn.
Paul W. Card.
Clifford L. Wickman.
Lee W. Parke.
Harry E. Day.
Argyll E. Buckley.
Joseph T. Hazen.
Leonard W. Bailey.
Myron T. Evans.
John F. Hines, jr.
Eugene E. Davis.
Robert H. Speck.
Henry R. Dozier.
William Y. C. Humes, jr.
John W. Schmidt.
Harold T. Deutermann.
Arnold W. McKechnie.
Paul S. Depew.
Robert I. F. Fravel.
Randolph B. Boyer.
Richard C. Collins.
George G. Mead.
John C. Woelfel.
William H. Ashford, jr.
Clarence E. Coffin, jr.
Selden G. Hooper.
Monroe B. Duffill.
Dick R. Downer.
Cyrus T. Clendening.
Ernest Blake.
Frank M. Hammitt.
Howard A. Yeager.
James W. Hager.
Doyle G. Donaho.
Joshua W. Cooper.
Francis E. Cromwell.
Clinton S. Rounds.
Harry D. Hale.
Jack O. Wheat.
Francis C. B. McCune.
Sam Pickering.
Patrick Henry, jr.
William W. Outerbridge.
Joseph A. Flynn.
Clarence E. Cortner.
William O. Burch, jr.
George L. Jones, jr.
John T. Brown, jr.
Charles J. Starkus.
Richard P. Wilkinson, jr.
Robert S. Ford.
Joseph D. McKinney.

Passed Asst. Surg. Wendell H. Perry to be a surgeon in the Navy, with the rank of lieutenant commander, from the 7th day of January, 1930.

The following-named assistant surgeons to be passed assistant surgeons in the Navy, with the rank of lieutenant, from the 5th day of June, 1930:

Clifford A. Swanson.
John N. C. Gordon.
Ocie B. Morrison, jr.
John P. Brady.
Bartholomew W. Hogan.
Clark T. Alexander.
Harold O. Cozby.

Lieut. (Junior Grade) Joseph L. Bird to be an assistant naval constructor in the Navy, with the rank of lieutenant (junior grade), from the 3d day of June, 1929, to correct the date of rank as previously nominated and confirmed.

HOUSE OF REPRESENTATIVES

THURSDAY, *June 19, 1930*

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most Merciful Father, Thy name is great and greatly to be praised; we therefore wait on our God. For this radiant and beautiful day, with its baptism of the summer sun, we thank Thee. Into the garden of our hearts do Thou enter that we may join the jubilant accord of this earthly scene and thereby enrich our heaven. May we live where the joys are, live in the sunshine of Thy presence, live as the flowers and the birds live, free from anxious care and painful burden, just as our Father meant that we should. As for our faith in Thee and in all that is good, may it never fail us. By all Thy mercies lead us on without murmur and complaint. Keep before us Thy holy precepts and direct us in the ways of truth and wisdom. We pray in the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H. R. 8958. An act for the relief of certain employees of the Alaska Railroad;

H. R. 11934. An act authorizing the Monongahela Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Monongahela River at or near the town of Star City, W. Va.;

H. R. 11966. An act to extend the times for commencing and completing the construction of a bridge across Lake Sabine at or near Port Arthur, Tex.; and

H. Con. Res. 40. Concurrent resolution authorizing the printing of 80,000 copies of the tariff law of 1930 as a House document.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 10919. An act for the relief of certain officers and employees of the Foreign Service of the United States, and of Elise Steiniger, housekeeper for Consul R. A. Wallace Treat at the Smyrna consulate, who, while in the course of their respective duties, suffered losses of Government funds and/or personal property by reason of theft, warlike conditions, catastrophes of nature, shipwreck, or other causes.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. SIMMONS. Mr. Speaker, I call up the bill H. R. 10813, the District of Columbia appropriation bill, with Senate amendments, and ask that the House further disagree to the Senate amendments.

The SPEAKER. The gentleman from Nebraska calls up the bill H. R. 10813, the District of Columbia appropriation bill, with Senate amendments, and asks that the House further disagree to the Senate amendments. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 10813) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1931, and for other purposes.

The SPEAKER. Is there objection?

Mr. CRAMTON. Reserving the right to object, Mr. Speaker—which I do not intend to do—I should like to ask the Speaker if it is permitted to me, under the rules of the House, to read any part of the proceedings of the Senate with reference to this legislation?

The SPEAKER. The Chair thinks that would be contrary to the rule.

Mr. CRAMTON. That being contrary to the rule, it would be very brief, I can assure the Speaker—the proceedings covering the entire matter. But, bowing to the decision of the Speaker, would it be in order for me to make a statement to the effect that there was no debate whatever on the conference report as reported to the Senate, and there was no roll call on the adoption of the conference report? I might even go so far as to raise the question whether the Members of the Senate were aware of what was reported at the time it was adopted. I withdraw my reservation of the right to object.

The SPEAKER. The Chair will again read the rule. Under the existing conditions the Chair thinks it is the duty of the Chair not only to adhere to the spirit of the rule but also to the letter. I read:

It is a breach of order in debate to notice what has been said on the same subject in the other House, or the particular votes or majorities on it there, because the opinion of each House should be left to its own independency, not to be influenced by the proceedings of the other; and the quoting them might beget reflections leading to a misunderstanding between the Houses.

The Chair thinks that there should be at least one House observing the rule.

Mr. CRAMTON. Reserving the right to object, as I understand, under the interpretation of the rules of the other legislative body there would be nothing to prevent any Member of that body from calling the attention of the Senate to the fact that there was a roll call in the House, and that about 95 per cent of the membership of the House responded.

Mr. PATTERSON. Reserving the right to object, I know that the gentleman is one of my friends, and I have no criticism to offer of him as a Member of the House. I do not agree with the stand the gentleman took on this pay bill, and I know that if we all took that stand we would delay the proceedings between the House and the Senate and it would destroy all cooperation. I am glad the Speaker has adhered to that rule, because if we should all criticize the Senate, cooperation between the two bodies would be destroyed. But if the gentleman wants to go back after a few of us voted against his resolution the other day—and so far as I have been able to find out everybody must admit that this was an arbitrary figure—I do not wish to be put on record as now insisting on his position, if he does this I shall have to object. I do not want to delay any plans the gentleman has got toward getting together on this important bill and I do not object to the bill going back to conference; neither would I object to the ordinary disagreeing resolution, but I shall object if it is to further insist. So far as I am concerned, I think it is just as well to put in $7,000,000 or $8,000,000 or $9,000,000, or any other arbitrary amount, because it is an arbitrary figure; but to say that we all insist, I would object on this ground. I would like to have an explanation from the gentleman. Otherwise I shall have to object.

Mr. SIMMONS. The situation is this: The other body accepted the report of the conferees stating that there was no agreement. The RECORD shows that there was no action taken in the other House on the House vote insisting on its disagreement to the Senate amendment.

Mr. PATTERSON. The papers must have been misinformed.

Mr. SIMMONS. I take it that the RECORD shows that the gentleman and some 16 others were not in accord with the position of the majority of the House. The action taken or to be taken to-day does not bind the gentleman in any way, but it facilitates action on this bill.

Mr. PATTERSON. Then I will say I am in accord with that, because I do not want to delay the action of the House. If I were to object to everything being sent to conference because it contained something I did not want, I would be a continual objector. Therefore I am not going to object under the circumstances, but I do feel that this has not been handled in a way that exactly appeals to me. I am just an humble Member. I understand I have no leadership, or anything of the kind. I am not speaking for the leaders, but I want to be one who registers disapproval of setting up an arbitrary amount and saying that we are absolutely infallible on this or any other arbitrary amount or measure.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. BOWMAN. Reserving the right to object, may I inquire from the gentleman from Nebraska [Mr. SIMMONS] for what object he brings this unanimous-consent request before the House to-day?

Mr. SIMMONS. The request itself states the object. It is asking unanimous consent that the House further insist on its disagreement to the Senate amendments in order that we may facilitate the passage of the bill.

Mr. BOWMAN. What was the resolution that we voted on the other day?

Mr. SIMMONS. The resolution was the same, and the Senate took no action on it.

Mr. BOWMAN. Mr. Speaker, I must object to the unanimous-consent request.

Mr. CHINDBLOM. Will the gentleman withhold his objection for a moment?

Mr. BOWMAN. Certainly.

Mr. CHINDBLOM. The situation, as I understand, is this: The appropriation bill for the District of Columbia has come back to the House practically in the situation of an impasse. There is not anything we can do except to message the document back to the Senate for the purpose of ascertaining whether or not it may be possible for the two Houses again to resume consideration of the bill. That can now only be done by a message from the House. The only thing we can do is to message the bill back to the Senate, with the information that the House still insists upon its position; but, of course, such action implies the possibility of further conference.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. SIMMONS. I yield.

Mr. MOORE of Virginia. What has transpired since the action of the House the other day to give this matter any new aspect?

Mr. SIMMONS. The other body took no action whatever upon the House vote of disagreement, and messaged the bill back to us yesterday afternoon.

Mr. BOWMAN. Mr. Speaker, I object to the request of the gentleman from Nebraska.

Mr. SIMMONS. Mr. Speaker, I move that the House further insist upon its disagreement to the Senate amendments to the bill H. R. 10813.

The SPEAKER. The gentleman from Nebraska moves that the House further insist upon its disagreement to the Senate amendments to the bill H. R. 10813.

The question was taken; and on a division (demanded by Mr. LINTHICUM) there were—ayes 124, noes 4.

So the motion was agreed to.

TAXATION IN THE DISTRICT OF COLUMBIA

Mr. FREAR. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to proceed for one minute. Is there objection?

There was no objection.

Mr. FREAR. Mr. Speaker, on day before yesterday, when the District of Columbia appropriation bill was before the House for consideration, I made a suggestion to the gentleman from Nebraska [Mr. SIMMONS] with regard to a tax proposal for the District of Columbia that I believed might be helpful in the consideration of such questions in the future. The gentleman suggested to me that I place that plan before the House and in the RECORD. Therefore, Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD to include the proposal referred to.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FREAR. Mr. Speaker, the financial muddle between the District of Columbia and the Federal Government has occupied many hours of Congress and many pages of local printer's ink during this and prior sessions. Its cost to the Government runs into many millions of dollars.

During all these years of disagreement Congress has been called upon alternately to coddle the residents of the District with lump-sum gifts, depending upon the generosity of the donors, or has engaged in vague threats of retaliation for abuse running from abandonment of the infant at our doors to removal of the Capitol to some of the many hundreds of communities that would sacrifice their hopes of after life to capture the prize. No one seriously finds any justification for either extreme. Is it not time to get suggestions from those who are more interested in having a right solution of the problem than to continue threats of punishing or promises of petting that are without tangible or permanent results?

As a layman, I do not profess to offer any solution. Neither have I confidence in theories advanced at the other end of the Capitol nor patience with the childish abuse heaped on Chairman SIMMONS by the local press. He has performed a praiseworthy task with commendable self-restraint and has the support of the House. Day before yesterday, for the first time, I asked him what seemed to be the fundamental differences as to District taxation and taxation with other like communities. As it does not concern his committee, he suggested humorously I might go into the subject myself.

I am modestly offering a suggestion to that end, and am sure that it is elemental to any correct determination of fiscal affairs that are in disagreement. A Senate authority declares that because Congress gave $9,000,000 to the District five or six years ago and the District has grown to be a lusty infant that about $12,000,000 annually is now the proper sum, but finally offered to "compromise," until this offer was termed by a bad boy who leads the House Democrats to be a "bluff." That is newspaper report, that is not always strictly accurate, but the situation is far from any agreement, as indicated by the vote just had by the House.

My good friend from New York [Mr. GRIFFIN] in debate says that a prior Congress found 60–40 instead of 50–50 is the right proportionate expense for the Federal Government to bear and that Congress is bound by that determination. Of course, neither the horse and rabbit 50–50 pie or the present 60–40 sharing system adopted in 1922 has any legislative force, although in theory it might be suggested that the judgment of a prior Congress is not binding on this Congress, but when my able New York friend expressed himself as proud of a low tax rate in the district that reaches the real cause for disagreement, and it can only be settled right. I will not say it begs the question, but though it is quoted by last evening's luminary with approval it is the very point in issue.

A morning paper to-day asserts that this disagreement may become a national political issue with the President, because some administrative opponent might cry the "Republicans couldn't even pass a bill to run the National Capital." With that startling possibility it behooves us to save both the party, the President, and the District from threatened disaster that has been impending ever since Congress first disagreed with the demands of the District residents.

Congress is friendly to the District, notwithstanding the attitude of local papers, that hurt their cause by senseless abuse. Congress is proud of the Capital City, the most beautiful city in the world. Confidence in that judgment is shown by Congress, that has expended hundreds of millions of dollars for the Federal Government to house its activities and beautify its surroundings in the District.

The American Congress made possible the city of Washington and has helped every local business man now living here through the many thousands of Government employees, who sustain that private business.

To quibble about land condemned and taken by the Government, paid for at double its actual value, and to assert any loss is suffered on the tax rolls, lugubriously repeated by the local press, is neither warranted nor convincing. Again it begs the question and is irrelevant and immaterial, if true.

Illustrating the uncertainty of comparisons found in the report of the Bureau of Efficiency for 1928, on pages 16 and 17 it appears that the personal property tax for Washington that year was $11.94 per capita. The same taxes paid in Milwaukee for 1928 were $8.27 per capita, but in addition, according to footnote No. 1, Milwaukee, a city comparable in size with Washington, paid $8.94 State income tax, not shown in the above schedule. That, I assume, is apart from the Federal income tax and relates to the Wisconsin income tax law.

The real issue between the Federal and District Governments lies in a possible responsibility on the part of the Federal Government, not legal nor conceded, when the expenses of the District government are enhanced by the Federal Government beyond the average costs of similar municipalities to their resident taxpayers. That has never been determined, so far as I can learn, and nothing is gained by calling names. The District press denounces autocrats and several gatherings of indignant citizens threaten to leave Washington for some other city where the taxes are lower. Only failure to locate that taxless haven prevents their removal.

On the other hand, it is not uncommon to hear staid Members of Congress, when discussing this subject, use such terms as "tax dodgers" and "evaders" of honest taxes. Such terms indict honest people, and I submit it is a system for which Congress and Congress alone is to blame. The responsibility beyond question is ours for a condition that has existed for a century and will continue to exist until we face the seeming difficulty, not by blundering with lump-sum appropriations or unwarranted proportionate payments of District expenses but by paying excess costs of support, if any, to the District that is caused by its selection as the seat of the Federal Government.

Leaving out of consideration all the benefits to private business due to enormous expenditures made by different Congresses in making Washington and its surroundings more beautiful than any other city in the world; the vast army of Washington tourists that is an economic asset and held to be of great value in the countries of Europe; opportunities for unexcelled education and intellectual enjoyment due to the great Library and countless agencies of government, including, of course, last of all the much-abused American Congress—a real standard of

measurement is not hard to find. A business and economic basis ought not be and is not difficult to reach.

My State is one of the most prosperous and we believe one of the most enlightened among the sisterhood of States. This is due to its many fine institutions of learning and beauty of situation that gives it, with the surrounding lake's great harbors, one of which is second in importance in America's enormous commerce.

Its factories are known throughout the world. They are not mushrooms, for many scarcely smaller than the Case, Simmons, Nash, Allis-Chalmers, and countless others are scattered throughout the State. This is not intended to be a fulsome eulogy of a great State but is a simple declaration of fact found among its over 3,000,000 people who have for their principal source of State revenue a strong, progressive income tax and an equally strong and just inheritance tax that have been in force for years. In addition these people pay larger proportionate real-property taxes in their municipalities and farming sections based on a 100 per cent valuation under the law and a higher tax rate than is paid by the singularly fortunate residents of Washington.

When advised of the great lump sums of money which my State and other States contribute to run the District government, people immediately ask what right have we to donate public funds to a community that presumably does not pay one-half the amount of taxes on its intangible property or not much more than that proportion on its real property compared with the same properties in the average State.

We pay higher gasoline taxes, and I am not sure but the cost to be a citizen of Wisconsin is double that borne by the average Washingtonian, but it is worth it. Our people, like all others, complain of taxes, but they pay about the average of States similarly situated. At least they did so when I was State auditor.

With these facts before me, I accepted the humorous challenge of my friends in the House of Mr. WOOD and Mr. SIMMONS when making an innocent inquiry day before yesterday and have introduced practically the same income tax and inheritance tax laws for the District of Columbia that are in force in my own State of Wisconsin. They are not assumed to be perfect or the last word in such laws, but until the District of Columbia has like laws and its taxpayers begin paying relatively the same amounts of taxes paid by people living in the States that now furnish $9,000,000 lump-sum lollypops to residents of the District—until they pay for their municipal upkeep the same as other like communities now do, the District is not entitled to aid from the Federal Government. Let the District pay its just tax obligations measured by like payments in other communities and that payment should include both income and inheritance taxes. Those taxes should be as just in rates as those paid for many years by the people of Wisconsin, and real property assessments should be at 100 per cent valuations with commensurate tax rates as in the average States.

It is not for the District to pass such laws, for Congress is the lawmaking body, it is said, but supposing the people and the local press that finds a common grievance in the payment of any taxes should combine to prevent the passage of such laws, what then? If the people do not want these just and fair tax laws now governing other municipalities, then Congress ought not to force them on the residents of the District, but no court of equity will permit a client to be bludgeoned by his opponent unless the opponent does equity. No income tax and no inheritance tax, no $9,000,000 annual Federal relief sugar plum. Is not that a just business proposition?

I concede that other matters are involved beyond the passage of these eminently just laws before a full and fair determination can be reached of relative rights to be considered. For that reason I have first set forth two laws that should be passed both in form and rates sufficient to meet like laws in force in the States. Any sane man will also concede that the present method of legislating for the District is about a century behind the times. Either some responsible commission of three or five officials should be empowered to enact ordinances and control the fiscal policy of the District, to be confirmed, if need be, by some Federal agency, or else some other businesslike arrangement should be adopted for handling the District problem.

Ordinances could be promulgated and be subject to rejection by either House of Congress within 60 or 90 days after their publication, if Congress is in session, or after the convening of Congress when made during the interim between sessions.

If no responsibility is desired on the part of the Federal Government, we can wash our hands of the whole subject and leave the infant on the doorstep with a certainty that it will be able to go it alone if left without pampering. Every other capital city in the country is able to do so.

The present system of District day in the House and District day in the Senate reflects no credit on a plan that has outlived its usefulness for nearly a century.

In a speech I made in the House on the Budget on June 24, 1919, Speaker Champ Clark came down from his chair to get me more time, stating a Government Budget was a good thing in principle, but impossible to secure. He reiterated the statements. Uncle Joe Cannon, who sat directly in front of me at that time, also interrupted more than once to express his profound conviction of the futility of any such system for our Government, but agreed I was right to advocate it over the antiquated appropriation methods offered by committees generally, and then in force. Two years later, through the active aid of James Good, chairman of the Appropriations Committee, it became law. I speak of this as an example of what we do not know about needed improvements until we try them.

The District government is handled like a spoiled child by Congress. It ought to be given responsibility the same as is maintained by the 48 or 50 capital cities that do not ask or receive any alms and are not held in leading strings by the States in which they are situated.

In order to study and report specific recommendations for the better government of the city of Washington and to secure a thorough investigation and helpful advice that may be available, I have offered a resolution, which is also set forth in these remarks. It provides for a committee of seven Members to be appointed by the Speaker to study, hear witnesses, and report to the House. It would be a step in the right direction to have a definite purpose offered by its report, even if recommendations were not all deemed of legislative value.

The committee to which such resolution is referred can supply any additional or better form for a real honest and thorough investigation in order to dispose finally of this constantly irritating problem. In other words, no pride of authorship is had in the present form of the resolution.

Let me anticipate any suspicion that might arise of personal interest in such a committee. I have had experience as chairman of both State and Federal probes and have no ambition to act further or any delusions as to the character or amount of such work. I do know of others who would be far better qualified to undertake that work, and whose report would command the respect and confidence of the House.

If the accompanying resolution of investigation should be hereafter approved by the House, it would insure a thorough investigation and, I predict, would present a constructive program to relieve the existing uncertainty both as to fiscal relations and better municipal conditions of government in the District.

The following are proposed bills and of a resolution of investigation offered at this time for consideration.

Mr. Speaker, I first submit House bill No. 13038, filed with the Clerk yesterday, that carries its own argument:

[H. R. 13038—June 18, 1930]

Mr. FREAR introduced the following bill; which was referred to the Committee on the District of Columbia and ordered to be printed:

A bill to provide for an income tax law for the District of Columbia

Be it enacted, etc., That there shall be assessed, levied, collected, and paid a tax on all income received in each calendar year beginning with the year 1930, by every person residing within the District and by every nonresident of the District upon such income as is derived from property, located or business transacted within the District, except as hereinafter exempted: *Provided*, That all persons whose fiscal year ends on some other date than December 31 may be assessed on the income of such fiscal year in lieu of the income of the calendar year, at the discretion of the tax officials.

DEFINITION OF TERMS; WHAT INCOME TAXABLE

SEC. 2. (1) The term "person," as used in this act, shall mean and include every individual and every corporation, joint-stock company, or association organized for profit and having a capital stock represented by shares, unless otherwise expressly stated.

(2) The term "income," as used in this act, shall include:

(a) All rent of real estate.

(b) All dividends derived from stocks and all interest derived from money loaned or invested in notes, mortgages, bonds, or other evidence of debt of any kind whatsoever: *Provided*, That the term "dividends," as used in this section, shall be held to mean any distribution made by a corporation, joint-stock company, or association out of its earnings or profits accrued since January 1, 1930, and paid to its shareholders, whether in cash or in stock of the corporation, joint company, or association.

(c) All wages, salaries, or fees derived from services: *Provided*, That compensation to public officers for public service shall not be com-

puted as a part of the taxable income in such cases where the taxation thereof would be repugnant to the Constitution.

(d) All profits derived from the transaction of business or from the sale of real estate or other capital assets: *Provided,* That for the purpose of ascertaining the gain or loss resulting from the sale or other disposition of property, real or personal, acquired prior to January 1, 1930, the fair market value of such property as of January 1, 1930, shall be the basis for determining the amount of such gain or loss: *And provided further,* That the basis for computing the profit or loss on the sale of property acquired by gift after 1930 shall be the same as it would have been had the sale been made by the last preceding owner who did not acquire it by gift; and in case the taxing officers are unable to ascertain the cost of the property to such prior owner, if acquired after January 1, 1930, then the basis shall be the value thereof at or about the time it was acquired by him, and such value shall be determined from the best information obtainable.

(e) All royalties derived from mines or the possession or use of franchises or legalized privileges of any kind.

(f) All transfers of depreciation or other reserves to surplus for the year in which such transfers shall have been entered on the books of account of the taxpayer to the extent that such reserves were charged against earnings since January 1, 1930.

(g) Life insurance paid to the insured and insurance paid to a corporation or partnership upon policies on the lives of its officers, partners, or employees, less the net premiums paid for the insurance.

(h) And all other gains, profits, or income of any kind derived from any source whatever, except such as hereinafter exempted.

(3) (a) Persons who customarily estimate their incomes or profits on a basis other than cash receipts and disbursements may, with the consent and approval of the proper tax official, return for assessment and taxation the income or profits earned during the income year in accordance with the method of accounting regularly employed in keeping their books, except as hereinafter provided; but if no such method of accounting has been employed, or if the method used does not clearly reflect the taxable income, the computation shall be made upon such basis and in such manner as in the opinion of the District tax officials will clearly reflect such income.

(b) The terms "paid" or "actually paid," as used in this chapter, are to be construed in each instance in the light of the method used in computing taxable income, whether on the accrual or receipt basis: *Provided,* That the deduction for Federal income and excess-profits taxes shall be confined to cash payments made within the year covered by the income-tax return, and that reserves for contingent losses or liabilities shall not be deducted.

(c) Income from mercantile or manufacturing business, rentals, royalties, or the operation of any farm, mine, or quarry, or from the sale of real or personal property for the purposes of taxation shall follow the situs of the property or business from which derived; and all other income, including that derived from personal service, professions, and vocations, and from land contracts, mortgages, stocks, bonds, and securities, shall follow the residence of the recipient.

(d) Persons engaged in business within and without the District shall be taxed on such income wherever or however derived. The measure of the property element shall be the average value of tangible property owned and used by the taxpayer in connection with such business during the income year. Cash on hand or in bank, shares of stock, notes, bonds, accounts receivable, or other evidence of indebtedness, special privileges, franchises, good will, or property the income of which is not taxable or is separately allocated, shall not be considered tangible property nor included in the apportionment. In the case of mercantile and manufacturing concerns, the element of business shall be measured by the total purchases of goods, materials, and supplies plus the total wage and salary payments, plus the total sales during the income year, and shall be equitably allocated with due regard to the business activities within and without the District. As used in this section, the word "sales" shall extend to and include exchange, and the word "manufacturing" shall extend to and include mining and all processes of fabricating or of curing raw materials. All assessments of income, including the apportionment thereof between the District and States, shall be subject to appeal and review by the proper court.

(e) A foreign corporation whose principal business is carried on or transacted in the District shall be deemed a resident of the District for income-tax purposes and its income shall be determined and assessed as if it were incorporated under the laws of the District, notwithstanding its domicile is elsewhere.

(4) (a) Individuals carrying on business in partnership shall be liable for income tax only in their individual capacity. There shall be included in computing the taxable income of each partner his distributive share, whether distributed or not, of the net income of the partnership for the taxable year; or, if his taxable income for such taxable year is computed upon the basis of a period different from that upon the basis of which the net income of the partnership is computed, then his distributive share of the net income of the partnership for any accounting period of the partnership ending within the fiscal or calendar year upon the basis of which the partner's income is computed.

(b) The net income of the partnership shall be computed in the same manner and on the same basis as provided for computation of the taxable income of persons other than corporations, joint-stock companies, or associations.

DEDUCTIONS FROM GROSS INCOME OF CORPORATIONS

SEC. 3. Every corporation, joint-stock company, or association shall be allowed to make from its gross income the following deductions:

(1) Payments made within the year for wages of employees and salaries of officers, if reasonable in amount, for services actually rendered in producing such income: *Provided,* That there be reported the name, address, and amount paid each such employee or officer residing within the District to whom a compensation of $700 or more shall have been paid during the assessment year.

(2) Other ordinary and necessary expenses and cash bonuses to employees, actually paid within the year out of the income in the maintenance and operation of its business and property, including a reasonable allowance for depreciation by use, wear, and tear of property from which the income is devised, and in the case of mines and quarries an allowance for depletion of ores and other natural deposits on the basis of their actual original cost in cash or the equivalent of cash; and including also interest paid during the year in the operation of the business from which its income is derived: *Provided,* That the debtor reports the amount so paid, the form of the indebtedness, together with the names and addresses of the parties to whom interest was paid.

(3) Losses actually sustained within the year and not compensated by insurance or otherwise: *Provided,* That no loss resulting from the operation of business conducted without the District or the ownership of property located without the District may be allowed as a deduction, excepting where income derived from without the District is taxable.

(4) Taxes other than special improvement taxes paid during the year upon the business or property from which the income taxed is derived, including therein taxes imposed by the District and the Government of the United States as income, excess, or war-profits, and capital-stock taxes.

(5) Dividends or income received within the year from stocks or interest in any corporation, joint-stock company, or association, the income of which shall have been assessed under the provisions of this act: *Provided,* That when only part of the income of the corporation, joint-stock company, or association from which such dividend or income was received shall have been assessed under this act only a corresponding part of such dividend or income shall be deducted: *Provided further,* That such corporation, joint-stock company, or association report the name and address of each person owning stock or having such interest and the amount of dividends or income paid such person during the assessment year.

(6) Amounts distributed to patrons in any year, in proportion to their patronage of the same year, by any corporation, joint-stock company, or association doing business on a cooperative basis (hereinafter called company), shall be returned as income or receipts by said patrons but may be deducted by such company as cost, purchase price, or refunds: *Provided,* That no such deduction shall be made for amounts distributed to the stockholders or owners of such company in proportion to their stock or ownership, nor for amounts retained by such company and subject to distribution in proportion to stock or ownership as distinguished from patronage.

(7) Contributions or gifts actually made within the year to corporations or associations operating within the District, organized and operated exclusively for religious, charitable, scientific, or educational purposes, or to societies operating within the District for the prevention of cruelty to children or animals, no part of the net income of which inures to the benefit of any private stockholder or individual, to an amount not in excess of 10 per cent of the taxpayer's taxable net income as computed without the benefit of this subsection.

DEDUCTIONS FROM INCOMES OF PERSONS OTHER THAN CORPORATIONS

SEC. 4. Persons other than corporations, joint-stock companies, or associations, in reporting incomes for purposes of taxation shall be allowed the following deductions:

(1) Payments made within the year for wages or other compensation for services actually rendered. But no deductions shall be made for any amount paid for personal services unless there be reported the name and address and amount paid each person to whom a sum of $700 or more shall have been paid for services during the assessment year.

(2) The ordinary and necessary expenses actually paid within the year in carrying on the profession, occupation, or business from which the income is derived, including a reasonable allowance for depreciation by use, wear, and tear of the property from which the income is derived, and in the case of mines and quarries an allowance for depletion of ores and other natural deposits on the basis of their actual original cost in cash or the equivalent of cash.

(3) Losses during the year not compensated by insurance or otherwise: *Provided,* That no loss resulting from the operation of business conducted without the District may be allowed as a deduction: *And provided further,* That no loss may be allowed on the sale of property purchased and held for pleasure or recreation and which was not

acquired or used for profits, but this proviso shall not be construed to exclude losses due to theft or to the destruction of property by fire, flood, or other casualty.

(4) Dividends or incomes received by any person from stocks or interest in any corporation, joint-stock company, or association, the income of which shall have been assessed under the provisions of this act: *Provided,* That when only part of the income of any corporation, joint-stock company, or association shall have been assessed under this act only a corresponding part of the dividends or income received therefrom shall be deducted: *And provided further,* That said corporation, joint-stock company, or association report the name and address of each person owning stock or having such interest and the amount of dividends or income paid such person during the assessment year.

(5) Interest paid within the year on existing indebtedness: *Provided,* That the debtor reports the amount so paid, the form of the indebtedness, together with the name and address of the creditor. But no interest shall be allowed as a deduction if paid on an indebtedness created for the purchase, maintenance, or improvement of property, or for the conduct of a business, unless the income from such property or business would be taxable under this chapter.

(6) Taxes other than inheritance and special-improvement taxes upon the property or business from which the income hereby taxed is derived paid by such persons during the year, including therein taxes imposed by the District of Columbia or the United States Government as income taxes.

(7) Contributions or gifts actually made within the year to corporations or associations operating within the District, organized and operated exclusively for religious, charitable, scientific, or educational purposes, or to societies operating within the District, for the prevention of cruelty to children or animals, no part of the net income of which inures to the benefit of any private stockholder or individual, to an amount not in excess of 10 per cent of the taxpayer's taxable net income as computed without the benefit of this subsection.

EXEMPTIONS

SEC. 5. (1) There shall be exempt from taxation under this chapter income as follows, to wit:

(a) To an individual, income up to and including $1,000.

(b) To husband and wife, $1,800.

(c) For each child under the age of 18 years, $200.

(d) For each additional person who is actually supported by and entirely dependent upon the taxpayer for his support, $200. In computing said exemptions and the amounts of taxes payable by persons residing together as members of a family the income of the wife and the income of each child under 18 years of age shall be added to that of the husband or father or, if he be not living, to that of the head of the family and assessed to him. The taxes levied thereon shall be payable by such husband or head of the family, but if not paid by him may be enforced against any person whose income is included in the assessment.

(e) Dividends received from national banks and mutual-savings banks.

(f) Pensions received from the United States.

(g) All inheritances, devises, bequests, and gifts received during the year.

(h) All insurance received by any person or persons in payment of a death claim by any insurance company, fraternal-benefit society, or other insurer, except insurance paid to a corporation or partnership upon policies on the lives of its officers, partners, or employees.

(2) Income of national banks, mutual-savings banks, trust companies, mutual-loan corporations, building and loan associations, and of all religious, scientific, educational, benevolent, or other corporations or associations of individuals not organized or conducted for pecuniary profit.

(3) Incomes derived from property and privileges by persons now required by law to pay taxes or license fees directly into the treasury of the District in lieu of taxes, and such persons shall continue to pay taxes and license fees as heretofore.

(4) Income received by the United States and the District.

RATES OF TAXATION

SEC. 6. (1) The tax to be assessed, levied, and collected upon the incomes of all persons, except as otherwise provided by law, after making such deductions and exemptions as are hereinbefore allowed, shall be computed at the following rates, to wit:

(a) On the first $1,000 of taxable income or any part thereof, at the rate of 1 per cent.

(b) On the second $1,000 or any part thereof, 1¼ per cent.

(c) On the third $1,000 or any part thereof, 1½ per cent.

(d) On the fourth $1,000 or any part thereof, 1¾ per cent.

(e) On the fifth $1,000 or any part thereof, 2 per cent.

(f) On the sixth $1,000 or any part thereof, 2½ per cent.

(g) On the seventh $1,000 or any part thereof, 3 per cent.

(h) On the eighth $1,000 or any part thereof, 3½ per cent.

(i) On the ninth $1,000 or any part thereof, 4 per cent.

(j) On the tenth $1,000 or any part thereof, 4½ per cent.

(k) On the eleventh $1,000 or any part thereof, 5 per cent.

(l) On the twelfth $1,000 or any part thereof, 5½ per cent.

(m) On any sum of taxable income in excess of $12,000, 6 per cent.

(2) The taxes to be assessed, levied, and collected upon the incomes of corporations, joint-stock companies, or associations, after making such deductions and exemptions as hereinbefore allowed, shall be computed at the following rates, to wit:

(a) On the first $1,000 of taxable income or any part thereof, 2 per cent.

(b) On the second $1,000 or any part thereof, 2½ per cent.

(c) On the third $1,000 or any part thereof, 3 per cent.

(d) On the fourth $1,000 or any part thereof, 3½ per cent.

(e) On the fifth $1,000 or any part thereof, 4 per cent.

(f) On the sixth $1,000 or any part thereof, 5 per cent.

(g) On the seventh $1,000 or any part thereof, 6 per cent.

(h) On all taxable income in excess of $7,000, 6 per cent.

(i) In assessing back taxes interest shall be added to such taxes at the rate of 10 per cent per annum.

(j) Until other officials are authorized by law to collect income taxes for the District of Columbia, they shall be paid to the District official authorized by law to receive inheritance and other taxes, subject to such rules as he may provide or that may be promulgated by the District Commissioners.

Mr. Speaker, it is probable that the present taxing machinery of the District may not be able to carry on the income-tax work, so I am not attempting at this time to set forth any particular tax-collecting machinery other than the officials now engaged in District tax collections.

If approved in substance that machinery can be easily prepared in conjunction with the present District tax-collecting organization.

Mr. Speaker, I submit also an important inheritance tax measure which, like the income-tax proposal for the District, has the same tax rates found in the laws of my State, and which have added to the welfare and prosperity of that State:

[H. R. 13039—June 18, 1930]

Mr. FREAR introduced the following bill; which was referred to the Committee on the District of Columbia and ordered to be printed:

A bill to provide an inheritance tax law for the District of Columbia

Be it enacted, etc., That a tax shall be, and is hereby, imposed upon any transfer of property, real, personal, or mixed, or any interest therein, or income therefrom in trust or otherwise, to any person, association, or corporation, except corporations or voluntary associations organized solely for religious, charitable, or educational purposes, which shall use the property so transferred exclusively for the purposes of their organization in the following cases, except as hereinafter provided:

BY A RESIDENT OF DISTRICT

(1) When the transfer is by will or by the intestate laws of the District from any person dying possessed of the property while a resident of the District.

NONRESIDENT'S PROPERTY WITHIN DISTRICT

(2) When a transfer is by will or intestate law, of property within the District or within its jurisdiction and the decedent was a nonresident of the District at the time of his death.

IN CONTEMPLATION OF DEATH

(3) When the transfer is of property made by a resident or by a nonresident when such nonresident's property is within the District, or within its jurisdiction, by deed, grant, bargain, sale, or gift, made in contemplation of the death of the grantor, vendor, or donor, or intended to take effect in possession or enjoyment at or after such death. Every transfer by deed, grant, bargain, sale, or gift made within six years prior to the death of the grantor, vendor, or donor, of a material part of his estate, or in the nature of a final disposition or distribution thereof, and without an adequate valuable consideration, shall be construed to have been made in contemplation of death within the meaning of this section.

WHEN IMPOSED

(4) Such tax shall be imposed when any such person or corporation becomes beneficially entitled, in possession or expectancy, to any property or the income thereof, by any such transfer whether made before or after the passage of this act.

TRANSFER UNDER POWER OF APPOINTMENT

(5) Whenever any person or corporation shall exercise a power of appointment derived from any disposition of property, made either before or after the passage of this act such appointment, when made, shall be deemed a transfer in the same manner as though the property to which such appointment relates belonged absolutely to the donee of such power, and had been bequeathed or devised by such donee by will; and whenever any person or corporation possessing such a power of appointment so derived shall omit or fail to exercise the same within the time provided therefor, in whole or in part, a transfer shall be deemed to take place to the extent of such omission or failure, in the same manner as though the persons or corporations thereby becoming entitled to the possession or enjoyment of the property to which such

power related had succeeded thereto by a will of the donee of the power failing to exercise such power, taking effect at the time of such omission or failure.

JOINT ESTATES

(6) Whenever any property, real or personal, is held in the joint names of two or more persons, or as tenants by the entirety, or is deposited in banks or other institutions or depositaries in the joint names of two or more persons and payable to either or the survivor, upon the death of one of such persons the right of the surviving tenant by the entirety, joint tenant or joint tenants, person or persons, to the immediate ownership or possession and enjoyment of such property shall be deemed a transfer of one-half or other proper fraction thereof taxable under the provisions of this chapter in the same manner as though the property to which such transfer relates belonged to the tenants by the entirety, joint tenants or joint depositors as tenants in common, and had been bequeathed or devised to the surviving tenant by the entirety, joint tenant or joint tenants, person or persons, by such deceased tenant by the entirety, joint tenant or joint depositor, by will.

INSURANCE PART OF ESTATE

(7) Insurance payable upon the death of any person shall be deemed a part of his estate for the purpose of the tax, and shall be taxable to the person or persons entitled thereto.

ON CLEAR MARKET VALUE

(8) The tax so imposed shall be upon the clear market value of such property at the rates hereinafter prescribed and only upon the excess of the exemptions hereinafter granted.

PRIMARY RATES, WHERE NOT IN EXCESS OF $25,000

SEC. 2. When the property or any beneficial interest therein passes by any such transfer where the amount of the property shall exceed in value the exemption hereinafter specified, and shall not exceed in value $25,000, the tax hereby imposed shall be:

TWO PER CENT

(1) Where the person or persons entitled to any beneficial interest in such property shall be the husband, wife, lineal issue, lineal ancestor of the decedent or any child adopted as such in conformity with the laws of the District, or any child to whom such decedent for not less than 10 years prior to such transfer stood in the mutually acknowledged relation of a parent: *Provided, however,* That such relationship began at or before the child's fifteenth birthday, and was continuous for said 10 years thereafter, or any lineal issue of such adopted or mutually acknowledged child, at the rate of 2 per cent of the clear value of such interest in such property.

FOUR PER CENT

(2) Where the person or persons entitled to any beneficial interest in such property shall be the brother or sister or a descendant of a brother or sister of the decedent, a wife or widow of a son, or the husband of a daughter of the decedent, at the rate of 4 per cent of the clear value of such interest in such property.

SIX PER CENT

(3) Where the person or persons entitled to any beneficial interest in such property shall be the brother or sister of the father or mother or a descendant of a brother or sister of the father or mother of the decedent, at the rate of 6 per cent of the clear value of such interest in such property.

EIGHT PER CENT

(4) Where the person or persons entitled to any beneficial interest in such property shall be in any other degree of collateral consanguinity than is hereinbefore stated, or shall be a stranger in blood to the decedent, or shall be a body politic or corporate, at the rate of 8 per cent of the clear value of such interest in such property.

OTHER RATES; WHERE IN EXCESS OF $25,000

SEC. 3. The foregoing rates in section 2 are for convenience termed "the primary rates."

When the amount of the clear value of such property or interest exceeds $25,000, the rates of tax upon such excess shall be as follows:

RATE WHERE AMOUNT $25,000 TO $50,000

(1) Upon all in excess of $25,000 and up to $50,000, two times the primary rates.

RATE WHERE AMOUNT $50,000 TO $100,000

(2) Upon all in excess of $50,000 and up to $100,000, three times the primary rates.

RATE WHERE AMOUNT $100,000 TO $500,000

(3) Upon all in excess of $100,000 and up to $500,000 four times the primary rates.

RATE WHERE AMOUNT OVER $500,000

(4) Upon all in excess of $500,000, five times the primary rates.

FIFTEEN PER CENT LIMITATION

(5) No such tax, however, shall exceed 15 per cent of the property transferred to any beneficiary.

EXEMPTION FROM FIRST $25,000

SEC. 4. The following exemptions from the tax, to be taken out of the first $25,000, are hereby allowed:

TRANSFERS TOTALLY EXEMPT

(1) All property transferred to municipal corporations for municipal purposes, or to corporations organized solely for religious, charitable, or educational purposes, which shall use the property so transferred exclusively for the purposes of their organization, shall be exempt.

WHEN $15,000, $2,000 EXEMPT

(2) Property of the clear value of $15,000 transferred to the widow of the decedent, and $2,000 transferred to each of the other persons described in subsection (1) of section 2 shall be exempt. Such exemption to the widow shall include all her statutory and other allowances. Any child of the decedent shall be entitled to credit for so much of the tax hereafter paid by the widow as applied to any property which shall thereafter be transferred by or from such widow to any such child, provided the widow does not survive said decedent to exceed six years.

WHEN $500 EXEMPT

(3) Property of the clear value of $500 transferred to each of the persons described in subsection (2) of section 2 shall be exempt.

WHEN $250 EXEMPT

(4) Property of the clear value of $250 transferred to each of the persons described in subsection (3) of section 2 shall be exempt.

WHEN $100 EXEMPT

(5) Property of the clear value of $100 transferred to each of the persons described in subsection (4) of section 2 shall be exempt.

PROPERTY WITHOUT THE DISTRICT EXEMPT, WHEN

(6) No tax shall be imposed upon any tangible personal property of a resident decedent when such property is located without this District, and when the transfer of such property is subject to an inheritance or transfer tax in the State where located and which tax has actually been paid, provided such property is not without this District temporarily nor for the sole purpose of deposit or safe-keeping.

BEQUEST FOR CEMETERY, RELIGIOUS

(7) Bequests for the care and maintenance of the cemetery or burial lot of the deceased or his family and bequests not to exceed $1,000 for the performance of a religious purpose or religious service for or in behalf of the deceased or for or in behalf of any person, named in his will shall be exempt from any inheritance tax.

DEBTS, EXEMPTIONS, ETC., APPORTIONED

(8) Whenever a tax may be due from the estate, or the beneficiaries therein, of any resident or nonresident decedent, upon the transfer of any property, when the property or estate left by such decedent is partly within and partly without the District, or upon any stocks, bonds, mortgages, or other securities representing property or estate partly within and partly without the District, any beneficiary of such estate shall be entitled to deduct only a proportion of his share of the debts, expenses of administration, and of his District exemption, equal to the proportion which his interest in the property within the District or within its jurisdiction bears to his entire interest in such estate.

TAX, WHEN DUE; LIEN; LIABILITY

SEC. 5. (1) All taxes imposed by this act shall be due and payable at the time of the transfer, except as hereinafter provided; and every such tax shall be and remain a lien upon the property transferred until paid, and the person to whom the property is transferred and the administrators, executors, and trustees of every estate so transferred shall be personally liable for such tax until its payment.

DISTRICT TREASURER'S RECEIPT

(2) The tax shall be paid to the District official authorized by law to collect taxes.

FINAL ACCOUNTING ON FILING RECEIPT

(2) But no executor, administrator, or trustee shall be entitled to a final accounting of an estate, in settlement of which a tax is due under the provisions of sections 1 to 4, unless he shall produce a receipt from the tax official of such payment.

DISCOUNT; INTEREST

SEC. 6. If such tax is paid within one year from the accruing thereof, a discount of 5 per cent shall be allowed and deducted therefrom. If such tax is not paid within 18 months from the accruing thereof, interest shall be charged and collected thereon at the rate of 10 per cent per annum from the time the tax accrued; unless by reason of claims made upon the estate, necessary litigation or other unavoidable cause of delay, such tax shall not be determined and paid as herein provided, in which case interest at the rate of 6 per cent per annum shall be charged upon such tax from the accrual thereof until the cause of such delay is removed, after which 10 per cent shall be charged. In all cases when a bond shall be given under the provisions of section 9 interest shall be charged at the rate of 6 per cent from the accrual of the tax until the date of payment thereof.

EXECUTORS; POWERS; COLLECTION AND PAYMENT

SEC. 7. Every executor, administrator, or trustee shall have full power to sell so much of the property of the decedent as will enable him to pay such tax in the same manner as he might be entitled by law to do for the payment of the debts of the testator or intestate. Any such administrator, executor, or trustee having in charge or in trust any legacy or property for distribution subject to such tax shall deduct the tax therefrom; and within 30 days therefrom shall pay over the same to the District treasurer, as herein provided. If such legacy or property be not in money, he shall collect the tax thereon upon the appraised value thereof from the person entitled thereto. He shall not deliver or be compelled to deliver any specific legacy or property subject to tax hereunder to any person until he shall have collected the tax thereon. If any such legacy shall be charged upon or payable out of real property, the heir or devisee shall deduct such tax therefrom and pay it to the administrator, executor, or trustee, and the tax shall remain a lien or charge on such real property until paid, and the payment thereof shall be enforced by the executor, administrator, or trustee in the same manner that payment of the legacy might be enforced. If any such legacy shall be given in money to any such person for a limited period, the administrator, executor, or trustee shall retain the tax upon the whole amount, but if it be not in money, he shall make application to the court having jurisdiction of an accounting by him to make an apportionment, if the case require it, of the sum to be paid into the hands of such legatees, and for such further order relative thereto as the case may require.

REFUNDING TAX

SEC. 8. (1) If any debt shall be proved against the estate of the decedent after the payment of any legacy or distributive share thereof, from which any such tax has been deducted, or upon which it has been paid by the person entitled to such legacy or distributive share and such person is required by order of the court having jurisdiction thereof on notice to the District treasurer to refund the amount of such debts or any part thereof, an equitable proportion of the tax shall be repaid to such person by the executor, administrator, trustee, or officer to whom said tax has been paid.

HOW REFUND OF TAX MADE

(2) When any amount of said tax shall have been paid erroneously into the District treasury, it shall be lawful for the District treasurer, upon receiving a transcript from the court record showing the facts, to refund the amount of such erroneous or illegal payment to the executor, administrator, trustee, person, or persons who have paid any such tax in error, from the treasury: *Provided, however,* That all applications for such refunding of erroneous taxes shall be made within one year from the payment thereof, or within one year after the reversal or modification of the order fixing such tax.

ADVANCE PAYMENT OF TAX

(3) Any person from whom any such tax is or may be due may make an estimate of and pay the same to the treasurer, who shall receipt therefor, at any time before the same is determined by the court, and shall thereupon be entitled to any discount and be relieved from any interest or penalty upon the amount so paid in the same manner as if the tax were then determined. Any excess so paid shall be refunded to the person so paying or entitled thereto by such treasurer out of any inheritance-tax money in his possession.

BOND FOR PAYMENT OF DEFERRED TAX

SEC. 9. Any beneficiary of any property chargeable with such inheritance tax, and any executors, administrators, and trustees thereof, may elect, within 18 months from the date of the transfer thereof as herein provided, not to pay such tax until the person or persons beneficially interested therein shall come into the actual possession or enjoyment thereof. The person or persons so electing shall give a bond to the District in a penalty of three times the amount of any such tax, with such sureties as the court may approve, conditioned for the payment of such tax and interest thereon, at such time or period as the person or persons beneficially interested therein may come into the actual possession or enjoyment of such property, which bond shall be filed in the court. Such bond must be executed and filed and a full return of such property upon oath made to the court within one year from the date of such transfer thereof, and such bond must be renewed every five years.

BEQUESTS TO EXECUTORS FOR SERVICES

SEC. 10. If a testator bequeaths property to one or more executors or trustees in lieu of their commissions or allowances, or makes them his legatees to an amount exceeding the commissions or allowances prescribed by law for an executor or trustee, the excess in value of the property so bequeathed, above the amount of commissions or allowances prescribed by law in similar cases, shall be taxable under the provisions of this act.

TRANSFER OF STOCK BY FOREIGN EXECUTORS

SEC. 11. (1) If a foreign executor, administrator, or trustee shall assign or transfer any stock or obligations in the District standing in the name of a decedent or in trust for a decedent, liable to any such tax, the tax shall be paid to the District treasurer on the transfer thereof.

NONRESIDENT DECEDENT; NOTICE OF TRANSFER; ORDER OF COURT

(2) No safe-deposit company, bank, or other institution, person or persons holding securities or assets of a nonresident decedent, nor any foreign or domestic corporation doing business within the District in which a nonresident decedent held stock at his decease, shall deliver or transfer the same to the executors, administrators, or legal representatives of said decedent, or upon their order or request, unless notice of the time and place of such intended transfer be served upon the tax officials of the District at least 10 days prior to the said transfer; nor shall any such safe-deposit company, bank, or other institution, person or persons, nor any foreign or domestic corporation, deliver or transfer any securities or assets of the estate of a nonresident decedent without retaining a sufficient portion or amount thereof to pay any tax which may thereafter be assessed on account of the transfer of such securities or assets under the provisions of the inheritance tax laws, without an order from the proper court authorizing such transfer; and it shall be lawful for the tax officials, personally or by representative, to examine said securities or assets at any time before such delivery or transfer. Failure to serve such notice or to allow such examination or to retain a sufficient portion or amount to pay such tax as herein provided shall render said safe-deposit company, trust company, bank, or other institution, person or persons, or such foreign or domestic corporation liable to the payment of the tax due upon said securities or assets in pursuance of the provisions of the inheritance tax laws. The District tax officials may issue a certificate authorizing the transfer of any such stock, securities, or assets whenever it appears to the satisfaction of the officials that no tax is due thereon.

EXAMINATION OF CORPORATE BOOKS, PAPERS, AND SO FORTH

(8) Whenever any decedent shall have left any stocks, bonds, or other securities issued by any corporation, joint-stock company, partnership, or association, domestic, or foreign, owning property or doing business in the District, or any interest therein, or in the assets thereof, all inventories, books, papers, and records thereof shall be competent evidence in any court, and shall be accessible to the executor or administrator of the estate of such decedent, the appraisers, public administrator, inheritance-tax counsel, or other person designated by the court, for the purpose of ascertaining the true value of such stocks, bonds, securities, or other interests, under such conditions and limitations as the court may prescribe; and the court may order the production in court of any such inventories, books, papers, and records, and may require the attendance and examination in court of any officer or employee of any such corporation, joint-stock company, partnership, or association.

SEC. 12. (1) The District court having jurisdiction to grant letters testamentary or of administration upon the estate of a decedent whose property is chargeable with any tax under the inheritance tax laws, or to appoint a trustee of such estate or any part thereof, or to give ancillary letters thereon, shall have jurisdiction to hear and determine all questions arising under the provisions of the inheritance tax laws and to do any act in relation thereto authorized by law to be done in other matters or proceedings coming within its jurisdiction.

(2) Every petition for ancillary letters testamentary or of administration shall include a true and correct statement of all the decedent's property in the District with the value thereof; upon presentation thereof the court shall cause the order for hearing to be served personally upon the public administrator; and upon the hearing the court shall determine the amount of the inheritance tax which may be or become due, and the decree awarding the letters may contain provisions for the payment of such tax or the giving of security therefor.

NONRESIDENT ESTATES; JURISDICTION

(3) The District court and the judge thereof at the seat of government shall have jurisdiction to hear and determine all questions relating to the determination and adjustment of inheritance taxes in the estates of nonresident decedents in which a tax appears to be due and in which it does not otherwise appear necessary for regular administration to be had therein. And in such estates a public administrator may be appointed as special administrator for the purposes of such adjustment.

Mr. Speaker, the foregoing does not attempt to provide all the machinery for inheritance-tax collections, but the procedure is practically the same in nearly all the States and any additional provisions may be added by the committee to supply necessary aid in carrying out the purpose of the bill.

Mr. Speaker, in conclusion I submit a resolution that has for its purpose a necessary aid to the foregoing proposed legislation for District affairs. As before stated, no pride of authorship of these bills or the resolution is had nor are their terms intended to be restricted to the form submitted.

I do urge that rates in both the income tax bill and inheritance tax bill should be equal to those in my own State, because it is a frequent statement made in debate that many people of

large wealth have settled in Washington in order to escape one or the other of these taxes which they would pay in New York or Wisconsin.

No desire to penalize these District residents is manifested when asking them to pay the same taxes as they would be obliged to pay if residents of the State from which possibly they may have removed.

A resolution that seeks to secure all needed data for the establishment of just and proper relations between the Federal and District Governments is herewith offered.

House Resolution No. —

Whereas the people of every State are proud of their Capital City and desire to have its administration, including school, fire, police, and other municipal activities maintained at the highest efficiency; and

Whereas the Federal Government on behalf of such States has annually contributed in recent years $9,000,000 to the support of the District of Columbia, or nearly $20 per capita; and

Whereas the people of the several States are alleged to be taxed far in excess of the assessment and tax rates paid by the residents of the District of Columbia for like property; and

Whereas people of more than 40 States now pay State estate taxes in case of death in addition to similar taxes paid to the Federal Government; and

Whereas the people in a large number of States pay a State income tax in addition to the Federal income tax; and

Whereas the residents of the District of Columbia pay no estate taxes or income taxes, but, on the contrary, are alleged to pay less than their just proportion of costs for the support of the District; and

Whereas such charges and countercharges have disturbed the relations between the Federal Government and District government during recent years; and

Whereas every resident taxpayer of the District of Columbia subject to reasonable exemptions should be taxed on a fair basis compared with all other residents in ability to pay and compared with taxpayers of the several States which contribute to the maintenance of the Capital City; and

Whereas the House is chargeable under the Constitution with the duty of raising needed revenues for support of the Federal Government: Therefore be it

Resolved, That a committee of seven Members of the House be appointed by the Speaker for the purpose of recommending to the Congress a just income tax law and a just estate tax law for the District of Columbia; and

Further, that such committee make a general survey of the relations of the Federal Government and the District of Columbia in order that any just proportion of payments be required from the Federal Government may be determined and recommended to Congress for enactment into law, and that the committee further examine and report any needed changes in existing law for the administration of the District of Columbia and for its relations with the Federal Government.

Said committee is authorized to send for persons and papers, to administer oaths, to employ such clerical assistance as is necessary, to sit during any recess of the House, and at such places as it may deem advisable. Any subcommittee, duly authorized thereto, shall have the powers conferred upon the committee by this resolution.

OFFICERS AND EMPLOYEES OF FOREIGN SERVICE

Mr. TEMPLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10919) for the relief of certain officers and employees of the Foreign Service of the United States, and of Elise Steiniger, housekeeper for Consul R. A. Wallace Treat at the Smyrna consulate, who, while in the course of their respective duties, suffered losses of Government funds and/or personal property by reason of theft, warlike conditions, catastrophes of nature, shipwreck, or other causes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to take from the Speaker's table the bill (H. R. 10919) with Senate amendments, disagree to the Senate amendments and ask for a conference. The Clerk will report the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, of the five or six amendments added by the Senate, four or five are akin to the character of legislation passed recently by the House, but, there is one that has no relevancy whatever to the bill as passed by the House. That one amendment provides for a year's salary to the widow of some deceased consular representative.

I have taken the position during this session, awaiting, perchance, some general legislation on the subject, that there should be no bills passed granting one year's salary to widows of former consular representatives. Unless I can have the assurance of the gentleman from Pennsylvania [Mr. TEMPLE] that that amendment will not be agreed to without the House having an opportunity to express itself, I will have to object to the bill going to conference.

The amendment is absolutely foreign to the subject matter of the bill which passed the House. I have no objection to the amendments inserted by the Senate relating to claims for loss of baggage and the like, but I do seriously object to the loading down of this bill with extraneous matter, such as providing a year's salary for the widow of some deceased consular representative. If I can have the assurance of the gentleman from Pennsylvania that he will not agree to that amendment—and there is only one in which they have offended in the particular I have instanced—then I will not object, otherwise I will feel constrained to object.

Mr. TEMPLE. The gentleman realizes that it has been the custom of the House to pass bills paying a year's salary to the widows of consuls who died in the performance of their duties.

Mr. STAFFORD. But the bill which was messaged to the Senate provided only for claims arising out of the loss of baggage, but the Senate has added an amendment relating to a matter which is entirely extraneous. I would not be fair to the Members of this House if I permitted preferential consideration be given to this one widow when I objected to an omnibus bill reported by the gentleman's committee awarding a year's salary to various widows of our consular representatives.

Mr. JOHNSON of Texas. If the gentleman will permit, I was a member of the subcommittee which considered this legislation, and I am in sympathy with the statement made by the gentleman from Wisconsin. I do not think this amendment should be added to the bill, because it is of a different character and nature; it is not relevant, and I trust the chairman of our committee will accede to the request of the gentleman from Wisconsin.

Mr. TEMPLE. We will give the House a chance to vote on that amendment.

Mr. STAFFORD. I do not wish to tie the hands of the gentleman, but I would hope the gentleman would adhere to our disagreement to that amendment. However, I do not wish to tie the conferees so there will not be a free conference. I understand the parliamentary situation, and know that if we should bind them the Senate might reject the conference, but I hope the gentleman will insist that this amendment is absolutely foreign to the general scope of this bill and insist that it should not be incorporated in the bill.

Mr. TEMPLE. We will bring that amendment back to the House.

Mr. LAGUARDIA. Mr. Speaker, further reserving the right to object, the condition in which we now find this bill bears out the attitude which some of us took on an omnibus relief bill. Gentlemen, if we start on omnibus relief bills, then it is the end of all intelligent legislative consideration of the merits of bills, because it will be just like rivers and harbors, where a few meritorious claims will carry a lot of claims that should never be considered.

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. WILLIAM E. HULL. Why does the gentleman make that statement with reference to rivers and harbors?

Mr. LAGUARDIA. Because the rivers and harbors legislative system is the most vicious kind of legislation in our legislative history.

Mr. WILLIAM E. HULL. Will the gentleman tell us what he knows about it?

Mr. LAGUARDIA. I know about it, and I have in mind some projects which the gentleman put in, particularly in reference to promotions in the Army. However, let us not go into that.

Mr. WILLIAM E. HULL. Then why does the gentleman jump on rivers and harbors?

Mr. LAGUARDIA. I think it is the most vicious system of legislation we have had in the history of this Congress.

Mr. MOORE of Virginia. If the gentleman will permit, what is his view about omnibus pension bills? They are claims bills.

Mr. LAGUARDIA. They are very much alike, but the amount involved is not so great.

Mr. MOORE of Virginia. It is larger than the amount involved in the bill under consideration.

Mr. LAGUARDIA. If I see any omnibus claims bills on the Private Calendar, I am going to object.

Mr. GARNER. Mr. Speaker, reserving the right to object, let me ask the gentleman from Pennsylvania a question. I understood the gentleman from Texas [Mr. JOHNSON] to say he

was a member of the subcommittee which considered this legislation in the Foreign Affairs Committee?

Mr. TEMPLE. Yes.

Mr. GARNER. Does the gentleman mind telling the House how many were on that subcommittee and who they were so we may know the personnel that made up this bill?

Mr. TEMPLE. The gentleman from Texas will remember the personnel of that subcommittee. Mr. MARTIN was chairman of the subcommittee.

Mr. MARTIN. Besides myself the members were: Mr. MORTON D. HULL, of Illinois; Mr. KORELL, of Oregon; Mr. MORGAN, of Ohio; Mr. MCREYNOLDS, of Tennessee; Mr. JOHNSON, of Texas; and Mrs. OWEN, of Florida.

Mr. GARNER. May I ask the gentleman one other question? If I understand correctly, the omnibus bill which was reported by the Foreign Affairs Committee only dealt with claims that had been recommended by the State Department.

Mr. TEMPLE. Recommended and very carefully audited, and the total amount, I understand, was about one-tenth of the amount of the original claims.

Mr. GARNER. In other words, it was given thorough consideration and only claims that had merit and were recommended by the State Department were included in the bill?

Mr. TEMPLE. That is true.

Mr. GARNER. If the Senate has put in the bill legislation which your committee did not deem it advisable to consider and include in the omnibus bill, it seems to me it would be the duty of the House conferees to insist upon the policy of the House and give the House an opportunity to vote upon the proposition. I hope you gentlemen will take that viewpoint.

Mr. TEMPLE. We will certainly give the House a chance to express itself on that amendment.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. TEMPLE, MARTIN, and LINTHICUM.

ADDITIONAL LAND FOR THE BUREAU OF STANDARDS

Mr. ELLIOTT. Mr. Speaker, by direction of the Committee on Public Buildings and Grounds I ask unanimous consent to take from the Speaker's table the bill (H. R. 7997) authorizing the purchase by the Secretary of Commerce of additional land for the Bureau of Standards of the Department of Commerce, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 15, after "site," insert ": *Provided*, That no portion of Van Ness Street, Tilden Street, or Reno Road shall be closed under the provisions of this act."

Mr. McCLINTIC of Oklahoma. Mr. Speaker, reserving the right to object, how much money is involved in this piece of legislation?

Mr. ELLIOTT. I could not tell the gentleman offhand, but the only matter that is involved here is the Senate amendment, which provides that certain streets shall not be closed.

Mr. McCLINTIC of Oklahoma. Is it contemplated to use this land for the location of additional buildings in the District of Columbia?

Mr. ELLIOTT. This land is to be purchased for the expansion of the Bureau of Standards.

Mr. McCLINTIC of Oklahoma. The gentleman feels it is absolutely necessary that this legislation be enacted into law?

Mr. ELLIOTT. Oh, yes.

Mr. CHALMERS. Mr. Speaker, reserving the right to object, does the gentleman know whether this land is to be used for the hydraulic laboratory?

Mr. ELLIOTT. I do not know anything about the hydraulic laboratory specifically, but this is an extension of the grounds of the Bureau of Standards. There is building going on all around the Bureau of Standards and it is going to be necessary for them to secure more land. This whole matter has been thoroughly threshed out in the House and in the Senate, and all that is involved here is the question of closing three small streets.

Mr. McCLINTIC of Oklahoma. Do I understand it does not provide for the purchase of any additional land?

Mr. ELLIOTT. Oh, yes; it provides for the purchase of additional land. It has been some time since the bill passed the House. The House and the Senate have agreed on this measure with the exception of one thing. The Senate included a provision that these three little streets should not be closed, and I am asking the House to agree to that Senate amendment.

Mr. McCLINTIC of Oklahoma. Does the gentleman know whether or not it is going to be necessary to obtain this land by process of condemnation or has some kind of tentative agreement been reached?

Mr. ELLIOTT. It will probably have to be acquired by condemnation.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Senate amendment was agreed to.

FEDERAL POWER COMMISSION

Mr. PARKER. Mr. Speaker, I call up the conference report on the bill (S. 3619) to reorganize the Federal Power Commission.

The Clerk read the conference report.

(For conference report and statement see proceedings of the House of June 18, 1930.)

The conference report was agreed to.

WAR DEPARTMENT CONTRACTS

Mr. WURZBACH. Mr. Speaker, I call up the conference report on the bill (S. 4017) to amend the act of May 29, 1928, pertaining to certain War Department contracts by repealing the expiration date of that act and ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. The gentleman from Texas asks unanimous consent that the statement may be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of June 14, 1930.)

The conference report was agreed to.

BRIDGE ACROSS THE ST. CLAIR RIVER, PORT HURON, MICH.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table S. 4722, a bridge bill identical with a House bill as heretofore reported and on the calendar. It is an emergency matter.

The SPEAKER. The gentleman from Michigan asks unanimous consent to take from the Speaker's table the bill S. 4722, a similar House bill having been reported. The Clerk will report the title to the bill.

The Clerk read the title to the bill, as follows:

An act (S. 4722) creating the Great Lakes Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the St. Clair River at or near Port Huron, Mich.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I think this is a most important bill, a departure from the historic policy of the Government in the construction of an international bridge, and I think some explanation should be had. The House should be informed what we are doing in the creation of a commission for building a bridge across the St. Clair River.

Mr. CRAMTON. Mr. Speaker, let me say to the gentleman from Wisconsin that this bill provides for the building of a bridge by a commission of very capable men, who out of a sense of public duty render these services without any compensation and without any salary or profit whatever. Necessarily tolls must be had until the bridge is paid for, but all profits go to retire the obligations, and when the obligations are retired the bridge becomes the property of the State of Michigan and the Dominion of Canada, or other agencies authorized to receive it. It is an attempt to obviate the long-continued operation of a toll bridge at large private profits.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. CRAMTON. I yield.

Mr. COCHRAN of Missouri. This bill contains the provisions which the gentleman prepared to protect the public from toll-bridge promotion?

Mr. CRAMTON. It goes further, it contains no element of private profit whatever.

Mr. COCHRAN of Missouri. I want to compliment the gentleman on his preparation of the bill.

Mr. CRAMTON. All the profits go to retire the obligations, and then it becomes a free bridge.

Mr. STAFFORD. Will the gentleman inform the House on what the present commission bill was framed?

Mr. CRAMTON. It is not, I admit, according to the ordinary practice, but it has had careful consideration by the House committee, and has now passed the Senate.

I will say that when it comes to building an international bridge, which is going to cost four or five million dollars, we encounter a difficult situation. In this case I have been in con-

tact with the Canadian authorities, and the necessary legislation to function with this bill has passed the Canadian Parliament within the last few weeks. I am trying now to secure the necessary action of Congress to cooperate with Canada in this international-bridge matter.

Mr. STAFFORD. What powers has the commission so far as raising the money and determining the bonded indebtedness?

Mr. CRAMTON. Only the issuance of bonds. The gentleman knows that all these toll bridges now are financed without the issuance of stock; they are financed by selling bonds. In this particular case the commission has authority to issue bonds.

I may say to the gentleman that the men on the commission did not seek this service nor suggest it. I asked them to serve because they were men of the highest integrity and outstanding business ability. They have stated to me that when the commission is created, if it is created, unless they are satisfied that the venture is a sound one financially they will not issue any bonds. It will not be a wildcat scheme. Further than that, the bonds issued can only be issued with the approval of the Michigan Public Utility Commission. So there is this supervision of the issuance of bonds that ofttimes does not appear.

Mr. STAFFORD. What is provided in the bill respecting the time in which the bridge must be completed?

Mr. CRAMTON. Mr. Speaker, the general law covers that. As I recall, unless construction is commenced within one year and completed within three years, the bill fails so far as the permit is concerned. The general law covers as to the permanence of the permit, but the bill provides that the commission itself ceases to exist in five years if the bridge is not constructed within that time.

Mr. STAFFORD. Does the National Government undertake any obligation in the construction of this bridge?

Mr. CRAMTON. Absolutely none. The bill expressly provides that the indebtedness is not to be in any way an indebtedness of the Government.

Mr. CHINDBLOM. Mr. Speaker, will the gentleman from Wisconsin yield?

Mr. STAFFORD. Yes.

Mr. CHINDBLOM. On the question of public necessity, which, after all, should very largely control in these cases, I might say that a couple of years ago I had occasion to travel from Hamilton, in Ontario, into Michigan, and I crossed the river at Sarnia, going to Port Huron by ferry. I am glad, indeed, from the experience I had at that time that it has become possible to begin the construction of a bridge at that point. I am sure that the public necessity exists there.

Mr. CRAMTON. Mr. Speaker, I might say that it will be a link in one of the great international tourists' routes, and it will be the northernmost transcontinental automobile tourist route between the United States and Canada. There is no bridge on the border north of it and can be none because of Lake Huron, and the nearest bridge to the south of it is at Detroit, about 60 or 70 miles.

Mr. CHALMERS. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. CHALMERS. This is clearly in the interest of the public and for the accommodation of the public. The gentleman from Illinois [Mr. CHINDBLOM] has expressed my view exactly. I have been over this route, and I am very anxious, indeed, that this bridge be constructed for the accommodation of the public.

Mr. LAGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. LAGUARDIA. Mr. Speaker, only to say that the proposition presented in this bill is what I believe to be the ideal solution not only for international but for local bridges. I congratulate the gentleman from Michigan [Mr. CRAMTON] not only upon solving this problem but because of his efforts by private negotiation with members of the Canadian Parliament in bringing about within a very short time an understanding that would have taken months and months if we went through the various diplomatic channels.

Mr. STAFFORD. Mr. Speaker, as this is a departure from any former type of bridge bill, I felt it incumbent upon me to have the author of the bill explain the character of the measure before having it agreed to. I withdraw the reservation of objection.

Mr. CRAMTON. Mr. Speaker, in response to the inquiries I am glad to give some information as to the proposed international bridge from Port Huron, Mich., to Sarnia, Ontario. The boundaries between Michigan and Ontario from Lake Erie to Lake Huron consist of the Detroit River, Lake St. Clair, and the St. Clair River. There has recently been constructed an international bridge at Detroit. There is no bridge north of that. The crossing at Port Huron is by means of a ferry for foot passengers and vehicles. The Grand Trunk Railroad has a tunnel under the St. Clair River at Port Huron. There is a continuous paved highway across Michigan from Grand Haven to Port Huron as well as from Chicago to Port Huron. There is also a continuous paved highway from Sarnia, Ontario, to Niagara Falls and on to New York and New England, as well as from Sarnia to Toronto, Montreal, Quebec, and lower Canada. As I have said, it is the northernmost transcontinental automobile tourist route in the United States and would necessarily be a very popular route.

Congress has heretofore passed legislation authorizing the construction of a toll bridge at that point by a private corporation, companion legislation having been enacted by the Dominion Parliament. Because of the condition of the bond market it has been found as yet impossible to finance the building of this bridge under that legislation. It is believed that a real public need exists for the construction of that bridge and that it will be beneficial to not only the local communities but to the State of Michigan and the Province of Ontario. It will also be a great convenience to the traveling motorist who visits that section of the country.

In the legislation heretofore passed it was provided that 80 per cent of the net earnings should be used to retire the obligations created by the financing of the bridge and that when such obligations were all retired the bridge should be turned over without cost to the State of Michigan and the Dominion of Canada, or subdivisions thereof authorized by them to accept, and it should thereafter be maintained as a free bridge. The pending legislation is based upon our desire to secure the building of this bridge as early as possible and to have it pay for itself out of its earnings and thereafter become a free bridge.

The bill introduced by me, H. R. 12643, was favorably reported to the House by the Committee on Interstate and Foreign Commerce on June 14, 1930. It is upon the House Calendar. The bill in the identical form reported by the House committee was introduced in the Senate by the Senator from Michigan [Mr. VANDENBERG]. It has been passed by the Senate and is the bill I have called up for consideration by the House today. This bill created what is known as the Great Lakes Bridge Commission and gives it full authority to finance the building of the bridge through issuance of bonds, construct the bridge, and operate it.

It further gives the commission the authority to acquire and operate the existing ferry, which would compete with the bridge when constructed. It provides that the net income from operation of the bridge and ferry shall be used to retire the bonds, and that when all the bonds have been paid the bridge shall be turned over to the State of Michigan and the Dominion of Canada, or subdivisions thereof authorized to accept.

The members of the commission do not receive any compensation for their services or any profit. Theirs is distinctly a public service. The commission consists of five men who have been asked by me to serve upon the commission. They are men of high standing, namely: Mr. Frank E. Beard, of Port Huron, chairman of the St. Clair County Road Commission, a member of the State road advisory board, president of the large mercantile firm of Beard, Campbell & Co., and vice president of the First National Bank & Trust Co.; Mr. Edgar W. Kiefer, president of the Port Huron Sulphite & Paper Co., of Port Huron; Major D. McCoach, jr., United States Army, district engineer at Detroit; Mr. Fred W. Moore, of St. Clair, president of the Diamond Crystal Salt Co.; and Mr. Louis A. Weil, one of the owners of the Port Huron Times-Herald.

The act provides that no obligations or liabilities can be incurred by the commission other than those dischargeable from funds provided by this act, and no indebtedness created under the acts shall be an indebtedness of the United States.

I include as part of my remarks the majority committee report upon the bill as submitted by the gentleman from Michigan [Mr. MAPES] for the Committee on Interstate and Foreign Commerce of the House.

This bill is in a different form from the form usually used in granting franchises for international bridges. Its provisions have been very carefully prepared by the author of the bill in order to meet the conditions which have been found necessary by the author, Mr. CRAMTON, to successfully finance the bridge and secure its construction. After careful consideration by the committee its passage is recommended, with certain amendments which have been made by the committee.

This bridge will be located between Port Huron, Mich., and Sarnia, Ontario, just south of the south end of Lake Huron, and will be on one of the main east and west international highways of travel and commerce, running from St. Paul and Minneapolis east through Michigan and Ontario to Hamilton, Ontario, and Niagara Falls and New York City.

The bridge will not be a part of the highway system of either the State of Michigan or the Province of Ontario. Neither the State nor

the Province will construct a bridge at this point. Neither Port Huron nor Sarnia can finance a structure of this kind. It appears from the hearing that there will be no way to secure a highway bridge at this point unless it is financed and constructed by a private corporation with the usual rights of earning profits for stockholders, or by a commission under some kind of authority such as is provided in the bill.

The bill creates a bridge commission with authority to issue bonds under the conditions specified in the bill, construct and operate the bridge until the bonds or other indebtedness issued or incurred for the construction of the bridge have been paid; and thereafter the bridge will be conveyed to the State of Michigan and to the Province of Ontario, provided they will accept it, and will be operated as a free highway bridge.

The commission is to be composed of business men and the United States Army Engineers, who are to act entirely from a spirit of public service and without compensation. Those selected as members of the commission are chosen by the author of the bill after consultation with them, and the committee was assured by the author of the bill that their business standing and their high character would insure the faithful discharge of their duties on the commission and their complete freedom from political influences.

The bill provides that this commission is to be created in order to facilitate international commerce. It will be a Federal agency with limited powers specifically enumerated in the bill. It is not a corporation, but it will have several of the usual powers of a corporation. It will terminate and be dissolved within five years after the passage of the act, unless the bridge is constructed by that time. If the bridge is constructed, the commission will be dissolved as soon as the bridge is paid for and turned over to the public authorities authorized to receive it.

No stock is to be issued; no one is to receive any profit. The members of the commission are to give bonds for the faithful performance of their duty, and all funds received from the sale of bonds are to be used for the construction of the bridge, and the bonds are to be retired from the tolls received.

The method of financing the bridge is provided for by the terms of the bill, and the bridge is to be constructed under the provisions of March 23, 1906, which gives to the Secretary of War the right to see that tolls are just and reasonable and to himself fix the tolls if he finds them not to be just and reasonable. The plans for construction will have to be approved by the Secretary of War and the Chief of Engineers. The bonds or other securities issued for financing the structure must be approved by the securities commission of the State of Michigan before they are sold.

The bill authorizes the bridge commission to purchase and operate the existing ferries that are now used between Port Huron and Sarnia until the bridge is completed. Thereafter they may be sold or operated as the commission finds desirable. The purpose for authorizing the commission to purchase and operate the ferries is, first, to prevent what would amount to a practical confiscation of the ferries. When the bridge is completed and is in operation, the ferries will be practically put out of business; and while there is no obligation to prevent losses of that kind when public improvements like bridges are constructed, yet the committee feels that there is no objection to the prevention of such losses if it can be done.

But the principal purpose of authorizing the commission to purchase and operate the ferries is to enable the commission to finance the construction of the bridge. In order to raise the necessary funds to construct the bridge it is necessary to determine, with more or less certainty, the tolls that will be charged and the revenues that are to be expected. A careful check up has been made of the probable traffic to be expected, and by taking into consideration the probable traffic and the probable revenues to be received, the commission will be able to finance the structure. But, naturally, the ferry company is opposed to the construction of the bridge; they can reduce their tolls substantially at any time, and thereby prevent the financing of the bridge, because if the ferry company should materially reduce their charges it would be necessary for the bridge commission to reduce the charges for transiting the bridge. In order, therefore, to prevent anticipated cutting of ferry charges, and to secure the necessary funds to construct the bridge, as well as to prevent the practical confiscation of the property of the ferry company, the bill authorizes the commission to purchase and operate the ferries.

The exact location of the bridge has not yet been determined. The river near where the ferries are now operated is quite wide. Just north of that location about a mile or a mile and a half, the river is narrower, and a bridge can be constructed at that point for perhaps a million dollars less than it can where the river is wider. Unless the commission owns and controls the ferries, they would be compelled to construct the bridge at the wide part of the river. Owning and operating the ferries the commission could construct a bridge at the narrower point and save considerable money. The savings would amount to more than enough to purchase the ferries. When the bridge is completed the commission would dispose of the ferries if they were no longer needed, or could continue to operate part of them if they were needed.

The committee sees no particular objection to this authority being granted to the commission, since it seems to be important, if not necessary, in order to finance the bridge and successfully amortize its cost, and make it free.

The bill also exempts the bridge and the income thereof from all Federal, State, and municipal taxes. Being a Federal commission, the State and municipality could not tax the bridge without authority of Congress. It would manifestly not be wise to exempt it from State and municipal taxes unless it were likewise exempted from Federal taxes. Since this is a public commission created for the single purpose of providing a facility for international commerce in connection with which no private profits are contemplated or allowed, the committee knows of no valid reasons why they should not be exempted from taxes. If the bridge and the income therefrom is required to pay local and Federal taxes, a substantial part of the revenues would be required, and that much more time would be required to amortize the cost of construction, and its becoming free to the public would be thereby considerably postponed.

It is the policy of the committee to encourage the building of free highway bridges wherever possible. Where that is not possible, it would seem to be a wise policy to permit the construction of bridges under plans of financing which would amortize their costs as soon as possible and make them free thereafter. In harmony with that policy the committee believes that it would be in the public interest to exempt the bridge and the income therefrom from all taxes, so that it can become a free bridge, the property of the public as soon as possible.

On the whole the committee believes that it will be more in the public interest to authorize the construction of this bridge in the manner provided by the bill rather than to allow it to be built by a private corporation which would of course be entitled to receive promotion charges, and at least the usual profits to which private capital is entitled.

As to precedents, some years ago Congress created a private corporation and authorized it to construct a bridge across the Hudson River in New York, granting the corporation authority to condemn property and to finance and construct a bridge. Within the last three or four years Congress authorized the city of Louisville, Ky., or a bridge commission appointed by the municipality, to construct and operate a highway bridge across the Ohio River at Louisville. Authority was granted to the commission to issue bonds and pay for the bridge from the tolls received and after costs of the bridge have been amortized, the bridge is to be free. In that case Congress granted the authority to a commission which we authorized the city to appoint to construct and operate the bridge. In this bill Congress itself creates and appoints the commission. The Louisville commission being a municipal agency is exempt from Federal taxes, and it has been exempted from State and local taxes by the State legislature.

The State of Alabama created a bridge commission or a corporation and Congress granted authority to that public corporation to construct a number of toll bridges in Alabama, and provided that when the costs of the bridges were paid from the tolls, they should be operated as free bridges thereafter. That corporation, being a State agency, is exempted from Federal taxes, and by State law is exempted from State and local taxes. If it is a wise policy for Congress to encourage the construction of free bridges to facilitate the movement of interstate and international commerce, and to permit reasonable charges to be made for the use of such structures until the actual costs thereof have been amortized, and they can thereafter become free public bridges, the committee sees no reason why they should not be exempted from taxes and thereby become free public bridges as soon as possible. Under the plan proposed by this bill a substantial and safe highway bridge can be constructed at Port Huron which will in a few years become a free public bridge. If the bridge can not be constructed in the manner provided by the bill, international commerce at Port Huron will be subjected indefinitely to unregulated tolls charged by the ferry companies, or to such tolls as may be charged by any private corporation that may be authorized to construct a bridge at that point.

The committee believes that the plan proposed by the bill is in the public interest and recommends the passage of the bill.

Section 10 of the bill contains the following provisions:

"No obligation created or liability incurred pursuant to this act shall be an obligation or liability of any member or members of the commission, but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this act be an indebtedness of the United States."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. Without objection, the bill will be printed in the RECORD without reading, as it is a very long bill.

There was no objection.

The bill is as follows:

Be it enacted, etc., That in order to facilitate international commerce, the Great Lakes Bridge Commission, hereinafter created, and hereinafter referred to as the commission, and its successors and assigns, be, and

are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the St. Claire River, at or near the city of Port Huron, Mich., and the city of Sarnia, Canada, at a point suitable to the interests of navigation, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, subject to the conditions and limitations contained in this act, and subject to the approval of the proper authorities in the Dominion of Canada. For like purposes said commission and its successors are hereby authorized to purchase, maintain, and operate all or any ferries across the St. Claire River within 5 miles of the location which shall be selected for said bridge, subject to the conditions and limitations contained in this act, and subject to the approval of the proper authorities in the Dominion of Canada.

SEC. 2. There is hereby conferred upon the commission and its successors and assigns all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use such real estate and other property in the State of Michigan as may be needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State of Michigan, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation of private property for public purposes in such State, and the commission and its successors or assigns may exercise in the Dominion of Canada all rights, powers, and authority which shall be granted or permitted to the commission by the proper authorities of the Dominion of Canada or of the Province of Ontario, including the entering upon lands and acquiring, condemning, occupying, possessing, and using such real estate and other property in the Dominion of Canada as may be needed for such location, construction, operation, and maintenance of such bridge.

SEC. 3. The commission and its successors and assigns are hereby authorized to fix and charge tolls for transit over such bridge and such ferry or ferries in accordance with the provisions of this act.

SEC. 4. The commission and its successors and assigns are hereby authorized to provide for the payment of the cost of the bridge and its approaches and the ferry or ferries and the necessary lands, easements, and appurtenances thereto by any issue or issues of bonds of the commission, upon approval by the Michigan Public Utilities Commission, bearing interest at not more than 6 per cent per annum, payable annually or at shorter intervals, maturing not more than 30 years from their date of issuance, such bonds and the interest thereon, and any premium to be paid for retirement thereof before maturity, to be payable solely from the sinking fund provided in accordance with this act. Such bonds may be registrable as to principal alone or both principal and interest, and shall be in such form not inconsistent with this act, and be payable at such place or places as the commission may determine. The commission may repurchase and may reserve the right to redeem all or any of said bonds before maturity at prices not exceeding 105 and accrued interest. The commission may enter into an agreement with any bank or trust company in the United States as trustee having the power to make such agreement, setting forth the duties of the commission in respect of the construction, maintenance, operation, repair, and insurance of the bridge and/or the ferry or ferries, the conservation and application of all funds, the safeguarding of moneys on hand or on deposit, and the rights and remedies of said trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporations. Such trust agreement may contain such provision for protecting and enforcing the rights and remedies of the trustee and the bondholders as may be reasonable and proper and not inconsistent with the law and also a provision for approval by the original purchasers of the bonds of the employment of consulting engineers and of the security given by bridge contractors and by any bank or trust company in which the proceeds of bonds or of bridge and/or ferry tolls or other moneys of the commission shall be deposited, and may provide that no contract for construction shall be made without the approval of the consulting engineers. The bridge constructed under the authority of this act shall be deemed to be an instrumentality for international commerce authorized by the Government of the United States, and said bridge and ferry or ferries and the income derived therefrom shall be exempt from all Federal, State, municipal, and local taxation. Said bonds shall be sold in such manner and at such price as the commission may determine, such price to be not less than the price at which the interest yield basis will equal 6 per cent per annum as computed from standard tables of bond values, and the face amount thereof shall be so calculated as to produce, at the price of their sale, the estimated cost of the bridge and its approaches, and the land, easements, and appurtenances used in connection therewith, and, in the event the ferry or ferries are to be acquired, also the estimated cost of such ferry or ferries and the lands, easements, and appurtenances used in connection therewith. The cost of the bridge and ferry or ferries shall be deemed to include interest during construction of the bridge, and for 12 months thereafter, and all engineering, legal, architectural, traffic surveying, and other expenses incident to the construction of the bridge or the acquisition of the ferry or ferries, and the acquisition of the necessary property, and incident to the financing thereof, including the cost of acquiring existing franchises, rights, plans, and works of and relating to the bridge, now owned by any person, firm, or corporation, and the cost of purchasing all or any part of the shares of stock of any such corporate owner if, in the judgment of the commission, such purchases should be found expedient. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided. Prior to the preparation of definitive bonds the commission may under like restrictions issue temporary bonds with or without coupons, exchangeable for definitive bonds upon the issuance of the latter.

SEC. 5. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to pay the principal and interest of such bonds as the same shall fall due and the redemption or repurchase price of all or any thereof redeemed or repurchased before maturity as herein provided. All tolls and other revenues from said bridge are hereby pledged to such uses and to the application thereof hereinafter in this section required. After payment or provision for payment therefrom of all such cost of maintaining, repairing, and operating and the reservation of an amount of money estimated to be sufficient for the same purpose during an ensuing period of not more than six months, the remainder of tolls collected shall be placed in the sinking fund, at intervals to be determined by the commission prior to issuance of the bonds. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested. The commission shall classify in a reasonable way all traffic over the bridge, so that the tolls shall be so fixed and adjusted by it as to be uniform in the application thereof to all traffic falling within any such reasonable class, regardless of the status or character of any person, firm, or corporation participating in such traffic, and shall prevent all use of such bridge for traffic except upon payment of the tolls so fixed and adjusted. No toll shall be charged officials or employees of the commission or of the Governments of the United States or Canada or any State, Province, county, or municipality in the United States or Canada while in the discharge of their duties or municipal police or fire departments when engaged in the proper work of any such department.

SEC. 6. Nothing herein contained shall require the commission or its successors to maintain or operate any ferry or ferries purchased hereunder, but in the discretion of the commission or its successors any ferry or ferries so purchased, with the appurtenances and property thereto connected and belonging, may be sold or otherwise disposed of or may be abandoned and/or dismantled whenever in the judgment of the commission or its successors it may seem expedient so to do. The commission and its successors may fix such rates of toll for the use of such ferry or ferries as it may deem proper, subject to the same conditions as are hereinabove required as to tolls for traffic over the bridge. All tolls collected for the use of the ferry or ferries and the proceeds of any sale or disposition of any ferry or ferries, shall be used, so far as may be necessary, to pay the cost of maintaining, repairing, and operating the same, and any residue thereof shall be paid into the sinking fund hereinabove provided for bonds. An accurate record of the cost of purchasing the ferry or ferries, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 7. After payment of the bonds and interest, or after a sinking fund sufficient for such payment shall have been provided and shall be held for that purpose, the commission shall deliver deeds or other suitable instruments of conveyance of the interest of the commission in and to the bridge, that part within the United States to the State of Michigan or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the United States interests) and that part within Canada to the Dominion of Canada or to such Province, municipality, or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the Canadian interests), under the condition that the bridge shall thereafter be free of tolls and be properly maintained, operated, and repaired by the United States interests and the Canadian interests, as may be agreed upon; but if either the United States interests or the Canadian interests shall not be authorized to accept or shall not accept the same under such conditions, then the bridge shall continue to be owned, maintained, operated, and repaired by the commission, and the rates of tolls shall be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management, until such time as both the United States interests and the Canadian interests shall be authorized to accept and shall accept such conveyance under such conditions. If at the time of such conveyance the commission or its successors shall not have disposed of such ferry or ferries, the same shall be disposed of by sale as soon as

practicable, at such price and upon such terms as the commission or its successors may determine, but in making any such sale preference shall be given to the Canadian interests and thereafter to the United States interests before any sale except to such respective interests.

SEC. 8. For the purpose of carrying into effect the objects stated in this act, there is hereby created the Great Lakes Bridge Commission, and by that name, style, and title said body shall have perpetual succession, may contract and be contracted with, sue and be sued, implead and be impleaded, complain and defend in all courts of law and equity; may make and have a common seal; may purchase or otherwise acquire and hold or dispose of real estate and other property; may accept and receive donations or gifts of money or other property and apply same to the purposes of this act; and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this act.

The commission shall consist of Frank E. Beard, Edgar W. Kiefer, Maj. David McCoach, jr., Fred W. Moore, and Louis A. Weil. Any vacancy occurring in said commission shall be filled by a majority vote of the remaining members of the commission, and notices of elections to fill vacancies and of acceptances thereof shall be filed with the county clerk of St. Clair County, Mich. Any officer of the United States Army who may be appointed or elected a member of the commission may serve as such member notwithstanding the provisions of section 1222, Revised Statutes, or any other law. Each member of the commission and their respective successors shall qualify by giving such bond as may be fixed by the State highway commissioner of Michigan, conditioned for the faithful performance of all duties required by this act. The commission shall elect a chairman and a vice chairman from its members, and may establish rules and regulations for the government of its own business. Three members shall constitute a quorum for the transaction of business.

SEC. 9. The commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this act. The members of the commission shall not be entitled to any compensation for their services but may employ a secretary, treasurer, engineers, attorneys, and such other experts, assistants, and employees as they may deem necessary, who shall be entitled to receive such compensation as the commission may determine. After all bonds and interest thereon shall have been paid and all other obligations of the commission paid or discharged, or provision for all such payment shall have been made as hereinbefore provided, and after the bridge shall have been conveyed to the United States interests and the Canadian interests as herein provided, and any ferry or ferries shall have been sold, or in the event that the bridge herein authorized is not constructed within five years from the date of approval of this act, the commission shall be dissolved and shall cease to have further existence, by an order of the State highway commissioner of Michigan made upon his own initiative or upon application of the commission or any member or members thereof, but only after a public hearing in the city of Port Huron, notice of the time and place of which hearing and the purpose thereof shall have been published once, at least 30 days before the date thereof, in a newspaper published in the city of Port Huron, Mich., and a newspaper published in the city of Sarnia, Ontario. At the time of such dissolution, all moneys in the hands of or to the credit of the commission shall be divided into two equal parts, one of which shall be paid to said United States interests and the other to said Canadian interests.

SEC. 10. Nothing herein contained shall be construed to authorize or permit the commission or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds provided by this act. No obligation created or liability incurred pursuant to this act shall be an obligation or liability of any member or members of the commission, but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this act be an indebtedness of the United States.

SEC. 11. All provisions of this act may be enforced, or the violation thereof prevented by mandamus, injunction, or other appropriate remedy brought by the attorney general for the State of Michigan, the United States district attorney for the district in which the bridge may be located in part, or by the solicitor general of the Dominion of Canada in any court having competent jurisdiction of the subject matter and of the parties.

SEC. 12. The right to alter, amend, or repeal this act is hereby expressly reserved.

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

A motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE TO ADDRESS THE HOUSE

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. The gentleman from Maryland asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. LINTHICUM. Mr. Speaker, an attack was made on June 12 of last week on Mr. A. D. Stebbins, president of the Merchants & Miners' Transportation Co. by the gentleman from Kansas [Mr. HOCH] when discussing Senate bill 962, for amendment of the transportation act. As a friend not only of the president of the company but of the company itself, which has had a long and honorable standing in our community, I feel it my duty to read a letter which I have received from the president of the company in reference to the question referred to by the gentleman from Kansas:

MERCHANTS & MINERS' TRANSPORTATION CO.,
Baltimore, June 13, 1930.

MY DEAR CONGRESSMAN: We regret to learn that our bill was defeated yesterday, but are none the less appreciative of the efforts of those who endeavored to have Congress correct what we feel is an injustice done this company through inadvertence.

I notice in the discussion on the floor of the House that Congressman HOCH accused me of intentionally misrepresenting the facts in connection with our settlement with the Director General of Railroads. I am sure that you are convinced that this is not so and that in no case had we any cause for or desire to make any misstatement or evasion of any kind.

I regret that Congressman HOCH, in his investigation of this point, did not see fit to communicate with me before making his accusation. It may be that such procedure would not be in accordance with congressional practice, but at least it would have been fair.

I did have a very definite agreement with Judge Davis (director general) that our final settlement was not to prejudice any claim we might have under the transportation act.

Our negotiations through which we reached an agreement with the director general were during a personal conference between Judge Davis, director general; Mr. Wright, assistant director general; and myself. When the amount was tentatively agreed upon, we discussed the terms of the release, and it was definitely agreed between us that our final settlement release would not in any way prejudice any rights we might secure under the transportation act, Judge Davis stating, in effect, that all he was concerned with was settlement covering Federal control. At that time I also asked that the release specifically state that we were under control until February 29, 1920. Judge Davis stated that he would not dare to change their general form, but agreed to give a letter to this effect.

The Railroad Administration was fully aware of our efforts to secure an amendment to the transportation act. Some of them had already testified before Congress and, as you know, at these hearings expressed themselves as favoring the passage of our bill.

The final settlement was not drawn up at that conference but was forwarded by mail, and as upon receipt of it I was uncertain of the significance of its phraseology. I called Judge Davis on the phone, reminding him of our agreement, and he replied that the clause in question was identical with that being used in the final settlement with the railroads and as they were being paid the benefits of the guaranty clause, it should be sufficient evidence that the terms of the release as submitted observed his agreement with me and would not prejudice any rights we might have under the transportation act.

Whether you call this an "agreement" or "pledge" or "understanding" is certainly immaterial. It was a very definitely stipulated condition of our settlement and Judge Davis observed his obligation thereunder, not only in the phraseology of the release, but in giving the letter agreed to, which letter is quited by Mr. Sanders in his report on H. R. 7100 in the Sixty-seventh Congress, second session.

While my mind is very clear on this subject, I am not entirely dependent upon that, as the copy of my letter attached written at the time substantiates my recollection.

Yours very truly,

A. D. STEBBINS, *President.*

Hon. J. CHARLES LINTHICUM, M. C.
House Office Building, Washington, D. C.

This is the letter referred to by Mr. Stebbins:

MERCHANTS & MINERS' TRANSPORTATION CO.,
Baltimore, September 26, 1921.

Mr. OTIS B. KENT,
Colorado Building, Washington, D. C.

MY DEAR MR. KENT: Referring to my advice regarding our settlement with the Railroad Administration.

When we were discussing this settlement with Judge Davis I raised the question as to whether or not any rights we might secure under the transportation act, through our special bill, would be prejudiced as to the termination of Federal control, and he replied that it would not, as our settlement would contemplate Federal control to February 29, 1920.

When I received the copy of agreement as proposed I telephoned to Judge Davis, regarding this point, and suggested a mention of the date in the agreement, but he replied that he preferred not to change the form of agreement (and I rather inferred, from the way he talked, that this is the standard form); however, he said that he would have

no objection to giving us a letter, stating that this is the proper interpretation of the term "Federal control," used in the agreement.

Another thing that occurred to me was whether or not the wording of this agreement as covering everything "growing out of Federal control," could be construed as covering any rights under the transportation act, which, as a matter of fact, is predicated upon Federal control.

Inasmuch as you were absent, as well as Mr. Swank, I was without legal advice on this point, and, therefore, asked the judge about same, and I understood him to say that this was the form that was being executed by all other lines, and as they were getting their money this was sufficient evidence that this construction could not be put on it by the Interstate Commerce Commission.

I do not know whether it is necessary to have a letter from the judge on either of these points, but wish you would give it due consideration, and if you think it desirable, would suggest that you call on Judge Davis and ask him to give us such a letter as you think might be necessary to avoid any possible complications in view of the fact that the period of Federal control has been in dispute.

Yours very truly,

A. D. STEBBINS, *President.*

You will note that Mr. Stebbins refers to the quotation by former Representative Sanders in his report on H. R. 7100 in the Sixty-seventh Congress, second session, which reads as follows:

The Merchants & Miners' Transportation Co. refuse to accept this relinquishment, although this company took back its property on March 1, 1919, with the stipulation that it was without prejudice to any of its rights in the premises. (Hearings on H. R. 15963, p. 21.)

I now read from the hearings referred to on H. R. 15963, dated February 24, 1921:

On December 6, 1918, the vice president of the plaintiff received from the general counsel of the United States Railroad Administration a telegram, dated December 6, as follows:

"The director general has issued an order relinquishing your line with all boats and equipment from Federal control, effective at midnight. Order will be sent you by mail."

Immediately upon receipt of the above telegram and order, the plaintiff protested to the director general against the relinquishment, alleging various ground which we deem it unnecessary to set forth here. The protest concluded with a suggestion of a conference regarding the matter. Thereupon there ensued many conferences between counsel for the plaintiff and the general counsel of the Railroad Administration, also much correspondence by wire and mail, the final outcome of which the plaintiff took back its property March 1, 1919, but still under protest, and with the stipulation that is was without prejudice to any of its rights in the premises.

The quotations I have made are from a report by the referees incorporated in the hearings.

It will be seen from these quotations that the president of the Merchants & Miners' Transportation Co. was careful in protecting the rights of the company; that while he signed the release for the control period, it was not intended, nor did it cover any rights which the company claimed for the six months' gratuity period. I endeavored to make this clear to the committee when the bill was under consideration.

It is quite manifest that the president could not have had under consideration when he signed the release anything other than the control period, because his company had no rights under the transportation act for the six months' gratuity payment, independent steamship lines having been left out of the transportation act. They could not release something they did not have; had they have had any such right we would not be pressing this bill to-day.

I realize that much is done to procure the defeat or passage of a bill by Members of Congress, but I am inclined to agree with the president of the Merchant & Miners that the gentleman from Kansas might have made inquiries of the president of the company before making the statement he did, which was manifestly misunderstood by him, and could easily have been cleared up had he sought the information.

ORDER OF BUSINESS—THE PRIVATE CALENDAR

Mr. TILSON. Mr. Speaker, it has become more and more apparent that it will probably take a considerable portion of to-morrow to finish the consideration of the second deficiency appropriation bill. Therefore I ask unanimous consent that on Saturday it may be in order to consider unobjected bills on the Private Calendar in the House as in Committee of the Whole, beginning where the call last left off.

Mr. STAFFORD. In lieu of the order made yesterday?

Mr. TILSON. No; this is supplementary to it. In case the call of the calendar goes on to-morrow it will be taken up on Saturday where we leave off to-morrow; but in case we do not reach the calendar to-morrow, we shall begin on Saturday at the star.

Mr. STAFFORD. And it is the understanding that the Committee on Appropriations will go ahead with the consideration of the deficiency appropriation bill to-morrow?

Mr. TILSON. Yes.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that it may be in order on Saturday to consider bills on the Private Calendar, unobjected to, in the House as in the Committee of the Whole, beginning at the star, providing the calendar has not been considered on Friday, and in the event that the Private Calendar is considered at all on Friday, beginning at the star, that on Saturday it shall be in order to begin the call where the call rested at the end of the day on Friday. Is there objection?

Mr. SWING. Mr. Speaker, reserving the right to object, will the deficiency appropriation bill have the right of way over this unanimous-consent request?

The SPEAKER. Unquestionably. Is there objection?

There was no objection, and it was so ordered.

SECOND DEFICIENCY APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12902) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes. Pending that motion, can we not agree upon a limitation of general debate?

Mr. TAYLOR of Colorado. Mr. Speaker, we have very urgent requests on this side for over three hours' time, and those requests come from some ten or fifteen gentlemen who are exceedingly anxious to address the House. As this is the last bill, we think that these gentlemen ought to have an opportunity to be heard.

Mr. WOOD. Mr. Speaker, it is perfectly apparent that with the amount of general debate the gentleman is asking, providing we have an equal amount upon this side, it would be impossible to finish the general debate to-day. It is important that this bill should pass the House and be sent over to the other body as early as possible. I hope the gentleman may be able to cut down his time further. Let me suggest that general debate close in three hours, half of that time to be controlled by myself and half by the gentleman from Colorado.

Mr. CULLEN. Mr. Speaker, reserving the right to object, my colleague from Colorado has requests for, I think, probably three and a half hours of time. I have requests from some of the Members of the New York delegation that will probably take two and a half hours.

I was going to suggest to the chairman of the Committee on Appropriations before the time for general debate is set that we might go along until later in the day and see if we can adjust ourselves to the requests that we have on this side, and then you may be able probably to fix the time to close general debate.

Mr. GARNER. If you take the entire day for general debate, you might run until 6 o'clock; but you would have plenty of time with the understanding that we read the first paragraph to-day and continue with the bill to-morrow.

Mr. WOOD. If we can have that assurance, that would be all right.

Mr. GARNER. You could meet to-morrow at 11 o'clock.

Mr. CULLEN. I hope the gentleman from Indiana can agree with my suggestion, because it will accommodate my colleagues from the New York delegation.

Mr. TILSON. Mr. Speaker, complying with the suggestion of my friend from New York, I ask unanimous consent that the general debate close to-day and that the first paragraph of the bill be read, and that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow morning.

Mr. CULLEN. That would be perfectly satisfactory.

Mr. TILSON. When we adjourn to-day the general debate would be closed and one paragraph would be read.

Mr. GARNER. That might carry us beyond 6 o'clock.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that the general debate shall be closed to-day and that at the conclusion of the general debate the first paragraph of the bill shall be read.

Mr. WOOD. And the time equally divided between the gentleman from Colorado [Mr. TAYLOR] and myself.

Mr. CHINDBLOM. Does that arrangement preclude the reading beyond the first paragraph of the bill?

Mr. GARNER. Yes.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that the general debate close to-day and that only the first paragraph of the bill be read to-day. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Connecticut also asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Indiana moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12902, the second deficiency appropriation bill. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The gentleman from Illinois [Mr. CHINDBLOM] will kindly take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12902) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes, with Mr. CHINDBLOM in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12902, which the Clerk will report by title.

The title of the bill was again read.

The CHAIRMAN. The Chair would state that on yesterday the gentleman from Indiana [Mr. WOOD] used 1 hour and 29 minutes and the gentleman from Colorado [Mr. TAYLOR] 1 hour and 50 minutes. The Chair is not expressing an opinion as to the effect that may have on the use of the time to-day, but he makes that statement for the information of the House. He thinks it proper to make that statement.

Mr. WOOD. The time will be divided between myself and the gentleman from Colorado from now on?

Mr. TAYLOR of Colorado. Certainly.

Mr. WOOD. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. ELLIS].

The CHAIRMAN. The gentleman from Missouri is recognized for 15 minutes.

Mr. ELLIS. Mr. Chairman and members of the committee, I shall deflect your thought from the bill in hand for only a brief space. I propose to speak, in the time indulged me, of the bill I have introduced to repeal the agricultural marketing act. I anticipate no enthusiastic reactions, no outbursts of approval to my proposal at this time. If my bill were on the Consent Calendar I should hardly expect to get by with it just yet. Nor is it at all likely that the Committee on Agriculture, to which it has been referred, will be willing to prolong the session to accord me a hearing. The committee is still wedded to its idols—still flying the flag of "farm relief" and resting its faith on bureaucratic experimentations at the expense of the Public Treasury.

The bill, however, reflects my own convictions, reveals the stand I am constrained to take on a great issue of this day and hour. In my deliberate opinion—for I have not acted impulsively—it responds to a rising tide of public opinion.

I have had faith neither in the economic soundness nor practical efficacy of the law the repeal of which I propose. At most, my attitude has been one of hesitant tolerance. I have opposed all and singular the nostrums that have been proposed here and labeled "farm relief." When the President, as part of the agenda of the extraordinary session, outlined in general terms this measure, I did not fail to observe that the Congress was urged to engage in experimentation, to embark upon a voyage of discovery. "Every effort of this character," said the President, "is an experiment. * * * We must make a start." My apprehensions were somewhat allayed by the President's announcement that the primary duty of the board was to be investigation—"the board should be organized," said the President in his message, "to investigate every field of economic betterment for the farmer." But I was intrigued by the further counsel of the President outlining the boundaries and fixing limitations:

Certain safeguards must naturally surround these activities and the instrumentalities that are created. Certain vital principles must be adhered to in order that we may not undermine the freedom of our farmers and of our people as a whole by bureaucratic and governmental domination and interference. We must not undermine initiative. There should be no fee or tax imposed upon the farmer. No governmental agency should engage in the buying and selling and price fixing of products, for such course can lead only to bureaucracy and domination. Government funds should not be loaned or facilities duplicated where other services of credit and facilities are available at reasonable rates. No activities should be set in motion that will result in increasing the surplus production, as such will defeat any plan of relief.

Mr. Chairman, these counsels of the President have found no place in the structure of the law; they have been wholly disregarded in the execution of it by the Federal Farm Board.

I had then and still have very great confidence in the wisdom and faith of President Hoover. I had then and still have little confidence that any board or bureau of the Government, when once created, will respect and abide by limitations imposed upon it by a mere declaration of Executive policy. I was anxious to have the limitations prescribed by the President incorporated in the law. My apprehensions in this regard prompted me to attend upon the hearings accorded by the Committee on Agriculture of the House. Before the hearings were concluded, I asked and was granted permission to be heard that I might express my anxieties and my misgivings. I set out here my statement to the committee in verbatim:

Mr. Chairman, I realize that you purpose to close these hearings in a few minutes. At this time and in this situation brevity is the very soul of courtesy, if not of wit.

As to my qualifications to speak, let me say that for more than half of my life I have been in direct contact with farming. I owned and operated a Missouri stock and grain farm of proportions for the 16 years between 1909 and 1925. When the lemon was squeezed in 1920 I emerged somewhat disfigured from the general pulp. My sympathies are right, and I ought to and I believe I do understand reasonably well the problems of the farmers of the interior, from subsoil to market.

I want to support a farm relief bill—a bill that will emanate from this committee. The President, of my faith, nominated in my city, has called a special session to enact "farm relief" legislation. A Secretary of Agriculture, a distinguished townsman and personal friend, has proclaimed the necessity for it.

But great and varied trade and industrial interests center in my city. Disguise the fact as we may, this is a proposal for class legislation. The peculiar deservedness of the class perhaps justifies exceptions in its behalf. It is from no lack of confidence in you, my colleagues, that in my desire to vote for your proposals I have humored some misgivings and sought opportunity to set up some signs on the ice—where not to skate.

I hope in your deliberations you will not disregard the patent fact that innovations in industry, in these piping times, are not always reforms. Not one alone, but many lines and classes in industry and trade face conditions that are almost intolerable, problems hard to solve.

For instance, advantaged by splendid facilities and favorable rates of carriage for their commodities, mail-order houses of the great centers are piling wealth in piles like straw from the straw carrier and are imposing hardships on the local tradesmen in the country towns. I doubt that farmers are right now coping with more untoward conditions than are the country merchants in their market towns.

At the same time capital, aggregated in chain operations, is pressing hard the small, independent merchants of the cities. In your legislative proposals I trust you will avoid so far as you may the setting of dangerous precedents in dealing with this one industry—precedents that may not be followed but that will rise to mock, when other industries encouraged by them shall resort, as they surely will, to Congress for aid.

I would have you consider another fact that must also be patent to all. The farmer's real troubles, the handicaps he endures, are now, as they always have been, chiefly those that inhere in the nature of his industry. Little, if anything, can be done by legislation or by governmental intervention to aid in these, his constant and greatest difficulties. It is true that the farmer is about the only producer who has little or nothing to say about the price he shall have for his products. Moreover, he is the only producer of importance in modern industry that does not virtually sell his output before he produces it. But these are not because of any indifference to his own interests; neither to shortsightedness nor perverseness. Encountering, as he must, and knows he must, the whims of weather, seasons, and climate, he labors on, plows, sows, and cultivates, but simply can not, for causes beyond his control, anticipate the harvest or calculate the quantity of his output. If he multiplies his plantings, he may contribute to an unmarketable surplus; if he restricts his sowing, he may be in want. And whether he multiplies or restricts, he may lose and he knows he may lose all from frost or flood or drought. The farmer—except perhaps the grower of grain in arid sections, who is not so much a farmer as a sportsman—has learned to balance the probabilities pretty well. Pardon me an expression of doubt that swivel-chair experts may be expected to do better.

Next, I would commend to your thought that the marketing systems—particularly the agencies and structures through which he reaches his ultimate markets—which are now available to the farmer, have developed out of long experience and in consonance with the

demands of changing conditions. I do not arise to their defense but venture the opinion that, while these systems may be supplemented by cooperative efforts of the farmers themselves, they should not be destroyed. Any attempt to displace present facilities by new marketing structures that will preclude or even discourage the individual initiative, the free play of competition and enterprise that characterizes American business, will work disastrously to every interest of agriculture.

I trust, moreover, you will not be deceived, my colleagues, by the notion that the Government can furnish capital and management—money and skill outright—to an industry or to any branch of it and at the same time keep out of private business. Right there is the thinnest ice of all. Far too much, we all realize, has the notion been fostered in our politics that an ailing industry should repair to the Government for treatment and hospitalization. Within a proper sphere the Government may clear the track, remove obstacles, direct fair play in the interest of an industry. It may afford general facilities and create general conditions favorable to a general prosperity that may be and often are vital to the prosperity of a particular industry. This proper promotion of the general welfare, so ordered and directed as to foster agriculture, is being sought by legislation emanating elsewhere in the Congress. It is to be hoped these traditional principles will be regarded here while benefits both needed and deserved may flow to agriculture from your deliberations and proposals.

When the bill was reported by the committee and came to the floor of this Chamber I was disappointed to the point of amazement that no effort had been made to embody in the bill the lines and limitations so clearly drawn and insisted upon by President Hoover. But I also observed that, apart from a catalogue of aims and goals of the legislation, in language perhaps excusably flamboyant in view of political exigencies recognized by members of both parties, no course of action, no set program, was prescribed in the law for the bureau or board to be created by it. Two things stood out in bold relief. In the first place, so far as express provisions went, the board, when appointed and organized, would be quite as free to refrain from unwise or impractical experimentation as it would be to embark upon it. In the second place, I observed—and this did more to compose my lively apprehensions than all else—the law contained an express and explicit provision that the board, when created, should execute the powers vested in it by the act only in such manner as would, in the judgment of the board, be "practicable." Practicability was made the test and touchstone of all the board's bureaucratic activities.

Highly influenced by the confidence I was disposed to repose in the President, and therefore in a board of his appointing, constrained by the reasons I had set forth to the committee in my statement, I carried my tolerance to the extreme limit and voted for the bill.

Mr. Chairman, I indulge in an attitude of tolerance of this legislation no longer. Despite the fact that men of the very highest ability, of approved business acumen and training, of undoubted patriotism and devotion to the public weal, have been charged with its administration, this law—though the President has kept faith with the Congress—the agricultural marketing act, has miserably failed to justify itself or realize the sanguine hopes of the administration. I go further and aver more. As this law has been interpreted, as the test of practicability prescribed in it has been applied, the bureaucratic endeavors which have flowed from it have brought disaster to the very interests it sought to promote; that while impracticable endeavors of the Federal Farm Board have been accomplishing untoward results to the farming industry, they have affronted, disturbed, and menaced the whole business fabric of the country. Plainly, as if spread upon the minutes of a session, the Federal Farm Board, by steps taken and by plans projected, have determined that by bureaucratic processes no advances, seeming or real, can be made toward the goals of this legislation except the domain of private initiative, private enterprise, and private accomplishment in business be ruthlessly invaded by the Government; except the limitations by the President be transcended; except the "safeguards," which the President declared "must naturally surround these activities," be wholly disregarded; except through outright violations of the "certain vital principles" which the President insisted must be adhered to "in order that we may not undermine the freedom of our farmers and of our people as a whole by bureaucratic and governmental domination and interference"; except a governmental agency, supplied by the Government with management and capital, "engage in the buying and selling and price fixing of products," an undertaking which the President wisely warned could lead "only to bureaucracy and domination"; except "Government funds be loaned or facilities duplicated where other services of credit and facilities are available at reasonable rates."

Though manifestly so persuaded, the Federal Farm Board, as is the way of boards and bureaus, in disregard if not in defiance of the limitations imposed by the President in his declaration of policy, have moved and are now moving in head-on collision with the principles it was pledged to respect and avow; in head-on collision with laws of supply and demand, unyielding as the laws of gravitation; are planning and proclaiming courses of action that go so far beyond mere paternalism in government, beyond the mere projection of government into private business, that the air is becoming odorous of Bolshevism.

I have said that my bill responds to a rising tide of public opinion adverse to the Federal Farm Board and all its works. In substantiation of this I might, of course, cite the expressions of the United States Chamber of Commerce and of other business and industrial organizations, the country wide and the country over. I could irrefutably establish my case out of the correspondence that has been coming to my office in recent weeks—letters from owners and farm operators, as well as those engaged in other lines of industry. I have not the slightest doubt that this is confirmed in the correspondence of many of you who are listening to me. I shall, however, content myself with one memorial that has come into my hands. It is a memorial and an appeal to the Congress from an organization with a membership comprising the industrial activities and business interests of a county in a foremost cotton section of the State of Texas. I read it, adopt it, and indorse the language of it:

Whereas it is the sense and belief of this body that the agricultural marketing act, and especially as said act is sought to be interpreted and carried out by the Federal Farm Board, is creating a crisis in the economic welfare of this country in defiance of the inexorable laws of supply and demand, and is destructive of those benefits that are resultant from competitive markets and independent and private enterprise, and that the effect of said act and the operations of the Federal Farm Board are repugnant to the fundamental economic principles on which the prosperity of the country has been built and has flourished in the past; and

That the operations of the said board to date have deranged values and lowered prices, for agricultural products mainly, to average levels unprecented during the past several years, and have practically destroyed the confidence of men in all lines of business and have destroyed the safeguards that ordinarily have protected private endeavor and private enterprise; and

That the effect of said act and its operations of the said board will be more destructive in the future, and conducive to general demoralization in economic conditions; and

That the said act catapults our National Government into the field of private enterprise and endeavor and in competition with private enterprise and endeavor, all of which is without merit, justification, or necessity; and

That the said Farm Board has, through its members, time and again admitted unqualifiedly that the farmers in particular must help themselves; that the said board can not help said farmers unless the latter reduce acreages and so conduct the agricultural pursuits, as it were, and in the true sense of the meaning of the admission of the said board, in accordance and consistent with the inexorable laws of supply and demand that necessarily measure the economic welfare of individuals and nations, and thereby admitting the futility of the promises upon which the act and said board were created; and

Whereas this body repudiates any and every attempt on the part of the National and State legislative bodies tending to involve, or involving our Nation, as a government on a competitive basis in the field of private enterprise and aligning itself competitively against private enterprise and capital: Therefore be it

Resolved, That the Navasota and Grimes County Chamber of Commerce condemn, and does hereby condemn, the Federal Farm Board and asks that the agricultural marketing act be repealed forthwith.

Mr. YATES. Will the gentleman state again what document it is from which he has just read?

Mr. ELLIS. This is a resolution from the Navasota and Grimes County Chamber of Commerce, a county in the Cotton Belt of Texas.

This is the echo from the cotton-producing industry. We shall presently hear quite formally from the producers of livestock and the producers of wheat and other grains of the great Central West.

Mr. Chairman, I have endeavored in my remarks to-day to exercise a commendable self-repression. I shall proceed no further except to appeal to my colleagues to give heed to the reactions to the bureaucratic experimentations in American industry which we have set in motion. I appeal to a sober second thought. I shall anticipate greater hospitality to my proposal when we shall convene for the short session in December. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Chairman and members of the committee, I want to direct your attention to a matter that ought to be of great consideration and of great concern.

I do not suppose anybody questions the fact that at this moment, economically and industrially, we are walking on the edge of a precipice. I do not suppose anybody who has any sense does not know that fact. The only question is whether or not we can avoid the thing that impends. If we continue a little longer the economical, industrial, and financial trend of the moment, in less than a month this country will be in the grip of one of the greatest panics we have ever had in our economic history. The question that confronts the American people is whether or not that thing can be avoided.

Repeatedly we have had assurances from the President that all is well; that recovery is just ahead; that everything is all right; we were told that as soon as we could get through the farm-relief measure, things would be all right. They did not come all right. I want you to understand that I say this in no critical spirit. We were assured that as soon as the tariff bill was acted upon everything would be all right, and the day after the tariff bill was signed Wall Street was in a panic, and some of the grains reached the lowest point which they had reached since 1914. Cotton was lower than for a long time, and livestock prices tumbled.

I hope every Member of the House will appreciate the fact that these statements are made, not in any criticism of the party in power, except from the standpoint of the responsibility which it owes to the country, nor in criticism of the President, save as he too must face responsibility. When we stand upon the brink of an economic and financial precipice such as we Democrats and Republicans stand upon to-day, there is no time to play partisan politics. There is no time for Members on the Republican side to try to spare their party; there is no time for Members on the Democratic side to try to get political advantage of that situation. It is of too vital importance to our people. At this moment we stand upon a precipice. We are about to adjourn Congress with the Nation threatened with one of the greatest economic and financial panics in its history. The situation is not very different from what it was in 1921. I address myself especially to you Members who come from the cities. We can learn something from the past. History is valuable.

In 1921 the purchasing power and debt-paying power of the great agricultural sections of this country was paralyzed, particularly was that true of the cotton section. That paralysis was extending to the industrial centers. As a people we arose to the challenge of that emergency; we became statesmen in the face of that crisis, and undertook to deal with it. We did not run from it. We realized in the face of that crisis that we were exactly as a people who live behind a common levee. The levee had broken in front of agriculture, and the water was sweeping around behind and putting out the fires in the factories of the industrial cities. Like intelligent men we met in conference to consider that situation. I challenge you on the Republican side and you on the Democratic side to meet the emergency if it can be done. This situation which confronts your country and my country demands that those who love this country and who are statesmen, who want to do the best they can, should not adjourn this Congress until the limit of human effort has been reached to free our people from the economic paralysis which threatens to extend through the whole system.

I am going to make a suggestion to you. I suppose nobody questions that this difficulty began with agriculture. The President recognized that fact. A special session of Congress was called to deal with the agricultural situation. That is where the difficulty began. Like physicians, you prescribed a remedy.

I want to repeat, I hope you understand I am not at this moment trying to criticize the Republicans or to commend the Democrats. The situation is too serious for that. You provided the agricultural bill, and the patient did not respond. You enacted the tariff bill, and the patient did not respond. Now, a good doctor in that sort of a situation, having prescribed for a patient, if the patient does not respond, does not pack up his bags and go home and leave the patient to die or to get well. I know we are all tired. We want to get home. The remedy provided has not proven efficacious. In all respect, I am making to you this suggestion.

I make it to you Members who represent industrial cities. The benefits given to agriculture are like a rain upon a watershed. The agriculturist expends the least amount of money of any other class of people for what you call amusements. The man on the farm buys the things which are made in the factories. We have plenty of money in this country. It is the lack of circulation. It is the paralysis that settles down upon the country. The people in my country have cotton they can not sell, yet the people in your cities are not provided with a sufficient wardrobe. The people in the great Wheat Belt of this country are being smothered with a surplus of grain, yet there are hungry men and children walking the streets of your cities. There are houses unpainted on the farms, barns needed, and painters and carpenters in the bread line.

Now, this is my suggestion; before this Congress adjourns—and we have time to do it—we ought to give back to the agricultural producers of this country a part of what this Government compels them to pay in the way of the bounty which is given to industry. They will take that money and start the wheels of your idle factories. That would be just common, ordinary justice and common, ordinary honesty on the part of a great Government, and common sense, too. I do not raise the question now as to the soundness of the protective-tariff system, but nobody on either side of this aisle will question that the protective tariff is a bounty. The Government says to a part of its citizens—I hope you Members living in cities where you have factories that are idle, will do me the courtesy of candidly considering, and do your people the justice of meeting, the situation fairly. Let us forget the positions we have heretofore taken.

Mr. WOOD. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. WOOD. We are all much interested in the remarks of the gentleman, but if the scheme the gentleman suggests were adopted, how would he distribute this bounty, and where would he get the money with which to distribute it?

Mr. SUMNERS of Texas. Of course—you know and I know—we must get it by taxation. There is no use of anybody trying to dodge that. That is a fact.

Mr. WOOD. Admitting that is true, and it is true that that is the only way it could be done, would the gentleman absolve the agricultural sections from that taxation and put it upon industry?

Mr. SUMNERS of Texas. You could not do that. You could not absolve anybody, and nobody is going to escape the consequences of this thing which is taking place now either. It is a common menace, a common concern, and everybody would be willing to help.

Mr. WOOD. Then, admitting that there could be some scheme adopted whereby a taxation process could be used to raise the money, how would the gentleman equitably distribute it among the agriculturists of the country?

Mr. SUMNERS of Texas. I will undertake to answer the gentleman's question, but may I go back just a little bit to give the picture? First, is this thing just? That is first. The Federal Government says now to a part of its citizens, it says to those protected by the benefits of the protective-tariff system, "We are going to give you a bounty." Does anybody challenge that statement? Nobody challenges it, and no intelligent person will challenge it. The Federal Government says, "I am going to help you out on the prices you get for your stuff; I am going to give you a bounty." They stand over on the right-hand side, and the producers of exportable agricultural surpluses—and there is where your trouble is now; there is where this paralysis started; the producers of exportable surpluses, like grain, cotton, and some of the other commodities, stand on the left-hand side, and the Government says to them—it says it now—"I am not going to give you a cent." That is a fact. If anybody challenges that statement I yield. Nobody will challenge it. That is what the Government says to those of its citizens who stand on the left-hand side, these producers of exportable surpluses, "I am not going to give you anything, but I am going to make you pay a bounty to my citizens on the right-hand side." That is a fact.

Now, what I propose is this: To the distinguished gentleman who interrupted me, for whom I not only have affection but high regard, may I say that in a situation like this, when agriculture is on its back, when it is paralyzed, when every student of existing conditions knows that is where the trouble began, when everybody knows that if you can start circulation, if you can revive the debt-paying and purchasing power of agriculture you can open up your factories—I say that in a situation like that the Government—and I will give you my plan, not exactly in the nature of a debenture but something like it; I will not have time to go into the details of it, but that gives you a general picture; let these producers of exportable surpluses, according to the volume of their exports, be given back by this Government a part of what this Government compels them to give to the producers in the cities. For the purpose of this consideration let us call it the debenture plan, though I would proceed not according to the details of that plan. That is jus-

tice. That is common sense. That would not be to the prejudice of the cities. I live in a big city; my agricultural vote is relatively negligible, but I know that agriculture is to my city what the root is to the tree; I know that is where the sap comes from; I know that this thing which is paralyzing the industries of our cities, gentlemen, is due to the fact that the people in my country districts and in the great wheat fields of this country can not buy farm implements; they can not buy clothing; they can not buy the things you people produce. Now, I am not appealing for my people alone, but I say give back to my people that which the Government compels my people to give to you and we will buy your commodities, we will take your idle men off the streets, we will abolish your soup kitchens, we will start industry; but if you do not do it, we may go over the precipice and you will go over with us.

This is a serious hour, gentlemen, in my Nation's economic and industrial history. The idea of this Congress adjourning, turning its back upon a challenge like this and going home, leaving this country standing upon such a precipice, would be an inexcusable if not cowardly fleeing in the face of a great national danger. May God grant we can turn back. We are almost there.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WOOD. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman and members of the committee, on June 9 the press section of the War Department issued a statement, part of which is as follows:

In discussing the West Point situation the Secretary [of War] remarked that he had read that Representative HAMILTON FISH, of New York, had stated that about 50 per cent of the players of the United States Military Academy were college athletes, and also that the West Point players were subsidized.

On June 12 I wrote the Secretary of War as follows:

WASHINGTON, D. C., *June 12, 1930.*

Hon. PATRICK J. HURLEY,
Secretary of War, Washington, D. C.

DEAR MR. SECRETARY: I was astonished to read in the Washington Evening Star on Monday afternoon, June 9, a statement to the effect that you had read that I had stated that West Point players were subsidized, and that you had added that such a statement was untrue.

I certainly do not desire to have any personal controversy with you over a statement which I never made. I do not believe that any West Point players have been subsidized, and have never even intimated that any such conditions existed at West Point.

If you are quoted correctly by the press, in that I charged that West Point players were subsidized, it is most unfair to me in my capacity as Representative in Congress from the West Point district, and as a firm believer of the traditions and efficiency of the Military Academy.

I take this opportunity to offer to subscribe $100 to any charity that you may designate if you will furnish any evidence to the acting chairman of the Military Affairs Committee of the House of Representatives or to a single member of the committee, whether Republican or Democrat, which would prove that I had stated that West Point players were subsidized. I deny most emphatically that I ever made such a statement, either directly or indirectly, or even intimated it.

I did state that four out of the last six football captains at West Point resigned shortly after graduation. I now find, after further investigation, that I understated the case, and that six football captains from West Point have resigned in the last nine years without serving the four years minimum, and in most cases with practically no service at all to the Government of the United States, which provided for their education, training, maintenance, and pay while they were cadets at West Point.

As regards the percentage of football players who were on West Point teams who were former college players, I am asking the Adjutant General's office to send me the number of the cadets who received their "A's" for football on the last five teams and what percentage of them were former college players.

Assuring you of my cooperation in presenting the facts to the public so they can judge the merits of the controversy as to the eligibility rules at West Point which has kept the service academies from playing football, I am,

Sincerely yours,

HAMILTON FISH, Jr.

As the Representative in Congress from the district in which West Point is located, I am, of course, not inclined to get into any unnecessary controversy in regard to the Military Academy, of which I am a firm believer and supporter. As a lover of the American game of football and desirous of maintaining the high amateur standing and glorious traditions of football that have existed in the past at West Point, I feel compelled to oppose any efforts to weaken the amateur spirit and status of football there. I was born at Garrison, opposite West Point, and have known about football at the Military Academy ever since I took an interest in the game; in fact, in 1910 and 1911 I often went over to help coach the tackles. But I can not remain silent and permit the Secretary of War to issue a statement to the effect that I had alleged that West Point football players were subsidized, which has no foundation in fact or fancy. I also can not let go unchallenged the statement made by the Secretary of War and repeated in the House by the gentleman from Ohio [Mr. FITZGERALD] that 50 per cent of the players on some of the recent West Point football teams have been former college players.

I propose to place in the RECORD the names of the former college players that have played on some of the recent West Point teams, the colleges they played with, and the number of years they played on these college teams. You will see that on the 1926 team at West Point, instead of 50 per cent of the team being former college players, 62 per cent had played on college teams before entering the Military Academy.

The report that was read into the RECORD a few days ago, known as the Drum report, stated that only 21 per cent of the West Point teams in the last seven years were composed of former college players.

The public is entitled to the facts. They want the truth, and that part of the Drum report dealing with the percentage of former college players is utterly misleading, evasive, and is an attempt to deceive the American public and whitewash the composition of West Point football teams made up largely of former college players, including many outstanding stars.

The Drum report, although it does not state so in so many words, bases the 21 per cent of former college players, not on the West Point teams that start the Notre Dame game, which is their big objective, or the men who received their A's for football (say, approximately 20 men who might receive their A's for playing on the team), but it includes the whole squad of 50 or more players, some of whom may only get in the early games when the West Point team runs up a big score and holds a commanding lead. Then they may put in their third teams and inexperienced reserves, but these are not the players I am talking about. I am talking about the boys who went to college and played on the college elevens two or three years before they went to West Point. If you take the first Army eleven that started in some of the big games in recent years—the Notre Dame game, for instance—you will find over 70 per cent former college players.

If you take merely the A players, those who receive their A for football, averaging about 20 players a year—and I suppose this is the proper way to do it—you will find that instead of being 21 per cent, as stated in the Drum report, that on some of these teams it runs as high as 62 per cent.

I think this is sufficient answer to the statement of the Secretary of War, that none of these teams had 50 per cent of former college players.

Mr. BLANTON. Will the gentleman yield?

Mr. FISH. I yield.

Mr. BLANTON. All of the universities of the first class have established what is called intercollegiate regulations prescribing the eligibility of those who may play upon university football teams.

Does not the gentleman think that the United States Military Academy at West Point, which is classed as a university of the first class, because men who enter there must pass a rigid mental and physical examination equal to those of the college board, must have at least a high-school education, and in my judgment should have been in college one year in order to stay there—does not the gentleman think that the United States Military Academy should conform to the intercollegiate regulations?

Mr. FISH. In reply to the gentleman, after reading the Drum report, I am compelled to agree with him and trust that the President will see that it is done.

Mr. BLANTON. Congress ought to compel them to do it. And Congress ought to compel them to resume athletic relations with the Naval Academy at Annapolis.

Mr. BARBOUR. Will the gentleman yield?

Mr. FISH. I yield.

Mr. BARBOUR. Do not most of these complaints come from colleges who are unable to beat West Point?

Mr. FISH. The Big Ten in the Middle West have agreed not to play West Point until it establishes the 3-year eligibility rule except for games already scheduled.

Mr. BARBOUR. Stanford University is able to play them, and they do not object to the rules.

Mr. FISH. Harvard and Yale continue to play West Point because it is a big spectacle as the whole cadet corps accompanies the team and the game is popular with the public.

Mr. McCLINTIC of Oklahoma. Will the gentleman yield?

Mr. FISH. I yield.

Mr. McCLINTIC of Oklahoma. If I understood the gentleman correctly, he made the statement that the Secretary of War had given out some information that was not exactly accurate. I want to respectfully call the gentleman's attention to the fact that the Secretary of War has recently been ill to the extent that he has been incapacitated from performing certain duties in connection with his office, and this being true, it is reasonable to assume that he has had to depend upon others to furnish him detailed information.

Mr. FISH. I am glad the gentleman made that statement. I hesitated to allude to it.

Mr. McCLINTIC of Oklahoma. This is not the first time that the Secretary of War has given out a statement which did not correspond with the records; however, I hope that the gentleman will remember the Secretary's illness and realize that he probably has relied upon certain individuals for information who were not competent or qualified to know the facts. I have been the beneficiary of one of his utterances which was in conflict with statements that have been published in practically every daily paper in Oklahoma. In fact, his statement in this connection caused me quite a good deal of embarrassment, as he named another Member of the Oklahoma delegation as having had the longest service in the House, which was in conflict with statements I had frequently made in speeches giving my constituents credit for having made it possible for me to serve in the House of Representatives two years longer than any other sitting Member from Oklahoma. For the reason the Secretary of War was ill and had to depend upon others to give him this information, I hold no grudge against him, and I hope that the gentleman from New York will feel disposed to excuse him in the same way that I have.

Mr. FISH. I assure the gentleman that I have no grudge against the Secretary of War for being badly advised, and I probably would not have made any statement at all had it not been that the gentleman from Ohio [Mr. FITZGERALD] put the Drum report in the RECORD, and made some statements based on that report which are utterly unfounded in fact and should be a warning to any Member of Congress to do his own investigating and not to depend for facts on a report a part of which is a lavish coat of white wash and seeks to cover up rather than reveal the facts.

Now, Mr. Chairman, I ask unanimous consent to put in the RECORD the names of the "A" players on the 1925, 1926, and 1927 teams who played on college teams previous to entering West Point.

Mr. BLANTON. Will the gentleman also put in the RECORD in that connection the total cost to the Government of educating and carrying through a West Point graduate four years? I think that would be interesting in connection with the gentleman's statement that so many quit as soon as they graduate. I understand that it costs about $20,000 to graduate a cadet.

Mr. FISH. If I have time, I do not yield further.

Mr. Chairman, I renew my unanimous-consent request to extend my remarks by printing in the RECORD certain statistics and facts regarding the percentage of college players on West Point teams in recent years.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. In 1927, when the Army beat Notre Dame 18 to 0, the Army starting line-up showed 7 former college men out of 11, or about 64 per cent. In order to show how important these college men were to the West Point team I quote a statement from Spalding's Intercollegiate Football Guide for 1927, which, after giving the record of the West Point team for 1927, and that was one of the great years, states that among those who stood out particularly were Cagle, Daly, Harbold, Harding, Murrell, Schmidt, Strong, and Wilson. Of the eight players named seven were former college players, all with the exception of Harbold.

1925 West Point football team

"A" players	College team played on	Years	Remarks
Baxter, H. R.	None		Total, 17 letter men; 11 college players. 65 per cent college players, averaging over 2 years' experience on college first terms.
Born, C. F.	do		
Daley, M. F.[1]	Connecticut Agricultural College.	3	
Elias, P.[1]	Grand Island College.	1	
Hammack, L. A.[1]	Virginia Polytechnic Institute.	1	
Harbold, N. B.	None		
Harding, N. B.[1]	Davis and Elkins	1	
Hewitt, O. N.[1]	University of Pittsburgh.	3	

[1] College players.

1925 West Point football team—Continued

"A" players	College team played on	Years	Remarks
Humber, C. I.[1]	North Georgia Agricultural College.	3	
Perry, G. W. R.[1]	Bethel College	1	
Reeder, R. P.	None		
Saunders, L. V. G.[1]	University of South Dakota.	3	
Schmidt, E. G.[1]	Grinnell College	2	
Seeman, L. E.	None		
Sprague, M. F.[1]	University of Texas	3	
Trapnell, T. J. H.	None		
Wilson, H. E.[1]	Penn State	3	

[1] College players.

1926 West Point football team

"A" players	College team played on	Years	Remarks
Born, C. F.	None		Total, 21 letter men; 13 college players. 62 per cent college players, averaging over 2 years' experience on college first teams.
Brentnell, S. R.	do		
Cagle, C. K.[1]	Southwest Louisiana Institute.	3	
Dahl, C. A.[1]	Allegheny	3	
Daly, M. F.[1]	Connecticut Aggies	3	
Davison, G. H.	None		
Elias, P.[1]	Grand Island College.	1	
Gilbreth, J. H.	None		
Hammack, L. A.[1]	Virginia Polytechnic Institute.	1	
Harbold, N. B.	None		
Harding, N. B.[1]	Davis and Elkins	1	
Hewit,, O. M.[1]	Pittsburgh	3	
Meehan, A. W.	None		
Murrell, J. H.[1]	Minnesota University.	1	
Perry, G. W. R.[1]	Bethel College	1	
Saunders, L. V. G.[1]	University of South Dakota.	3	
Schmidt, E. G.[1]	Grinnell	2	
Seeman, L. E.	None		
Sprague, M. F.[1]	University of Texas	3	
Trapnell, T. J. H.	None		
Wilson, H. E.[1]	Penn State	3	

[1] College players.

In 1926 the Army's starting line-up in the game against Notre Dame was as follows:

Harbold, left end; *Sprague, left tackle; *Schmidt, left guard; *Daly, center; *Hammack, right guard; *Saunders, right tackle; Born, right end; *Harding, quarter back; *Cagle, left half back; *Wilson, right half back; *Murrell, full back. (*College players.)

Eighty-two percent of starting line-up former college players.

Substitutes in this game were: Davidson, Muse, *Lynch, Seeman, *Perry, Brentnell, Meehan, Trapnell, Meehan, *Hewitt, and *Dahl. (*College players.)

Sixty-two per cent of all players used in this game were former college players.

It will be noted that all the 21 letter men of 1926 were used in this game, with the exception of *Elias and Gilbreth, and that *Lynch and Muse, who were not letter men, were used.

1927 West Point football team

"A" players	College team played on	Years	Remarks
Born, C. F.	None		Total, 19 letter men; 9 college players. 47 per cent college players, averaging 2 years of college experience on first teams.
Brentnell, S. R.	do		
Cagle, C. K.[1]	Southwestern Louisiana Institute.	3	
Elias, P.[1]	Grand Island College.	1	
Gordon, J. C.	None		
Hall, W. E.	do		
Hammack, L. A.[1]	Virginia Polytechnic Institute.	1	
Harbold, N. B.	None		
Hutchinson, R. C.	do		
Meehan, A. W.	do		
Murrell, J. H.[1]	Minnesota University.	1	
Nave, W. L.[1]	Iowa State	2	
Pearson, H. E.	None		
Perry, G. W. R.[1]	Bethel	1	
Saunders, L. V. G.[1]	South Dakota	3	
Seeman, L. E.	None		
Sprague, M. F.[1]	University of Texas	3	
Walsh, B.	None		
Wilson, H. E.[1]	Penn State	3	

[1] College players.

In 1928 the Army's starting line-up against Notre Dame was as follows: Carlmark, *Sprague, *Hammack, Hall, *Humber, *Perry, Messinger, *Nave, O'Keefe, *Cagle, *Murrell. (*College players.)

Sixty-four per cent college players starting.

In the starting line-up of the Notre Dame games the percentages of college players on the West Point team are as follows:

	Per cent
1926 team	82
1927 team	64
1928 team	64
Average	70

Six of the nine captains of football teams resigned before serving the required four years; they were Glen C. Wilhide (1920), Wlademar F. Breidster (1922), Denis J. Mulligan (1923), Edgar W. Garbisch (1924), Mortimer E. Sprague (1928), and Christian K. Cagle (1929).

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WASON. I yield one minute to the gentleman from South Carolina [Mr. McSWAIN].

Mr. McSWAIN. Mr. Chairman, in connection with so much discussion in this hall of legislation about football by and among and between college boys I think it is highly proper that I should call to the attention of the House the fact that there were in the galleries to-day about 160 young men and young women, about equally divided between the sexes, constituting the winners from 40 States in the work conducted under the auspices of the Department of Agriculture, known as the 4-H Club. These boys and girls, after contesting in their several States in crop growing and in livestock production, have been selected as the winners, and one of the material rewards for such winning is a trip to Washington, their Nation's Capital, and entertainment and instruction while here. These fine young people are now camped on the green of the Department of Agriculture in the Mall, and it is an inspiring sight to see them gathering for informal discussions, for inspirational lectures, and for music and singing, and to observe them going through the various departments and museums of the city, gathering information and stimulating ambition, to carry back to their several States, and thus to be of benefit to them for the rest of their lives and through them to their neighbors and friends with whom they shall be associated in life work.

Without discounting in any rate the value of athletic exercises, both intracollegiate and intercollegiate, I confess a greater interest in these boys and girls that have shown devotion to agriculture, upon which the future greatness of the Nation must fundamentally rest. Not only is agriculture essential for life and clothing but the agricultural districts constitute the nursery for the production of their share of men and women who shall become leaders in church, in education, in science, in industry, in finance, and in government. As to this wrangle and disputation that has been going on for several years between the United States Military Academy and the United States Naval Academy about the discontinuance of their intercollegiate games and their resumption, I think that the bill that I introduced several years ago to require the ages of midshipmen at the United States Naval Academy to be the same as that for the United States Military Academy would solve the problem. If the ages for admission into these two Government-supported service schools were the same, then their previous school activities would be about the same, their physical and mental development would be about the same, and thus would be produced that equality which it is charged does not now exist. I recall for the information of the country that the Navy Department emphatically and energetically reported unfavorably upon my bill to change the law as to the ages for admission of midshipmen to the United States Naval Academy. Without the approval of the Navy authorities I found hope of favorable action by the committee to be slim and consequently nothing could be done. If the Naval Academy authorities claim that they have been outclassed by previous athletic experience of the Military Academy teams, it is due to their opposition to my bill proposing to amend the law as above stated.

But, personally, I think that whatever intercollegiate rules prevail as between such standard privately owned institutions as Harvard, Princeton, and Yale should be good enough for both the Government service schools, and if they are going to engage in athletic games our Government schools should conform to the rules prescribed by civilian patrons of the sports.

But, coming back to these boys and girls of the 4-H Clubs, I welcome them to their Nation's Capital and to the galleries of the hall of the House of Representatives in their Nation's Capitol, and I believe that they carry with them back to their homes the good wishes and the Godspeed of all the Members of the House. We congratulate them upon their success as winners, and we congratulate the boys and girls back home who entered the contest and failed to win it. Though they failed to win the first prize of a nice trip, they are, nevertheless, winners in the knowledge that they have received in the contest and the zeal that they have displayed and developed. I congratulate their leaders and instructors; I congratulate the several departments of agriculture in the States and the State agricultural colleges and the United States Department of Agriculture. I hope this great movement of club work among our young people on the farms will spread and that a genuine and intelligent love for agriculture will become universal among the young people reared on the farm. Though the farmers under existing conditions are in a state of depression, I can not believe that the people of this Nation will forever tolerate the adverse economical conditions that are encouraged by partial laws. On the contrary, I believe that the majority of our people, both in the country and in the city, will come to realize that the people on the farms must have a higher reward for the labor that they perform, and that harmful legislation will be repealed and that favorable legislation will be enacted.

I want to see the boys and girls in all the clubs conducted by the various extension services of the Department of Agriculture have a pride in their work and hold up their heads both literally and metaphorically, as persons of prime importance in our civilization. I hope that when the winners in the 4-H clubs come to Washington next year, if Congress be then in session, that they will form on the central front steps of the Capitol and that all Members of both the House and Senate that desire to congratulate them may go in person and shake hands with them, and that some enterprising photographer will make a photograph of this group with the great Capitol and its dome in the background, thus symbolizing how these young people are representative of the strength and glory of the Nation.

Mr. WASON. I yield five minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, George Washington is the most revered character in American history. [Applause.] The Nation undoubtedly owes more to him than to any other of its citizens. He typifies strength, courage, patriotism, and sound judgment. The Nation has very properly decided to commemorate the two hundredth anniversary of his birth. That celebration should be in keeping with the man it seeks to honor. It should be dignified. It should take account of the great historical events in which Washington participated, and it should seek to bring home in an elevating way to the people of this country the great character they are seeking to commemorate.

My attention has been called to some of the methods of advertising for this event which are being indulged in. The tire covers which have been sent around to Members of Congress with the idea of advertising the bicentennial are of the type of advertising which would shame a 1-ring circus and not at all the type that one likes to think of in connection with the George Washington Bicentennial.

I hope that the committee in charge will so limit its expenditures in the future as to permit value to come to the people of America from this celebration and avoid allowing it to degenerate into buffoonery. This should be a solemn ceremony and not a hippodrome. [Applause.]

Mr. LAGUARDIA. Mr. Chairman, the gentleman has not yet identified his exhibit.

Mr. TABER. That is the tire cover.

Mr. O'CONNOR of Oklahoma. Whose picture is that on the cover supposed to be?

Mr. TABER. I do not know. It may be supposed to be that of George Washington. It is awful, whoever it is.

Mr. MICHENER. Where did the gentleman get it?

Mr. TABER. It was sent to me by the committee.

Mr. MICHENER. What committee?

Mr. TABER. The committee that has charge of this centennial exposition.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. BLOOM. I was downstairs and heard that the gentleman was talking about the tire cover. I do not know what the gentleman said about it, but from the last answer to the question of the gentleman from Michigan, I conclude that the gentleman says that this has been issued by the Bicentennial Commission.

Mr. TABER. That is what I understood.

Mr. BLOOM. Does the gentleman want to get it right for the RECORD? It was not issued by the Centennial Commission, but it is issued by a firm out West, who made the tire covers and asked the commission if it could use some of them. The commission sent out letters to the Members of the House, and I guess we have received requests from about 50 per cent of all of the Members asking for a tire cover. One Member on the floor to-day asked if he could have a dozen of these tire covers, so as to take them home through his State and advertise the bicentennial. I would like to have the gentleman

ask me any question as to these tire covers, the Bicentennial Commission, or what the Bicentennial Commission is doing, to which the gentleman objects.

Mr. TABER. I do not think from the gentleman's statement, there is any question but that the commission is responsible for the issuance of these tire covers to the Members of Congress. I do not think that tire cover is a desirable type of advertising. I do not think it tends to lend dignity to the occasion, nor do I think it is the proper way to advertise the George Washington Bicentennial Celebration.

Mr. BLOOM. How are we going to stop anyone from issuing a tire cover like that?

Mr. TABER. The commission can not, but the commission can get along without putting the stamp of its approval upon such a thing.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BLOOM. I ask the gentleman to yield the gentleman from New York three minutes more.

Mr. WASON. I yield two minutes more to the gentleman from New York.

Mr. BLOOM. If the gentleman is correct in his thought with reference to these tire covers, and the majority of the Members of the Congress think that well of it, and want them, and want to know where they can buy them, and the commission sends out letters saying that we can get them for them, why should the gentleman blame the commission or say anything against what we are doing? The Members of Congress want to have the tire covers.

Mr. TABER. The gentlemen of the House who requested the tire covers of the firm or the commission did not know what the tire cover was or what it would look like. The commission did.

Mr. BLOOM. We have them in our office and we show them to the Members. They are paraded through the streets. The local commission and every other commission that this has been sent to, every local commission, thinks it is a great idea. Does the gentleman believe that the Federal commission can take their ideas or objections from one or all of the Members and run this bicentennial celebration according to the ideas of the different Members?

Mr. TABER. I decline to yield further because I have not time to answer the question. I shall answer the question as far as the gentleman has gone. I do think that the commission can proceed with the promotion of a scheme for this kind of a centennial without permitting such things as this.

Mr. LAGUARDIA. Will the gentleman from New York inquire of his colleague from New York if this western firm is selling these tire covers or giving them away, and if they add any other advertisement of their own to the tire cover.

Mr. TABER. I am not talking about the concern out west. I don't care anything about them.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield three minutes to the gentleman from New York [Mr. BLOOM].

The CHAIRMAN. The gentleman from New York is recognized for three minutes.

Mr. BLOOM. Mr. Chairman and members of the committee, I am really obligated to the gentleman from New York [Mr. TABER] for bringing up this question of the tire covers, and I would be very thankful to any Member of Congress if he would at any time ask me any questions as to what the George Washington Bicentennial Commission or the associate directors are doing. We might make mistakes, but we are advertising in every possible way and through all our radio broadcasting speeches that we are welcoming suggestions from any part of the United States as to what manner and how the celebration can be conducted in a fitting manner.

These tire covers were brought to the attention of the associate directors when we were first appointed. I said to a gentleman who inquired of me about the matter that we had no authority to do anything with reference to these tire covers, but I thought it would be a good idea. We wrote to each Member and the replies came in. I think 60 per cent of the Members have asked for them.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. Yes.

Mr. DOWELL. Some of them have made requests, I understand. They assumed, no doubt, that it would be something to help the anniversary—a part of the program of the commission?

Mr. BLOOM. That is true.

Mr. DOWELL. But can the gentleman assume from the fact that the commission has sent out to the Members something which some of them have made requests for, that they approve of them? They have assumed, no doubt, that if this has been programmed by the gentleman's commission it is something for the purpose of helping the anniversary?

Mr. BLOOM. Yes. I thank the gentleman for his statement.

Mr. DOWELL. But is it true that the gentleman can assume from that that the membership has approved such a program?

Mr. BLOOM. Not one Member has sent a letter containing one word of disapproval, either to Colonel Grant or to myself, concerning the tire covers. We are trying to do the best we can, and if any Member of this House or person throughout the United States finds something wrong or has any objection to what we are doing, why does not he write to us? No one has written a letter disapproving this thing, because as soon as I would have received a letter where some one who said, "I do not think this is a dignified way of conducting the celebration," I might have stopped it.

Answering the gentleman from New York [Mr. TABER], I will say that these tire covers are made by a firm in Cleveland, Ohio. We have nothing to do with those tire covers. They would have gotten them out if we had not accepted or if you gentlemen had not asked us for any.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. Yes.

Mr. SIMMONS. Has the commission any jurisdiction over the letters sent out?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TAYLOR of Colorado. I yield to the gentleman two minutes more.

Mr. BLOOM. Did the gentleman from Nebraska ask why we did send out letters?

Mr. SIMMONS. Was not this something that the members of the commission knew nothing about?

Mr. BLOOM. I will answer that. We sent out letters because we thought it would be a good thing. This is the first time I have heard of its not being dignified. We sent the letters out, and when the Members suggested one or two or three of these tire covers——

Mr. SIMMONS. Has the commission approved those suggestions?

Mr. BLOOM. I think this is a dignified thing.

Mr. SIMMONS. Was the expense incident to writing these letters to the Members borne by the commission?

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. BLOOM. Mr. Chairman, may I have one more minute?

Mr. WASON. I yield to the gentleman one minute more.

Mr. BLOOM. Mr. Chairman, I would like to make a statement here. I would like to have sufficient time to answer these questions, so as to clear up this matter right here and now with reference to the advertising.

Mr. SNELL. That is out of order.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. Yes.

Mr. CULKIN. I would ask the gentleman from New York whether it is not a fact that the popular conception of George Washington is the Stuart portrait, or the Houdon mask or statue, and is not this likeness on the tire cover rather in the nature of a caricature?

Mr. BLOOM. No. This is taken from the unfinished picture by Stuart, the one that you are speaking of.

Mr. CULKIN. It certainly is not finished on the tire cover.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. COLLINS].

The CHAIRMAN. The gentleman from Mississippi is recognized for 10 minutes.

Mr. COLLINS. Mr. Chairman and members of the committee, my attention was called some time ago to the specifications for furniture to equip officers' and noncommissioned officers' quarters for the Army. Immediately after looking over these specifications, which largely excluded native American woods, I took up the matter with the War Department and asked the reason why they were declining to use American woods and were using almost entirely African and Honduras mahogany.

I received from the War Department a letter which gave me very little information, which is as follows:

MAY 27, 1930.

Hon. ROSS A. COLLINS,

House of Representatives, Washington, D. C.

DEAR MR. COLLINS: Referring to your telephonic inquiry of May 12, 1930, regarding the advertisement for 5,000 mahogany desks, it is found upon investigation that the Quartermaster General has recently advertised for bids on furniture for officers' and noncommissioned officers' quarters, of standard War Department design and specification, which include approximately 500 desks.

The specifications for some items of furniture call for mahogany tops with veneered fronts and sides. Upon inquiry, it is found that it is not

usual commercial practice to make desks of solid gumwood but to use that wood on the less exposed parts and mahogany or other similar wood for the tops. It is estimated that the cost of a desk made according to War Department specifications of gumwood or mahogany would be practically the same. The latter wood, however, from Army experience, is the more desirable.

Specifications for much of the furniture to be purchased require the use of native woods throughout. It is estimated that 70 per cent of the wood used in the manufacture of the furniture now on order will be native.

Sincerely yours,

PATRICK J. HURLEY, *Secretary of War.*

A reading of the specifications will show that African and Honduras mahogany is used almost entirely.

House bill 7955, covering appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1931, provides for "the purchase and repair of furniture for quarters for officers, warrant officers, and noncommissioned officers" under the item "Barracks and quarters and other buildings and utilities," shown on pages 25, 26, and 27.

In the bill for 1931 $326,400 for the purchase and repair of such furniture is provided. During the 1929 fiscal year $328,862 was expended, and during the 1930 fiscal year $326,400 was expended for such furniture.

SPECIFICATION ITEMS DETAILED

The general specification covering the wood to be used states:

(1) All mahogany shall be what is known as African mahogany (Khaya Spp.) "firsts," and where used in parts subject to strain will be straight grain, free from all defects. All chair legs, and arm posts and parts especially subject to strain shall be made of straight-grain Honduras hard mahogany (*Swietnia macrophylla*) or straight-grain Cuban mahogany.

(2) All birch shall be what is known as red birch "firsts."

(3) All maple shall be what is known as hard white maple "firsts," free from all defects.

Following are outlined the specifications for the materials to be used in the exposed and visible portions of the various items of furniture which were purchased by the War Department during the present year:

FOR OFFICERS' QUARTERS

Side chair: Material to be African and Honduras mahogany.

Side chair, tropical: Same as above.

Armchair: Same as side chair.

Armchair, tropical: Same as above.

Chiffonier: Material to be African mahogany. Drawer fronts faced with crotch mahogany. Tops to be solid and panels to be 5-ply, not less than three-fourths inch thick, with fancy straight-grain mahogany housed onto legs and secured to division frames and legs. Drawer sides and backs to be made of African mahogany and cut from five-eighths-inch stock. Drawer bottoms to be 3-ply, one-fourth inch thick, with face veneer of mahogany. Drawer fronts to be 5-ply, three-fourths-inch veneer on poplar cores, cross-banded with mahogany veneer, and faced on front with crotch mahogany and on inside with plain mahogany.

Chiffonier, tropical: Same as above, except drawer fronts and end panels will be solid.

Bureau: Material and construction be same as specifications for chiffonier and in all respects to strictly match chiffonier.

Bureau, tropical: Same as above, except drawer fronts and end panels will be solid.

Mirror for bureau: Frames to be solid African mahogany. The bandsawed ornamental top and bottom to be plywood five-sixteenths inch thick, faced with crotch mahogany on both sides.

Mirror for bureau, tropical: Same as above, except ornamental top and bottom will be solid.

Dressing table: Material, African and Honduras mahogany. Outside back of case to be 5-ply veneer, three-fourths inch thick, faced with straight-grain mahogany, both sides. Panels in knee space to be 5-ply veneer, three-fourths inch thick, faced with mahogany on exposed side.

Dressing table, tropical: Same as above, except drawer fronts and panels and back of case will be solid.

Mirror for dressing table: Material for frames, African mahogany. Bottom rails 5-ply veneer faced with crotch mahogany. Top rails straight-grain mahogany with two crotch mahogany overlays and molding.

Mirror for dressing table, tropical: Same as above, except bottom rail to be solid and overlay omitted from top rail.

Dressing table bench: Material to be African and Honduras mahogany. Top to be solid. Rails to be 2½ inches wide bandsawn and three-eighths inch thick crotch veneer face.

Dressing table bench, tropical: Same as above, except rails will be solid straight-grain mahogany.

Desk: Material to be African mahogany. Solid top 1¼ inches thick, banded four sides. Drawer fronts 5-ply and faced with crotch mahogany.

Desk, tropical: Same as above, except drawer fronts and panels solid.

Side table: Material to be African mahogany with crotch mahogany on four aprons. Corner posts of straight-grain mahogany.

Side table, tropical: Same as above, except top and aprons will be solid straight grain.

Dining table: Material to be African mahogany. Solid top to be straight-grain mahogany, 1 inch thick, 4 feet 6 inches long by 3 feet 8 inches wide when closed; to extend to 10 feet long, height 30 inches. To have six 11-inch solid leaves. Crotch mahogany aprons with straight-grain corner posts. To have center pedestal of straight-grain mahogany, the edges of which are chamfered.

Dining table, tropical: Same as above, except apron will be solid straight-grain mahogany.

Sideboard: Material to be African mahogany. Solid top 1 1/16 inches thick and end panels 5-ply veneer three-quarters inch thick to be straight-grain mahogany. To have crotch mahogany drawer front and center panel of doors. Drawer sides and backs made of African mahogany. Bottom to be 3-ply one-quarter inch maple veneer.

Sideboard, tropical: Same as above, except drawer and cupboard fronts and panels will be solid straight-grain mahogany.

Kitchen table: Material to be hard maple or birch. Top to be of solid hard maple made from 1-inch stock.

FOR NONCOMMISSIONED OFFICERS' QUARTERS

Bureau with mirror: Material to be birch. End panels to be 3-ply birch veneer. Mirror to be of birch.

Chiffonier: Material and construction to be the same as specified for bureau.

Side chair: Material to be birch.

Side chair, tropical: Same as above.

Armchair: Same as side chair, except size of posts.

Armchair, tropical: Same as above.

Table: Material to be birch. Top to be solid 1-inch thick.

It is understood that this furniture purchase constitutes the largest single order placed by any organization, public or private, during the present year. Of the furniture described above, approximately 90 per cent is purchased for officers' quarters in which African or Honduras mahogany is specified for all exposed parts, drawer sides, and the faces of drawer bottoms and backs.

Inquiries as to the reasons for specifying foreign woods for this furniture, with little or no consideration given to domestic furniture woods, developed the following explanation: Over 20 years ago, in 1908 or 1909, the War Department purchased a large quantity of mahogany furniture for officers' quarters at the various military posts. Up until recently little additional furniture has been purchased. During the last—1929—fiscal year $328,862 was expended, and during the present—1930—fiscal year $326,400 was expended for new furniture and for furniture to replace original furniture which, after 20 years of service, had been broken or otherwise damaged and rendered unfit for use. In order to match the original pieces the War Department has specified African and Honduras mahogany.

The exclusion of domestic furniture wood from consideration for use in this furniture represents the loss of a market for a very considerable quantity of native or domestic lumber which could and should be used.

DOMESTIC FURNITURE WOODS—THEIR PRODUCTION AND CONSUMPTION

If we did not have in the United States domestic woods which are used successfully and are as suitable as the foreign woods which are specified, there might be some logical reason for disregarding almost entirely our native woods. When, however, as is actually the case, we have in the United States a number of furniture woods which, from the standpoint of appearance, finish, quality, strength, durability, and design, are as suitable or superior to African mahogany, the question immediately arises as to why these native woods are not being given their due consideration. Among these native woods are birch, gum, maple, oak, and black walnut.

The following tabulation shows the production of these several woods by States during 1927, the figures being taken from the publication of the Bureau of the Census entitled "Census of Manufactures, 1927—The Principal Lumber Industries":

Birch

State:	Feet board measure
Wisconsin	164, 218, 000
Michigan	73, 759, 000
Maine	23, 721, 000
New York	18, 376, 000
Vermont	12, 802, 000
New Hampshire	9, 238, 000
West Virginia	7, 007, 000
Pennsylvania	3, 910, 000
Tennessee	3, 237, 000
North Carolina	3, 061, 000
Other States	7, 459, 000
Total	326, 788, 000

Gum

State:	Feet board measure
Louisiana	262, 027, 000
Mississippi	196, 561, 000
Arkansas	153, 179, 000
Alabama	99, 343, 000
Texas	96, 383, 000
South Carolina	77, 584, 000
Tennessee	71, 348, 000
Georgia	57, 815, 000
North Carolina	27, 343, 000
Virginia	21, 102, 000
Other States	38, 427, 000
Total	1, 101, 112, 000

Maple

State:	
Michigan	288, 851, 000
Wisconsin	197, 979, 000
West Virginia	56, 215, 000
Pennsylvania	32, 495, 000
New York	29, 701, 000
Indiana	25, 263, 000
Ohio	24, 342, 000
Tennessee	17, 808, 000
Vermont	17, 535, 000
Arkansas	16, 549, 000
Other States	67, 262, 000
Total	744, 000, 000

Oak

State:	
Arkansas	255, 861, 000
Tennessee	248, 990, 000
Louisiana	218, 794, 000
West Virginia	179, 138, 000
Mississippi	147, 942, 000
Virginia	113, 325, 000
Kentucky	109, 189, 000
Alabama	103, 788, 000
Missouri	98, 504, 000
Texas	91, 539, 000
Pennsylvania	87, 235, 000
North Carolina	85, 800, 000
Indiana	54, 844, 000
Ohio	51, 651, 000
Georgia	41, 337, 000
Other States	125, 116, 000
Total	2, 013, 053, 000

Walnut

State:	Feet board measure
Iowa	
Kansas	13, 857, 000
Ohio	13, 144, 000
Indiana	11, 470, 000
Missouri	11, 451, 000
Illinois	6, 137, 000
Kentucky	4, 199, 000
Other States	4, 823, 000
Total	65, 000, 000

Below is shown the consumption of these woods for furniture during 1928, as determined by a survey recently made by the Forest Service of the United States Department of Agriculture:

Wood:	Feet board measure
Birch	95, 900, 000
Gum	408, 385, 000
Maple	74, 533, 000
Oak	95, 503, 000
Black walnut	47, 915, 000
Mahogany (Mexican, Honduras, Cuban, etc.)	37, 441, 000
African mahogany	989, 000

These native woods have excellent strength properties and when finished naturally or stained to any desired shade are most attractive in appearance.

Birch is particularly adaptable to staining and is extensively treated with stains to resemble mahogany. When properly stained and finished it is difficult to distinguish between it and the genuine mahogany. In fact, in all except the highest-priced furniture the so-called mahogany furniture is generally made up of birch, with mahogany being used for exposed veneered faces.

Colonial furniture of maple and birch is known to everyone, and these woods are being manufactured extensively to-day in designs based upon those developed at that time.

Gum is a wood which has come into prominence in the last 20 years. This is illustrated by the increase in consumption for furniture from slightly over 100,000,000 feet annually during the period 1909–1913 to 408,385,000 board feet in 1928. This wood is used extensively in combination with walnut, and because of its uniformity of grain and excellent finishing qualities can be finished to blend harmoniously with mahogany, particularly of the so-called brown-finished types.

It is unnecessary to dwell on the merits and value of oak as a furniture wood. Oak has been our most valuable hardwood, has been used for furniture throughout the history of the United States, and is to-day used in large quantities. It is an exceedingly strong wood, and because of its attractive grain and figure has always been highly valued as a cabinet wood.

American black walnut is recognized as an excellent cabinet wood. It has been used for centuries. It was used during the period of the Italian Renaissance, during the Tudor period, during the reign of William and Mary, which began what has been termed "the age of walnut," during the Queen Anne period, and on down through history to the present time.

EFFECT ON DOMESTIC LUMBER INDUSTRY

It is an established fact that the hardwood lumber industry in the United States is in a depressed state. Many mills are closed down. Those running are operating on a reduced production basis. Many employees are accordingly out of work or have had their earnings reduced, with resultant loss to their communities. Notwithstanding, here is a case in which a Government department, supported by appropriations of public funds, is purchasing a product in which it requires the use of foreign raw material, with loss to a domestic industry and its employees. The policy of the office of the Quartermaster General of the War Department in calling for foreign woods at the expense of domestic woods is contrary to a fundamental principle recognized by other Government departments and generally throughout the country.

Another consideration, which is by no means unimportant, is the influence of governmental practice on commercial practice in industry. It is reasonable to expect that manufacturers of furniture and purchasers will, to an extent, be influenced by the practices of such an organization as the War Department. This is true in other branches of industry. For example, Federal specifications are becoming more and more recognized and used as guides in commercial practice.

Likewise, in architecture, where the United States Government has under way a large building program, and which to a considerable extent is devoted to public buildings of a monumental type, it is entirely possible that the practice of the War Department in specifying and purchasing mahogany furniture will have a further influence by giving the impression to the public that mahogany is the most serviceable of woods for furniture use.

In view of these and other economic factors, as well as the avowed policy of the United States Government to promote the legitimate development of domestic industry, it is urged that in this instance native woods at least be given an opportunity to figure on all Government purchases and not be refused consideration, when as a matter of fact many of our native woods have greater strength and will stand more abuse than the foreign woods being purchased, and in the face of well-recognized merit, distinguished-service record, and economies of manufacture which have made them the accepted and recognized standard of quality throughout the Nation.

Mr. SIMMONS. Will the gentleman yield?

Mr. COLLINS. I yield.

Mr. SIMMONS. Is the gentleman reading the specifications for furniture for the Washington schools?

Mr. COLLINS. No. I realize, however, why mahogany is preferred. It is regarded as a more "spiffy" furniture. More costly and more stylish.

Mr. SIMMONS. I did not understand it. I thought if that is what the gentleman is reading I would pay a little more detailed attention to it.

Mr. COLLINS. I want the gentleman to hear me, but this time the furniture is largely for officers' quarters in the Army, and Uncle Sam is paying the bill.

Mr. BLANTON. Will the gentleman yield?

Mr. COLLINS. I yield.

Mr. BLANTON. The gentleman will remember that in the Sixty-seventh Congress I made a fight against the Navy doing this identical thing, buying all mahogany chiffoniers, chiffoettes, chifferobes, chiffo this, and chiffo that, every bit of it solid mahogany for naval officers. This was as far back as the Sixty-seventh Congress that the Navy started this whole thing, and I then blocked them from getting the money.

Mr. COLLINS. I remember the excellent fight the gentleman then made.

Mr. McCLINTIC of Oklahoma. Will the gentleman yield?

Mr. COLLINS. I yield.

Mr. McCLINTIC of Oklahoma. Recently I addressed a communication to the Navy Department for the purpose of finding out if inventories had ever been taken of such furnishings given to officers after they were placed in their homes, for the purpose of finding out if there were any subtractions. The information came back that they could not give me the amount in dollars and cents of the furniture that is now allotted and assigned for officers' quarters. The reason I am calling the attention of the House to this is that there should be some method of taking inventories, in order that we may know whether or not this

furniture is looked after in the proper way after it is purchased for the Army or the Navy.

Mr. COLLINS. I thank the gentleman for his suggestion. I have here maps showing the States where gum and birch and other suitable furniture woods are grown. Every one of these woods can be stained just the same as mahogany is stained, and there is not a man in this House who can look at a piece of furniture made of those woods and tell the difference between those woods and mahogany.

I have here samples of all the native woods. They look identically like mahogany.

We know that the lumber industry is in a depressed condition. The industry should be encouraged by the Government and we should stop this injury that is being done it. Gum is grown in a great many of the Southern States, birch elsewhere, and the whole country is full of excellent furniture woods.

There is no reason why the Army should not use native American woods. [Applause.]

Before this bill is passed shall offer an amendment requiring the War Department to use, in the purchase of furniture, native American woods rather than African and Honduras mahogany.

It is the stain that gives it the fine appearance which it has. Mahogany is a light wood.

CONSTRUCTION SERVICE—OFFICE OF THE QUARTERMASTER GENERAL—SPECIFICATIONS FOR FURNITURE TO EQUIP OFFICERS' QUARTERS AND NONCOMMISSIONED OFFICERS' QUARTERS

1. General conditions: (a) These specifications cover the furnishing of all labor and material for a high-grade, durable furniture for officers' and noncommissioned officers' quarters, shown on accompanying drawings and listed on attached bidding sheets.

(b) Dimensions of all parts to be in accordance with the figured dimensions given on blueprints.

(c) All dowels to be three-eighths-inch or five-eighths-inch hard maple dowels and to be driven through a corrugated plate to give good hold for glue. All stock and dowels to be warmed before being put together, and the ends of all dowels as well as dowel holes, mortises, tenons, and all points are to be thoroughly glued.

(d) In order to be strong and durable, furniture shall be securely framed and braced throughout, and mortised and tenoned, or doweled, in the most skilled and workmanlike manner. Parts subject to stress shall be strengthened with glue blocks and screws.

(e) Veneering: All 5-ply veneering where specified for tops shall be constructed of the thickness specified or shown on drawing. To be built on a core of poplar, or sound wormy chestnut laid in strips not over 4 inches wide, with alternating layers of veneer laid with the grain in the opposite direction. All cross banding shall be of birch or poplar, except under crotch mahogany, which cross banding shall be of mahogany. All tops to be bound with an edging strip of solid mahogany not less than 1½ inches wide. Edges shall be slightly rounded. All face veneers shall be carefully matched for figure.

(f) Crotch mahogany shall be carefully selected to obtain a finished effect midway between what is known as "moonshine" and "feather-edge" and shall be equal in figure, character, and all respects to the sample in the Quartermaster General's office.

(g) Solid tops: Where solid tops are called for, they shall be of the thickness specified, made of carefully selected lumber and matched for figure. Texture and grain of tops shall be built up of strips not over 7 inches and shall be handjointed to secure a perfect joint and the highest grade of "hide" joint glue used—all edges slightly rounded. After tops are glued up they shall be laid on strips for a period of not less than three weeks before being assembled or finished.

(h) Container specifications: All furniture shall be securely packed for shipment.

1. All lumber used shall be sound, free from decay or dote, well manufactured and well seasoned, free from loose knots or knot holes, and/or sound knots that are greater than one-fourth the width of the board, nor shall any knot be permitted which will interfere with proper nailing. Lumber to be dressed two sides.

2. Crate frames, or crate members, and crate braces, hereinafter mentioned, shall be constructed of any of the following woods, viz:

Group No. 1. Cedar, chestnut, cottonwood, cypress, spruce, western yellow pine, white fir, white pine, willow, yellow poplar; or,

Group No. 2. Ash, beech, birch, douglas fir, elm, hemlock, larch, maple, oak, red gum, southern yellow pine, sycamore, tupelo, Virginia or Canadian pine.

3. For crate sheathing any of the woods named in either groups Nos. 1 or 2 may be used.

4. Nails: In the construction of crates, cement-coated nails shall be used exclusively. Length of nails shall exceed twice the thickness of the lumber holding the nail head. Not less than two nails shall be used in joining one crate member to another. A sufficient number of nails shall be used to insure the rigidity of each crate and crate member. In order to minimize splitting, nails shall be staggered.

5. Construction of crates: All crates shall be made of "locked-corner" or "three-way-corner" construction, as approved by the consolidated freight classification committee. Each face, excepting those having an area of less than 10 per cent of the total area of the crate, shall be provided with a wooden diagonal brace.

6. Crates for benches, combination tables, chiffoniers, bureaus, library desks, parlor and gateleg tables, sideboards, dressing tables, and dining-table bases or pedestals shall be so constructed that the articles named shall be securely held within the crate by braces or supports. Each article shall be so suspended in a crate that the legs or other breakable parts shall not come in contact with the crate bottom. Crate members and bracing of above-named articles shall be made of material not less than ¾ inch by 3 inches. Sheathing shall be not less than ½ inch to ⅝ inch by 3 inches. Spaces between sheathing or braces shall not exceed 6 inches. Nails, not less than 8d, shall be used. Nails joining sheathing or bracing to crate members shall be staggered to avoid splitting. Each face shall have diagonal brace as provided in paragraph No. 5 herein. Finished surfaces shall be protected from contact with crates by pads or padding; articles having finished flat tops shall have tops completely covered by lumber of dimension shown above for sheathing.

7. Dining tables, officers' quarters, shall be crated, crate frames and braces to be of not less than three-fourth inch material of woods in group No. 2. Tables shall be securely braced and suspended within the crate, so that pedestal or base shall not come in contact with bottom of crate. Finished top of table shall be completely covered with sheathing lumber not less than three-eighth inch thickness. Sheathing for ends, sides, and bottom of crate shall be not less than one-half inch to three-fourths inch. Spaces between sheathing shall not exceed 6 inches. Each face of crate shall be provided with a diagonal brace of ¾-inch by 4-inch material. Entire table shall be covered before crating with heavy Kraft paper, the finished top covered with one additional layer of the same paper. Excelsior pads shall be used to protect finished top and all other parts of the table. Each crate shall be conspicuously marked on the top, "This Side Up," to insure proper handling and stowage.

8. Side chairs shall be packed two in a crate, securely braced within the crate. Arm chairs shall be packed two in a crate, braced. Crate members and bracing shall be constructed of material ¾ inch by 3 inches, while sheathing shall be not less than ⅝ inch by 3 inches in dimension. Spaces between sheathing or braces of chair crates shall not exceed 6 inches.

9. All articles shall, before being placed in crates or boxes, be covered with two thicknesses of heavy felt, sulphite rag, or rope stock paper. Tops, legs, and other parts shall be protected by excelsior pads. Pads shall also be used to protect articles from coming in contact with the ends, sides, tops, or bottoms of crates, to prevent damage from marring, scratching, and breaking.

10. All crates or boxes containing furniture designated for overseas shipment on United States Army transports, shall, in addition to the above crate and box specifications, be reinforced with flat band or twisted-wire strapping. One strap shall be placed on each end of crates and boxes, stretched and nailed.

(i) The articles may be inspected at the factory by a representative of the Government at any time during process of manufacture; the purpose of this factory inspection being to determine compliance with the terms of this specification as to workmanship, materials, details of construction, hardware, and finish. The approval of articles before shipment shall not preclude rejection at any time prior to the acceptance of articles for noncompliance with contract requirements.

(j) Shipments shall be marked as specified under United States Army Specification No. 100–2, in so far as applicable. All furniture will be accepted f. o. b. factory for shipment on Government bill of lading.

2. Materials. (a) Wood: All wood to be thoroughly seasoned, selected, kiln dried, so as to contain not over 5 per cent moisture content and be uniform throughout the piece, free from knots, shakes, sap, discoloration and checks, and planed, scraped, and sandpapered to a true smooth surface. Lumber shall be graded in accordance with latest grading rules of the National Hardwood Lumber Association.

(1) All mahogany shall be what is known as "African" mahogany (Khaya Spp.) "Firsts" and where used in parts subject to strain will be straight grain free from all defects. All chair legs and arm posts and parts especially subject to strain shall be made of straight grain Honduras hard mahogany (Swietenia Macrophylla) or straight grain Cuban mahogany.

(2) All birch shall be what is known as red birch "Firsts."

(3) All maple shall be what is known as hard white maple, "Firsts," free from all defects.

(b) Hardware: All hardware shall be brass, antique brass finish and design similar and equal to that manufactured by the Keeler Brass Co. of Grand Rapids, Mich. The type numbers listed below refer to hardware manufactured by the Keeler Brass Co.

Dining table (see drawing No. 692–134): Steel fastener, lever type, of approved design.

Chiffonier (see drawing No. 692–137): Ring pulls, Type F 636; back plate Type F 635–2¼ inch.

Chiffonier (see drawing No. 692–143): Ring pulls, Type F 636; back plate, Type F 635—2¼ inches.

Dressing table (see drawing No. 692–138): Ring pulls, center drawer, Type F 693; back plate, Type F 692.

Ring pulls, other drawers, Type F 636; back plate, Type F 635.

Mirror (see drawing No. 692–138A): Brass rings for hanging, of approved design.

Bureau (see drawing No. 692–136): Ring pulls, Type F 636; back plate, Type F 635—2¼ inches.

Mirror (see drawing No. 692–136A): Brass rings for hanging, of approved design.

Bureau with mirror (see drawing No. 692–142): Ring pulls, Type F 636; back plate, Type F 635—2¼ inches.

Mirror: Brass rings for hanging, of approved design.

Side table (see drawing No. 692–131): Brass toe with glider cast integral with toe, similar to sample in office of the quartermaster general.

Desk (see drawing No. 692–130): Pull type, H–446—2½-inch boring.

Center drawer, pin tumbler paracentric key lock with 2 keys. (No locking device on other drawers.)

Sideboard (see drawing No. 692–135): Type 2564, pull, 1½-inch diameter for drawers.

Type 2564, pull, 1 inch for side compartments.

Bullet catch of approved design for side compartments.

Cabinet lock with strike plate and escutcheon of approved design for side compartments.

Kitchen table (see drawing No. 692–144): Brass pull, 1-inch diameter, of approved design and finish.

Gliders: All furniture, unless otherwise specified, shall be equipped with steel metal gliders of approved design.

(c) Leather: Color to be selected, of top-grain steer hide, as manufactured by Eagle Ottawa Co., of Grand Haven, Mich., or Lackawanna Leather Co., of Hackettstown, N. J., and equal to sample in office of the Quartermaster General.

(d) Mirrors: Mirror reflecting medium shall be nitrate of silver with a long-life protective coating resistant to moist atmosphere on commercial mirror plate.

(e) Glue: Glue to be best-quality gelatin cabinet glue, and shall not be used after reheating has affected its strength.

For use in tropical construction, best grade of waterproof glue will be used.

3. Finish: All furniture (except kitchen table) included in this specification, regardless of wood employed, shall be stained mahogany and completed as a satin finish. Finish and color shall correspond with sample in the office of the Quartermaster General. All surfaces shall be finished in one tone of color and not shaded or high lighted. All materials for finish will be made or approved by one manufacturer and applied in accordance with specifications of manufacturer. The finish of the furniture shall be such that it will not mar easily or when scratched show white. It shall be tough and elastic. It shall not soften due to heat or moisture. It shall be resistant to methyl and ethyl alcohol. It shall be sufficiently heat resisting to show no ill effects from a flat-bottom glass beaker filled with boiling water for one minute.

Stain: All exposed surfaces and backs of cases and mirrors will be treated with one coat of transparent water stain, this stain to be mixed in hot water and applied to piece when cold. The piece will be lightly sanded after staining. Tops of all pieces will be well matched, so that there will be no marked line of different shade. Where two kinds of wood are used in one article, the resulting colors will be matched.

Filler: A silo paste filler mixed in turpentine, then colored to correspond to shade of water stain, will be rubbed across grain until pores are filled and surfaces clean. This will be followed by a light sanding and removal of dust.

Lacquer: Three coats of best-grade lacquer will be applied, with 24 hours allowed for drying after each coat.

Officers' furniture: The three coats of lacquer will be equal to Du Pont's No. 1608 or Sheratone Colloidal Quartz. The polishing coat will be rubbed in with crude oil or paraffin base and FFF pumice to a smooth, transparent, semigloss surface.

Noncommissioned officers' furniture: The first two coats of lacquer will be equal to Du Pont's No. 1608 or Sheratone Colloidal Quartz. The third coat to be such as to give a satin finish without rubbing and equal to Du Pont's No. 1609.

All drawer interiors and sides will be treated with one coat of good-grade lacquer.

The kitchen table, except top, will be finished white equal to the following:

Two coats Du Pont's white pyroxylin surfacer No. 2334591, each coat thoroughly dried and sanded smooth. This followed by coats of Du Pont's 2371 white lacquer; 24 hours allowed for drying between coats.

The top will have a coat of linseed oil on both sides, so as to obtain a good penetration, in order to prevent change in moisture content.

All surfaces of furniture not otherwise sealed will be coated with two spray coats of good grade lacquer sufficient to seal the surfaces.

4. Furnish (a) with bid:

1. One representative article of standard manufacture, preferably including drawer, in order to determine class of workmanship proposed.

2. Drawings indicating details of construction proposed.

(b) After contract is awarded, in triplicate, unless otherwise specified:

1. Hardware as listed under paragraph 2–b, in duplicate.

2. Panel of wood specified, indicating color and finish proposed.

3. Leather.

4. Shop drawings.

5. Award: In making the award the details of construction proposed, including method of securing solid tops of pieces to frame, as well as class of workmanship, will be considered, all to the end of securing a furniture that will give a long life and well protected from moisture. On account of cost to United States for inspection, location of factories will be considered in making the award.

In making award of articles for Panama the freight cost to the Government will be considered to the port of export of Army transports (New York City or San Francisco).

Side chair (see drawing No. 692–132): Material to be African and Honduras mahogany. To be box-seat construction with box rails flush with front posts. Filling of seat to be long fiber white-staple cotton felted. (No linters permitted.) Seat to be covered with top-grain steer hide. Rails to finish seven-eighths inch thick by 2½ inches. Construction of slip seat three-eighths inch, 3-ply veneer to be fastened to top of slip frame to take the place of webbing. Back posts to be 1½ inches thick, band sawed and shaped four sides. Top to be thirteen-sixteenths inch thick. Splat to be three-eighths inch thick; front legs 1⅝ inches square and chamfered on inside corners. Stretchers to be five-eighths inch thick by 1½ inches wide, to be joined to both front and back legs, forming a square shoulder.

Side chair, tropical (see drawing No. 692–132): Same as above, except high-grade cane seat will be substituted for veneer bottom, cotton filling, and leather seat.

Arm chair (see drawing No. 692–133): Same as side chair adding; arms to be scroll type, chamfered on the inside with carved scroll end, to be securely fastened to the standard and glued and screwed to the frame.

Arm chair, tropical (see drawing No. 692–133): Same as above, except high-grade cane seat will be substituted for veneer bottom, cotton filling, and leather seat.

Chiffonier (see drawing No. 692–137): Material to be African mahogany. Drawer fronts faced with crotch mahogany. Tops to be solid, and panels to be 5-ply not less than three-fourths inch thick with fancy straight grain mahogany housed onto legs and secured to division frames and legs. Front posts 2 inches in diameter, turned and reeded; rear posts to be 1⅞ inches square, turned below base of case. To have six drawers with 3-ply dust panels three-sixteenths inch thick of birch or maple between each drawer and under bottom drawer. To be full-frame construction with frames at top and bottom and between each drawers and securely fastened to legs. Drawer sides and backs to be made of African mahogany and cut from five-eighths inch stock. The mahogany for interior of drawers to be clear stock but need not be selected for figure or notched. Drawer bottoms to be 3 ply one-fourth inch thick with face veneer of mahogany. Outside backs should be 3-ply maple or birch faced veneer one-fourth inch thick, flush with posts and securely fastened in four sides. Drawer fronts to be 5-ply three-fourths inch veneer on poplar cores, crossbranded with mahogany veneer and faced on front with crotch mahogany and on inside with plain mahogany. All drawers shall have center drawer guides securely fastened to front and back cross rails. The groove rail to be securely fastened to front and back of drawer. Drawer construction to be such that it will operate easily and not stick due to expansion. Top edge of drawer fronts stained and lacquered. Size of chest over all, 4 feet high, 3 feet 6 inches long, 1 foot 7 inches deep.

Chiffonier, tropical (see drawing No. 639–137): Same as above, except drawer fronts and end panels will be solid.

Bureau (see drawing No. 692–136): Material and construction to be same as specifications for chiffonier (drawing No. 692–137) and in all respects to strictly match chiffonier. To have four drawers as shown. Size of bureau over-all 2 feet 9 inches high, 3 feet 9 inches long, 1 foot 7½ inches deep.

Bureau, tropical (see drawing No. 692–136): Same as above, except drawer fronts and end panels will be solid.

Mirror for bureau (see drawing No. 692–136–A): Frames to be solid African mahogany thirteen-sixteenths inch thick by 1¼ inches wide, beaded on inside and outside corners. The band-sawed ornamental top and bottom to be plywood five-sixteenths inch thick, faced with crotch mahogany on both sides, to be braced and secured to frame, 1 foot 4 inches by 2 feet 2 inches mirror plate, as specified, to be held into frame with one-fourth inch 3-ply veneer easily removable.

Mirror for bureau, tropical (drawing No. 692–136–A): Same as above, except ornament top and bottom will be solid.

Dressing table (see drawing No. 692–138): Material, African and Honduras mahogany. Construction to be same as specification for chiffonier (drawing No. 692–137) when applicable. Front posts to be

1⅞ inches in diameter, turned and reeded with turning below base of case. To have three drawers with dust panels under each drawer. Outside back of case to be 5-ply veneer three-fourths inch thick, faced with straight-grain mahogany both sides, same depth as side panels. Panels in knee space to be 5-ply veneer three-fourths inch thick, faced with mahogany on exposed side. Size over-all 2 feet 6 inches high, 3 feet 9 inches long, 1 foot 7 inches wide.

Dressing table, tropical (drawing No. 692–138): Same as above, except drawer fronts and panels and back of case will be solid.

Mirror for dressing table (see drawing No. 692–138–A): Material for frames African mahogany; side rails 13/16 inch thick by 1¼ inches wide with reeded face; bottom rails 13/16 inch thick, 2 inches wide, of 5-ply veneer, faced with crotch mahogany; top rails straight-grain mahogany, with two crotch mahogany overlays and molding applied as shown; 1 foot 6 inches by 1 foot 4 inches mirror plate as specified, secured as for mirror for bureau.

Mirror for dressing table, tropical (drawing No. 692–138–A): Same as above, except bottom rail to be solid and overlay omitted from top rail.

Dressing-table bench (see drawing No. 692–138–B): Material to be African and Honduras mahogany. Top to be solid, rails to be 2½ inches wide, band sawn, and ⅞ inch thick, crotch veneer face. Legs to be 1⅝ inches square at the top, outside corners rounded and turned and reeded below the rail. To have stretchers 1 inch wide by ⅝ inch thick, securely fastened to posts. Size over-all, 1 foot 6 inches high, 1 foot 10 inches long, 1 foot 2 inches wide.

Dressing-table bench, tropical (drawing No. 692–138–B): Same as above, except rails will be solid, straight-grain mahogany.

Desk (see drawing No. 692–130): Material to be African mahogany. Solid top 1¼ inches thick, banded four sides. Drawer fronts 5-ply, built as specified under chiffonier (drawing No. 692–137), and faced with crotch mahogany. Posts 1¾ inches square, turned and paneled front and back as shown. Panels in knee space, end and back panels 5-ply veneer three-fourths inch thick, housed into posts, top and bottom rails. To have seven drawers, material and construction of drawers and interior of case as specified under chiffonier (drawing No. 692–137). Size over-all 2 feet 6 inches high, 4 feet 9 inches long, 2 feet 3 inches wide.

Desk, tropical (drawing No. 692–130): Same as above, except drawer fronts and panels solid.

Side table (see drawing No. 692–131): Material to be African mahogany with crotch mahogany on four aprons. Corner posts of straight-grain mahogany. Top 5-ply, built as specified under veneering, to be ⅞ inch thick, 3 feet long, 1 foot 6 inches wide when closed, 3 feet square when open, and 2 feet 6 inches high. Post solid, 4½ inches square, turned and reeded. Platform of pedestal to be solid, built as specified for tops. Cross frame of maple and birch securely fastened to front and rear aprons as shown. Underneath side of frame to be closed with 3-ply maple-faced veneer three-eighths inch thick to form a compartment and stained to match piece. Folding top to pivot and steel bolt fastened to a cross frame. Legs to be reinforced with malleable iron brackets where joined to platform base.

Side table, tropical (drawing No. 692–134): Same as above, except top and apron will be solid straight grain.

Dining table (see drawing No. 692–134): Material to be African mahogany. Solid top to be straight grain mahogany, 1 inch thick, 4 feet 6 inches long by 3 feet 8 inches wide when closed, to extend to 10 feet long. Height, 30 inches. To have six 11-inch solid leaves, fitted with dowels on one side and dowel holes on the other. Crotch mahogany aprons with straight-grain corner post. To have center pedestal of straight-grain mahogany, the edges of which are chamfered. Extension slides to be of hard maple or birch, telescoping type. Steel fastener (lever type) to hold table top in place. Extension slides and steel fastener to be of approved design. Manufacturer to provide a leaf crate to hold six leaves, size of each leaf 11 feet by 3 feet 8 inches by 1 inch. Leaf crate diagonally braced and equipped with six grooves top and bottom, each groove to be lined with a brown lightweight felt glued to inside of each groove. Leaf crate made of birch to be stained one coat of mahogany-colored oil stain. Pedestal to conceal the center leg for support of the table when open.

Dining table, tropical (drawing No. 692–134): Same as above, except apron will be solid straight-grain mahogany.

Sideboard (see drawing No. 692–135): Material to be African mahogany. Solid top 1 1/16 inches thick and end panels 5-ply veneer, three-fourths inch thick, to be straight-grain mahogany. To have crotch mahogany drawer fronts and center panel of doors. Two drawers and two cupboards. Drawers to have dust panels between, also in the bottom of case. Drawers fitted with center draw guides. Drawer sides and backs made of African mahogany and cut from five-eighths-inch stock, dovetail construction. Bottom to be 3-ply one-fourth-inch maple veneer, front and back stiles securely fastened to ends. The right-hand cupboard to be fitted with silver tray 1 foot 4 inches long outside and 3 inches deep inside, divided as shown and lined with good grade of plush. Front legs of case to be 2½ inches in diameter, turned. Back legs to be 2¼ inches square, turning below the bottom of case. Case to be 38 inches high, 61 inches long, and 21 inches deep, over all. Interior construction and back to be same as specified for chiffonier drawing No. 692–137 where applicable. Legs to be turned of one solid piece.

Sideboard, tropical (see drawing No. 692–135): Same as above except drawer and cupboard fronts and panels will be solid, straight-grain mahogany.

Kitchen table (see drawing No. 692–144): Material to be hard maple or birch. Legs 2 inches square at top, tapered from inside to 1¼ inches at bottom. To have one drawer with center guide. Aprons to be 4½ inches wide. Top to be of solid, hard maple, made from 1-inch stock. Size: 4 feet long, 2 feet 6 inches wide, 2 feet 5 inches high to top of top rail.

N. C. O. bureau with mirror (see drawing No. 692–142): Material to be birch. To have three drawers with sides and backs made from five-eighths-inch birch. End panels to be 3-ply birch veneer and housed into posts and into top and bottom rails and securely fastened to posts and division frames. Front and back posts 1¾ inches square, outside corners rounded and turned as shown in drawing. Frames, dust panels, center drawer guides, and general construction otherwise to be same as chiffonier, drawing No. 629–137. Mirror for this bureau to be of birch, rails 1¾ inches by thirteen-sixteenths inch, band-sawed finishing rail at top. Mirror frame mitered and doweled or mortised and tenoned together. Size of plate, 18 by 24 inches. Outside back of mirror one-fourth inch 3-ply veneer, fastened with brass screws and washers. Size over all, 2 feet 9 inches high, 3 feet long, 1 foot 8 inches deep.

N. C. O. chiffonier (see drawing No. 692–143): Material and construction to be the same as specified for bureau, drawing No. 692–142, and to exactly match this bureau. To have five drawers, as shown in drawing. Size over all, 3 feet 10 inches high, 2 feet 6 inches wide, 1 foot 7 inches deep.

N. C. O. side chair (drawing 692–146): Material to be birch. Back post, back, stretchers and back of seat frame to be bent as shown. To be box-seat construction. Filling of seat to be long fiber, white staple cotton felted. (No linters permitted.) Seat to be covered with fabricoid as manufactured by E. I. du Pont Nemours & Co., or equal. Color to be selected. Construction of slip seat ⅜-inch, 3-ply veneer to be fastened to top of slip frame to take the place of webbing. Back post to be 1⅛ by 1½ inches. Front posts to be 1½ inches square, outside corner rounded as shown. All joints to be thoroughly secured.

N. C. O. side chair, tropical (drawing No. 692–146): Same as above, except high-grade cane seat will be substituted for veneer bottom, cotton filling, and fabricoid cover.

N. C. O. arm chair (drawing No. 692–146): Same as N. C. O. side chair, except back posts to be 1¼ by 1¾ inches, front posts to be 1¾ inches square. Arms to be shaped as indicated.

N. C. O. arm chair, tropical (drawing No. 692–146): Same as above, except high-grade cane seat will be substituted for veneer bottom, cotton felting, and fabricoid cover.

These specifications are identified by the following signatures as being a part of contract dated _____

_____ _____

_____ _____

(Contracting Officer.)

_____ _____

(Contractor.)

By _____ _____

CONSTRUCTION SERVICE—OFFICE OF THE QUARTERMASTER GENERAL—SPECIFICATIONS FOR EXTENSION GATE-LEG TABLE, DECEMBER 16, 1929

1. General conditions: (a) These specifications cover the furnishing of all labor and material for a high-grade, durable extension gate-leg table for officers' apartments at West Point, N. Y., shown on accompanying drawings and listed on attached bidding sheet.

(b) Dimensions of all parts to be in accordance with the figured dimensions given on the blue print.

(c) In order to be strong and durable furniture shall be securely framed and braced throughout in the most skilled and workmanlike manner. Parts subject to stress should be strengthened with glue blocks and screws.

(d) Container specifications: Furniture shall be securely packed for shipment.

(1) All lumber used should be sound, free from decay or dote, well manufactured and well seasoned, free from loose knots or knot holes and/or sound knots that are greater than one-fourth the width of the board, nor shall any knot be permitted which will interfere with proper nailing. Lumber to be planed two sides.

(2) Crate frames or crate members and crate braces, hereinafter mentioned, shall be constructed of any of the following wood:

Group No. 1: Cedar, chestnut, cottonwood, cypress, spruce, western yellow pine, white fir, white pine, willow, yellow poplar; or

Group No. 2: Ash, beech, birch, Douglas fir, elm, hemlock, larch, maple, oak, red gum, southern yellow pine, sycamore, tupelo, Virginia or Canadian pine.

(3) For crate sheathing, any of the woods named in grades 1 and 2 may be used.

(4) Nails: In the construction of crates, cement-coated nails shall be used exclusively. Length of nails shall exceed twice the thickness of the lumber holding the nail head. Not less than two nails shall be used in joining one crate member to another. A sufficient number of nails shall be used to insure the rigidity of each crate and member. In order to minimize splitting, nails shall be staggered.

(5) Construction of crates.—All crates shall be made of "locked corner" or "3-way corner" construction, as approved by the Consolidated Freight Classification Committee. Each face shall be provided with a wooden diagonal brace. The crates shall be so constructed that the articles shall be securely held within the crate by braces or supports. Each article shall be so suspended in a crate that the legs or other breakable parts shall not come in contact with the crate bottom. Crate members and bracing shall be made of material not less than three-fourths inch by 3 inches. Sheathing shall be not less than one-half inch by 3 inches. Spaces between sheathing or braces shall not exceed 6 inches. Nails not less than eightpenny shall be used. Finished surfaces of furniture shall be protected from contact with crates by pads or padding. The top of the crate shall be completely covered by lumber of dimensions shown above for sheathing.

(6) All articles shall, before being placed in crates, be covered with two thicknesses of heavy felt, sulphite rag, or rope stock paper. Tops, legs, and other parts shall be protected by excelsior pads. Pads shall also be used to protect articles from coming in contact with the ends, sides, tops, or bottoms of crates to prevent damage from marring, scratching, and breaking.

(e) The articles may be inspected at the factory by a representative of the Government at any time during the process of manufacture, the purpose of this factory inspection being to determine compliance with the terms of the specifications as to workmanship, materials, details of construction, and finish. The approval of articles before shipment shall not preclude rejection at any time prior to the acceptance of articles for noncompliance with contract requirements.

(f) Shipments shall be marked as specified under United States Army Specifications No. 100–2, in so far as applicable. All furniture will be accepted f. o. b. factory for shipment on Government bill of lading.

2. Materials: (a) Wood.—All wood to be thoroughly seasoned, selected kiln-dried, so as to contain not over 5 per cent moisture content, and be uniform throughout the piece, free from knots, shakes, sap, discoloration and checks, and planed, scraped, and sandpapered to a true, smooth surface. Lumber shall be graded in accordance with the latest grading rules of the National Hardwood Lumber Association. All mahogany shall be what is known as African mahogany—Khaya Spp.—"Firsts."

(b) Glue.—The best grade of waterproof glue will be used throughout.

3. Finish: Tables shall be stained, lacquered, and completed as a satin finish. Finish and color shall correspond with sample in the office of the Quartermaster General. All surfaces shall be finished in one tone of color and not shaded or high lighted. All materials for finish will be made or approved by one manufacturer and applied in accordance with specifications of the manufacturer. Finish of the furniture shall be such that it will not mar easily, or when scratched show white. It shall be tough and elastic; it shall not soften due to heat or moisture; it shall be resistant to methyl and ethyl alcohol; it shall be sufficiently heat resisting to show no ill effects from a flat-bottom glass beaker filled with boiling water for one minute.

4. Stain: All exposed surfaces to be treated with one coat of transparent water stain. This stain to be mixed in hot water and applied to the piece when cold. Piece will be lightly sanded after staining. Tops of all pieces will be well matched so that there will be no marked line of different shade.

5. Filler: A silo paste filler mixed in turpentine, then colored to correspond to shade of water stain, will be rubbed across the grain until the pores are filled and surfaces clean. After 24 hours for drying this will be followed by a light sanding and removal of dust.

6. Lacquer: Three coats of the best grade lacquer will be applied, with 24 hours allowed for drying after each coat. Three coats of lacquer will be equal to Du Pont's No. 1635 or Sheratone Colloidal Quartz. The polishing coat will be rubbed in with crude oil of paraffine base and FFF pumice to a smooth, transparent, semigloss surface. All surfaces of the furniture not otherwise sealed will be coated with two spray coats of good grade lacquer, sufficient to seal the surfaces.

7. After contract is awarded contractor will submit shop drawings in triplicate for approval of the Quartermaster General.

8. Award: In making the award the cost of inspection and cost of freight from factory to West Point, N. Y., will be considered with the price of the furniture.

9. Mahogany extension gate-leg table (drawing 692–147): Material will be African mahogany. Top will be solid, full 1-inch thick, of carefully selected lumber, matched for figure and braced as indicated. Top to be built up of strips not over 7 inches and hand jointed, to secure a perfect joint. All edges shall be rounded. Legs will be 1¾ inches square where shown and turned as indicated. Rails will be mortised and tenoned into legs and reinforced with shaped metal plate screwed to end and side aprons. Stretchers will be mortised into legs. When legs are pivoted, pivots will be steel of suitable size, with washers between moving parts. One hinged mahogany filler at least 20 inches wide will be provided, fitted with dowels on one side and dowel holes on the other, and hung on a device so that top is secured to table, but can be easily folded under top when not in use. Suitable device for locking table when closed will be furnished. Extension slide will be of hard maple or birch of approved design. The table will be 2 feet 6 inches high, 42 inches wide, and not over 24 inches long when closed, extending to at least 68 inches long when open. Table will be equipped with steel gliders of suitable size. All joints shall be thoroughly glued.

These specifications are identified by the following signatures as being a part of contract dated ———.

——— ———, *Contracting Officer.*
——— ———, *Contractor,*
By ——— ———.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. CRISP]. [Applause.]

Mr. CRISP. Mr. Chairman and gentlemen, I have asked for this time to call your attention to a matter which I think is deserving of your consideration, to wit, that the tariff bill was signed Tuesday; on Monday, Tuesday, and Wednesday the Ways and Means Committee held hearings to amend that bill, even before the President signed it, and some two joint resolutions to amend it were introduced by the chairman of the committee and one by the gentleman from Massachusetts [Mr. TREADWAY], two of the House conferees on the bill.

I desire to say that no committee has ever had a more courteous or patient chairman than the Ways and Means Committee has had in the person of the gentleman from Oregon [Mr. HAWLEY], but I have repeatedly called the attention of the House during the consideration of this tariff bill to the fact that the rules of the House were absolutely disregarded and that the bill from the moment the Ways and Means Committee finished their hearings was considered under special rules supplanting the rules of the House, rules brought in to prevent the membership of this House from giving consideration to the bill and perfecting it. Those rules have been prepared to meet the political exigencies of the case.

Now, gentlemen, this presents to you forcibly the folly of considering an important bill under that method. If the House had been permitted to consider this bill under orderly procedure, in my judgment it would have been a much better bill and the joint resolutions which have been introduced would not have been necessary.

Let me call your attention to some of them. The bill passed the House on the 14th. On the 13th Mr. HAWLEY introduced House Joint Resolution 366, a joint resolution to amend paragraph 402 of the Tariff act of 1930. That paragraph deals with the duty on maple lumber. On June 16, the day before the bill was signed, Mr. TREADWAY, of Massachusetts, one of the conferees, introduced House Joint Resolution 370 to put wiping rags used by the paper industry on the free list. I might say in passing that this indicates the attitude of the Republicans from New England on the tariff. They want their raw materials and things they use free and their manufactured products highly protected. This is demonstrated by their votes on duties on sugar, lumber, hides, raw cotton, and so forth. On June 16, the day before the bill was signed, the gentleman from Oregon [Mr. HAWLEY] introduced House Joint Resolution 371, providing that no entry of any imported cigars by parcel post from Cuba shall be allowed of less quantity than 3,000 in a single package. The Florida Representatives appeared before the Ways and Means Committee yesterday. I do not mean the Members of this House, although Senator TRAMMELL was there, but other interested parties from Florida were before the committee saying that if the tariff bill stood as it was now it would destroy the cigar industry in Tampa, would destroy the production of tobacco to the great injury of tobacco farmers in Florida, and would result in having 40,000 or 50,000 workmen engaged in the tobacco industry walk the streets. Now, that is the tariff bill which the Congressmen from Florida supported.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. COCHRAN of Missouri. The House had no opportunity to vote upon that paragraph. Am I correct in that?

Mr. CRISP. The House has not had an opportunity to vote on any paragraph except lumber, cement, the flexible provision, the debenture, and sugar. When the House had the opportunity to vote, it accepted the lowest rates of duties it could under the parliamentary conditions confronting it.

Mr. COCHRAN of Missouri. The Senate hearings show that these same gentlemen appeared before the Senate committee

and asked that that be stricken from the bill; it was retained in the bill, and, despite the fact that those people are now making a protest against its retention in the bill, they supported the bill.

Mr. CRISP. The RECORD will show how the Florida Congressman voted. The gentleman from Pennsylvania [Mr. BRUMM] has introduced a bill (H. R. 12061) to give protection to the anthracite-coal industry of Pennsylvania. We had hearings on that all day yesterday. Pennsylvania is a strong protection State and yet this high tariff bill gives no protection to the coal miners and operators in that great State. The gentleman from New York [Mr. CELLER] has introduced a House joint resolution, No. 377, to reduce the duty on buttons.

Now, gentlemen, of course, I think the tariff bill is a bad bill, and naturally I am in favor of anything that will improve it, but I simply call this to your attention to show how serious it is to consider a bill of this magnitude under gag rules. May I also say that when the bill was being considered the Republican majority of this House was very strong for the flexible provision in the tariff bill. Their attitude upon the flexible provision was like "Ephraim wedded to his idol." Notwithstanding the flexible provision and notwithstanding the fact that the President in his statement criticizing the bill said he would correct the inequities in it through the flexible clause, here are these bills introduced by members of the Ways and Means Committee before the bill is signed, two of them conferees, to correct some of its inequities. Our Republican colleagues must feel that their idol, like all idols, is impotent.

There was one other matter discussed before the committee, though I am frank to say that so far as I know no resolution has been introduced dealing with the subject. That discussion related to the differential on refined sugar. Three-fourths of the Committee on Ways and Means will concede that under this highly protective tariff bill the refiners of sugar who employ American labor are given less protection than they have under the Fordney bill. That is conceded. The refiners are not concerned as to what the rate on raw sugar is, but they are interested in the differential which will enable them to employ American labor, but it was decided in the committee they would not take that up at this session.

I always try to be frank. We had two days of hearings, Monday and Tuesday. The bill passed the House Saturday, was signed by the President Tuesday, and we had an executive meeting of the committee to-day, at which the committee decided they would not take up and report out or ask the House to consider any bill amending the Hawley-Smoot Tariff Act at this session. That is all I care to say. [Applause.]

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I ask unanimous consent to extend my remarks.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to extend his remarks. Is there objection?

There was no objection.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, Congress under date of August 5, 1882, passed a special act granting a pension to Amos Chapman, who was an Indian scout under Col. Nelson A. Miles, because he suffered a wound which caused a loss of one of his legs.

In 1875 Congress voted a medal to Amos Chapman because of his bravery in attending to the wants of wounded comrades when under fire in a battle fought with the Kiowa and Comanche Indians on September 12, 1874. In this battle Amos Chapman and five soldiers were sent out as bearers of dispatches from their camp on McClelland Creek to Camp Supply, which is now located in the northwestern portion of Oklahoma, and in the district I have the honor of representing. These 6 men were surprised at 6 o'clock in the morning by a band of 125 Kiowa and Comanche Indians. All of the members of the party were struck with bullets at the first volley fired by the Indians, and Private Smith was mortally wounded.

Amos Chapman led his few men to a buffalo wallow where they dug themselves in in the best manner possible, using their knives for excavation purposes. Chapman told his comrades to keep the Indians at bay and he would go and get Private Smith. While doing so, he was attacked by the Indians and shot in the leg; however, he was not deterred from his duty until he had rescued the body of his comrade.

For 36 hours these 5 men kept the Indians at bay until a change in the weather caused the attacking party to retreat. Because Amos Chapman was wounded William Dixon, another Indian Scout, started on an overland trip of 200 miles for the purpose of obtaining relief but after walking several miles he came in contact with cavalrymen and this enabled the party to escape.

Amos Chapman was highly respected by the Indians as well as the whites, and the Indian that wounded him was one that Chapman had fed on many occasions. After treaties had been made with the Indians, Chapman married a squaw who was a relative of Chief Blackkettle, a Cheyenne Indian, and he resided in what is now known as Dewey County until last year when he died. He left to mourn his loss a widow and several children, all of whom are highly respected by the white people residing in that section.

No person ever performed a braver service for the United States than Amos Chapman. Therefore, for that reason the United States Congress in 1882 recognized his service as being valuable to the Government and gave him a pension, I feel that his widow is entitled to receive the same consideration as would be given the widow of a regular enlisted soldier, as the services performed by Amos Chapman were far more hazardous and produced more good than it was possible for any one man to give his country.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. HASTINGS] such time as he may desire to use.

RURAL CREDITS

Mr. HASTINGS. Mr. Chairman, I want to take occasion to discuss two bills which I have introduced, both of which are pending before the Committee on Banking and Currency.

The first is H. R. 982, to amend section 15 of the Federal farm loan act, approved July 16, 1916.

The act of 1916, in my judgment, is the greatest piece of constructive legislation enacted by Congress for the benefit of the farmers of the country. I was a member of the Committee on Banking and Currency when it prepared and reported this bill. At that time I made an effort to secure an amendment similar to the one I now propose. The amendment would confer upon a local agent about the same authority which the secretary-treasurer of a local loan association now has. It does not in any other material respect change the existing law. The loans which would be applied for through applications filed with such agents would continue to be subject to the same conditions and restrictions as if made through the local farm-loan associations.

My contention is that this amendment, if adopted, would greatly popularize the farm loan act and would result in many farmers taking advantage of the law, and would enable action to be expedited upon applications for loans by the farm land banks.

A similar bill which I introduced in a previous session of Congress (H. R. 3860) was submitted to the Farm Loan Board. After most careful consideration the board made the following favorable report thereon:

> This bill would amend the farm loan act so as to provide that Federal land banks may accept applications for loans through agents in territory where it has been determined that national farm loan associations have not been formed, or that the associations, when formed, neglect or refuse to serve the needs of their territory.
>
> The board does not oppose this legislation, but, on the contrary, believes that it might be of material assistance to eligible farmers in a great many sections of the United States. If your committee should favor the principle of this bill, I shall be very glad to go over the details with you with the thought of assisting in perfecting it.

Section 15 of the rural credits bill, which this bill proposes to amend, provides for the appointment of agents only when no local association has been formed, and the agent to be appointed must be an incorporated bank, trust company, mortgage company, or savings institution, chartered by the State, and this agent is required to indorse and become liable for the payment of the loan. The amount of the loan to be made by such agents is limited to ten times the capital and surplus of such institution. Such agent is permitted to be paid not to exceed one-half of 1 per cent of the unpaid principal of the loan, and this must be deducted from the dividends payable to the borrower, and if no dividends are paid to the borrower, of course, no commission is paid to the agent. There is a further provision that in the event of the organization of a local association no further loans shall be negotiated through the agent so appointed.

In my judgment, no bank or trust company can afford to accept the agency under these conditions. None have been appointed, so far as I know, in the State of Oklahoma. None have been appointed where a local association has been formed but ceases to be active. The amendment to which I am directing your attention provides that whenever it appears to the board that local farm-loan associations have not been formed, or such association after having been formed, fails, neglects, or refuses to serve properly the needs of the territory in its locality, it does not require the appointment of a bank or trust

company, and the agents appointed are to give bond, serve at the pleasure of the board, and receive as compensation not exceeding 1 per cent of the amount of the loan made, with a minimum fee of $5 for each loan. When a local association is organized and serves the community, no further loans are made through such agent.

At a previous session, when hearings were had upon a similar bill which I introduced, members of the farm land bank appeared before the committee in person and indorsed the provisions of this proposed amendment.

Under the provisions of the farm loan act of July 17, 1916, a Farm Loan Board was created, with general supervising control over the 12 farm land banks located throughout the country. These land banks are authorized to make loans to farmers upon the amortization plan. They charge the farmer no greater rate of interest than that which they have to pay upon tax-exempt farm land bank bonds which are authorized to be issued and sold, plus the expense of management, and 1 per cent per annum, payable semiannually, is added, to be applied to the reduction of the principal. The last issue of farm land bank bonds bear a rate of interest which justifies the making of loans at 5½ per cent, plus 1 per cent to be applied upon the reduction of principal. This is the cheapest rate of interest the farmers can get on loans. I regret that more farmers in my district have not availed themselves of this law. The farmers are individualists, and this law has not been of the benefit I had hoped it would be to them for at least two reasons:

The first is that the farmers are reluctant to join local loan associations. They want to be responsible only for their own obligations. They are afraid they may become financially involved in some way and they hesitate to join associations which make them in any way responsible for the loans of others.

Second. It has been my experience that when farmers meet and form a local association and each member secures the loan for which he makes application, he is not interested in any further meetings of the association and the local association, therefore, ceases to function and takes no further active interest in urging other farmers to avail themselves of the advantages of the law.

However, this law has been of great advantage to the farmers in that it has reduced the rate of interest on loans and has secured more favorable terms of repayment for the farmers.

From the date of the organization of the Federal land banks to April 30, 1930, the banks had closed 504,270 loans, aggregating $1,623,709,665, including 4,933 loans, amounting to $14,722,600, in Porto Rico. Of these loans 10,296, aggregating the total amount of $28,828,900, were made to farmers in Oklahoma.

In Oklahoma there have been 140 local loan associations organized and of this number the charters of 18 have been canceled, leaving 122 in operation. There are now only four local loan associations in operation in the second congressional district of Oklahoma.

The criticism has been made that a few of the borrowers have defaulted in the payment of principal and interest and that foreclosure suits have had to be instituted. This does not condemn the law. There has also been a large number of bank failures, business failures, and bankruptcies throughout the country during the depressed period of the past 10 years. There have been many foreclosures of mortgages by mortgage companies.

What I am trying to do is to popularize this law and to have the farmers generally take an interest in it and avail themselves of its privileges. Many of them do not understand it. They do not appreciate that they can borrow money at 5½ per cent, add 1 per cent to be applied to the reduction of the principal, and that by paying 6½ per cent interest they are paying both principal and interest. If a local agent were appointed in counties where no local loan associations have been formed, or where one has been formed and is not functioning, and if he is permitted to make a minimum charge for his services in advising farmers as to how to take advantage of this law, assist them in initiating loans, make the preliminary preparations, forward their papers to the bank which serves their district, I feel sure that many more farmers would avail themselves of the privileges of the law. The more loans made to the farmers will result in a proportionate reduction of the expense of administration and a gradual reduction of the rate charged. There are approximately 6,500,000 farmers throughout the United States. Including members of their families some 30,000,000 people live on the farm and are directly dependent upon farming for a living. Almost everyone throughout the country is dependent upon the prosperity of the farmer and is directly dependent upon him for his food supplies. Therefore, the prosperity of the farmer affects the entire citizenship of the country.

In my district of eight counties there are only four local loan associations. Two years ago I made a speech upon a similar amendment urging its favorable consideration by Congress and invited attention then to the fact that practically no new applications for loans were being received through these local associations. The table which I placed in the RECORD then verified that statement. I called attention to the fact that local committees of three members of each of these local loan associations, served without compensation, except that their reasonable expenses were paid, and it was therefore difficult to induce them to take sufficient interest to urge others to make applications for loans.

Section 10 provides that when a prospective borrower makes application for a loan it shall first be referred to the local committee provided for in section 7 of the act. The local committee is required to examine the land offered as security, make a detailed written report signed by all three members, give the appraised value of the land as found by them, and such other information as may be required by the rules and regulations, and no loan can be approved without a favorable report being made thereon.

If this law is honestly, intelligently, and efficiently administered, there is no occasion for any loss to the farm-land banks. The bank which serves the State of Oklahoma is located at Wichita, Kans.

I want to urge the farmers of the country to study the provisions of this law with a view of inducing more of them to avail themselves of its provisions. A farmer can not borrow money from any other source at a lower rate of interest. He repays the loan on the amortization plan. By extending payments over a period of 36 years and by adding 1 per cent annually to the rate of interest he repays both principal and interest. The rural-credits plan has proved a success in Europe and everywhere it has been conservatively managed. A few failures during the unusually depressed conditions during the past 10 years should not condemn the law as being unsafe or unwise.

I want to emphasize that if an intelligent, honest, active, local agent were appointed in every county who could receive applications from the farmers, advise them of the requirements of the farm land banks, and instruct them as to the amount they could probably be able to secure upon their lands, help them secure abstracts and put the preliminary papers in shape so as to expedite action on the loans, it would greatly popularize the law and increase the volume of business that would be transacted by each of the farm land banks throughout the country.

Loans may be made to the amount of 50 per cent of the appraised value of the land and 20 per cent of the appraised value of the insured, permanent improvements.

If a local agent, to whom would be paid a minimum fixed fee for his compensation, were appointed in each county to represent the farm land bank serving that district, he would be able to familiarize the farmers with the requirements of the law, aid them in preparing their papers, and would be able to give them such information as to procedure and as to the amount they could probably secure on their lands, thereby minimizing the number of loans rejected and expedite the consideration of all applications for loans. In my judgment, this is a matter of great importance to the farmers throughout the country. Everybody appreciates that the farmers have been depressed during the past few years, and we have been endeavoring to find a proper solution for their problems. I have taken occasion heretofore to say that in my judgment it will require the enactment of a series of bills to solve the problems of the farmers. I wish to emphasize this particular amendment which I am pressing upon the attention of the Members of the House. I believe that if this amendment were enacted it would aid many of the worthy, thrifty, honest, and economical tenant farmers to own their own farms.

The Census Bureau reports that in Oklahoma there are 197,218 farms. Of these, 81,226 are operated by their owners, 115,498 by tenant farmers, and 494 by managers.

I want to make it possible for every tenant farmer to own his own home. If I have any hobby it is to help every man to live on his own land. The enactment of this amendment would do much to accomplish that. The local agent could bring to the attention of the tenant farmers the advantages of this law and would show him how to make his application, and this would encourage him to try to buy a farm for himself and would result in untold thousands of them buying small tracts of land, giving the first mortgage to the farm land banks, and giving a second mortgage for the balance of the purchase price. He would be enabled to pay off his loan to the farm land bank through a long time loan and through industry, thrift, and economy he would be able to gradually pay off the second mortgage and finally own his home.

Now, let us examine the benefits that would result from this. When a man owns his own land he conserves the soil, he rotates the crops, diversifies the products he plants; he uses his spare hours in repairing and building improvements, he terraces the land to prevent the soil from washing away, he fills up the ditches, he puts out a small orchard, and gives more attention to studying the crops adapted to the particular soil which he owns. In this way of caring for and cultivating the land it is made stronger and more productive and enables the farmer to raise at least 50 per cent more per acre at but little, if any, greater expense. The taxes are no greater and the cost of maintenance is about the same.

Now, if the farmers, through better methods, are enabled to raise 50 per cent more corn, wheat, cotton, alfalfa, and other products upon the same acreage, he has that much more to sell and has therefore reduced the cost of production. It necessarily adds greatly to his prosperity and correspondingly adds to the prosperity of the community and the entire Nation.

Agriculture is our basic industry, and this is particularly true of my district. Every person living in the towns and cities is largely dependent upon the farmer and is as deeply interested in the prosperity of the farmer as the farmer is himself. Every merchant, banker, laboring or professional man is interested in legislation which will be of advantage to the farmer.

If we can, by legislation, make it possible for the farmer to borrow money for long terms at low rates of interest, it will encourage more farmers to own their own homes and will surely add to their prosperity and to that of the entire country as well.

This bill will not weaken the present law but will strengthen and popularize it and I hope to continue to press it upon the attention of Congress until this or some similar amendment receives favorable consideration. In the meantime I want to urge upon the people of my State and the country the advisability of their studying the provisions of this law, forming local associations and taking advantage of its terms.

The provisions of the rural credits bill can only be availed of by the owners of farms or those desiring to purchase farm lands. Loans are made only to purchase farms, pay off mortgages, purchase equipment, fertilizer, and livestock, to provide buildings and other improvements of farm lands, and no loan can be made at a greater rate of interest than 6 per cent. The original act was a splendid piece of constructive legislation. It should be amended as I have indicated.

GUARANTY OF INDIVIDUAL BANK DEPOSITS

The second bill to which I desire to invite the attention of the House is H. R. 12924, to provide for the furnishing of bonds by national and State banks and trust companies which are members of the Federal reserve system for the protection of depositors.

This bill would require (sec. 1) that all banks, State and national, and trust companies, members of the Federal reserve system, to give bond in the sum of 25 per cent of the amount of their deposits, exclusive of interest-bearing time deposits, and other deposits specially secured, for the protection of the general unsecured depositors.

Congress does not have jurisdiction over State banks and trust companies which are not members of the Federal reserve system, and for that reason the provisions of the bill are not attempted to be made to apply to them.

The banks and trust companies affected are given six months to comply with the provisions of the bill and to give the bond as required therein.

Section 2 of the bill requires that all national banks, upon their organization, shall each give bond in an amount equal to its capital stock at the time of organization and thereafter a bond in the sum of 25 per cent of the deposits shall be given as shown by the last annual statement of the bank.

The Secretary of the Treasury (sec. 3) is authorized to approve such bond upon ascertaining that the surety company making the same is financially responsible.

All banks are required (sec. 4) to make reports on January 1 of each year, showing their total aggregate deposits subject to check, interest-bearing time deposits, and deposits otherwise specially secured.

The provisions of the bill only require a bond in an amount equal to 25 per cent of the amount of unsecured deposits and does not require a bond for interest-bearing deposits placed with the bank under special contract, and does not cover deposits such as county, municipal, and State, and school funds, which are otherwise specially secured. The bond would be required for the purpose of guaranteeing security of the general deposits of the banks which are not otherwise secured.

The reason why a bond of only 25 per cent of the aggregate amount of the deposits would be required is because of the fact that upon investigation of the failed banks brought to my attention, if 25 per cent of the deposits had been guaranteed and if this amount of new money had been available, and paid in cash, by a surety company as this bill would require, I know of no bank that would have failed. If, however, it is found through experience that 25 per cent would not be a sufficient amount to protect all depositors, this percentage would and could be increased.

The Comptroller of the Currency, in his annual report for the year 1927, page 17, reports as follows:

> The average percentage of all dividends paid on claims proved against the 706 receiverships that have been finally closed was 74.74 per cent. Had offsets, loans paid, and other disbursements been included in this column disbursements to creditors would show an average of 80.95 per cent.

This indicates that a bond of 25 per cent would in all but extraordinary cases be sufficient to cover the loss and pay the depositors in full. However, if experience should show that a larger percentage is required the bill could and should be amended and the percentage increased. It should be large enough to guarantee all depositors against loss.

The annual report of the Federal Reserve Board for the year 1929 (pp. 21 and 22) shows that 642 member and nonmember banks with aggregate deposits of $235,000,000 suspended operations during 1929. This was 151 more than in 1928 and the amount of the deposits of the suspended banks in 1929 exceeded by $100,000,000 the aggregate deposits of the banks suspended in 1928. From page 22 of this report I quote the following:

> During the 9-year period 1921–1929, a total of 5,642 banks were reported as having suspended operations either temporarily or permanently on account of financial difficulties, and of this number 659 have since been reopened. Deposits of the banks suspended during the 9-year period were about $1,720,000,000 and of the reopened banks $240,000,000. Member banks suspended during the nine years numbered 994 and nonmember banks 4,648, while deposits of suspended member banks aggregated approximately $490,000,000, and of suspended nonmember banks $1,230,000,000.

These figures compel an earnest study of the subject and conclusively show the necessity for this legislation.

The bill I have introduced would require each bank to give bond to insure its own deposits. The press reports bank failures almost daily in some part of the country.

I have not investigated the history of such legislation to find out how many States have enacted laws requiring bank deposits to be guaranteed, but if the Federal Government had led the way and each State had enacted such a law it would not only have saved the percentage of loss to depositors on the $1,720,000,000 but it would also have saved the capital stock of the failed banks and the surplus of each, aggregating many millions of dollars.

Every bank, State and national, which receives school, county, city, and State deposits, is required to give a bond in an amount equal to the total of these deposits. This is true regardless of the financial standing of the bank. If a bank is required to give a bond to protect school, county, city, and State deposits, why should it not be required to insure individual deposits against loss in a reasonable amount. I see no difference in principle. In the State of Oklahoma all Indian funds deposited with any bank, no matter how strong the bank may be, are required to be secured either by a surety bond or by the deposit of approved securities in an amount sufficient to cover the deposits. I see no difference between this and requiring a bond in a sufficient amount to protect the laborer, the farmer, business and professional men, and all classes, who are depositors, against loss.

There can be no legitimate argument against the principle involved in this bill. The only argument I have heard urged against it is the additional expense to the bank. Of course, that is true; but banks are required to pay premiums on bonds given to secure school, city, county, and State funds.

This bill would not only be a good thing for the depositors, but for the shareholders of the banks. It would result in the executive officers of the banks being more conservative. They would require better security for loans and their assets would be kept in a more liquid form, for they would be subject not only to the supervision and criticism of the bank examiners but also of the representatives of the surety companies making the bonds for the banks. This would, in my judgment, prevent many banks from failing and would save large amounts to the shareholders in assessments where banks fail, and this would result in larger dividends being paid to the stockholders of the banks.

The active officers of the banks are required to give bond to protect the bank against loss on their account, notwithstanding they may be and are men and women of high character. Why is this required? If this be true as to individuals, why, on principle, should not the depositors be protected against loss by requiring the banks to give bond?

Congress passed the Federal reserve act in December, 1913. It provided a financial reservoir to which member banks might go for assistance, and it has been successful since the organization of the Federal reserve banks in 1914. The failures of banks have been due to a number of causes, and among them are: Too many banks were organized in some communities, some banks were in charge of inexperienced officers, and some failures have been due to economic conditions. Failures in the South and Middle West have been largely due to agricultural conditions, and in the far West and in the Southwest to the losses on cattle, and, of course, a few failures have been due to corrupt management. I think by far the most failures can be attributed to economic conditions, and I think this is conclusively shown by the figures which I have given as to the number of failed banks in the 12 agricultural States, where two-thirds of the bank failures occurred. The second cause, in my judgment, is due to inexperienced management.

This bill in a way tends to guard against this, because surety companies would be reluctant to make bonds for banks which are not managed by experienced officers.

It is urged by some that it would be difficult for some banks to give such a bond. They make bonds to secure State, county, school, and municipal funds. Why can not they make bonds to secure general depositors? If a bank is in such a precarious condition that reputable surety companies would not make a bond for it, then the sooner that bank is liquidated the better, and the less will be the loss to the depositors, the shareholders, and the people of the community.

It has been suggested that surety bonds are not required to insure the deposits of State banks, and that therefore this would be a discrimination against the banks mentioned in the bill. I think it would have the contrary effect, because I believe that it would result in State legislation requiring every State bank to take out insurance for the benefit of its depositors. As between two banks, one conservatively managed with a surety bond to protect the depositors and the other without such a bond, everyone knows, of course, that the majority of the people would deposit their money in the bank protecting their money by a surety bond. The premium on the bonds required under this bill, in my judgment, would be small as compared with the profit on the increased deposits which the bank would receive, and therefore this bill would be financially beneficial to all the banks throughout the country. It would bring every dollar out of hiding and could be used for the productive development of the community. I think deposits in every bank throughout the country would increase. It certainly would make the officers of the banks more conservative and result in fewer bad loans, and therefore would result in a greater financial advantage to the shareholders in increased dividends; it would protect the depositors against loss and would clearly be in their interest.

This bill does not require one bank to insure the deposits of another. Every bank under this bill would pay for the premium of its own bond. No bank would be dependent upon another bank. I think this is the only sound principle. If banks were required to contribute to a guaranty fund for the benefit of all banks, then the strong, conservative, well-managed banks would contribute to the weak banks and those in the hands of inexperienced officers. The amount of the premium would depend upon the condition and management of each bank. If safe, officered by experienced men, and conservatively managed, the premium would be small. The same principle would be applied as in the case of fire insurance.

The greater the hazard the larger the premium. As in the case of fire insurance, when the hazard—bad flues and fire traps—is removed, which in banking is comparable to reckless, inexperienced management and unsecured loans, the premium will be reduced. Every bank whose condition entitles it to be bonded can find a surety company seeking its business and anxious to make its bond. Let me emphasize: I have no doubt but that it would result in increased deposits for each bank, and therefore increased profits far in excess of the small amount of premium required to be paid on the bond. Again, it would establish confidence in banks throughout the country and bring out of hiding large amounts of money not now deposited in banks. I believe this is a good bill from every standpoint. I believe it right in principle, and I want to urge it upon the earnest consideration of the Members of the House. I have pressed it upon the attention of individuals and bankers throughout the country, and no objection has ever been urged against it other than the objection of the cost of the premium on the bond. If every State in the Union by legislation requires that its public officials must require such bonds to insure public deposits in banks, why should not the individual depositors be so secured? What is the difference in principle?

The loss to depositors does not present the full picture. They have not only lost their entire savings but many of them have no credit elsewhere and are left penniless and destitute. Some have to sacrifice what little property they have to meet obligations they expected to pay out of the money lost or to meet current expenses. Not one anticipated the loss and made no provision for it. Everyone in the community feels the financial shock. Business is paralyzed. Everyone, whether a depositor or not, sustains a loss through business depression. It takes months, sometimes years, for the public to regain confidence. The shareholders are assessed. They must sacrifice their property at a ruinous loss to raise the money. Why? There is but one answer, and that is because we decline to compel the banks to incur the extra expense of a small premium on the surety bonds which this bill would require.

If enacted into law, it would protect the depositors, the shareholders, and the public from the business depression that always follows a bank failure. Let me repeat the question: Why are banks required by Federal and State laws and regulations to make bonds to secure public money? The answer is To guarantee it. We should not permit the small premium which the banks would have to pay to outweigh in this legislation the rights of the depositors and the interest of the public. Banks are chartered under legislative sanction, State and Federal. We can not and should not try to longer escape our responsibility.

During my entire life I have exerted my best efforts to assist in the protection of the man and woman of small means who did not possess financial strength or who were not organized to fight his or her own battle, and I am forced to the conclusion that every bank and trust company which is required to furnish a bond to secure school, county, city, and State funds, and also Indian funds, should also be required to make a bond to fully protect the general depositors who have confidence in the banking institutions conducted and protected by the laws of the Federal Government. [Applause.]

Mr. COLE. Will the gentleman yield?

Mr. HASTINGS. I will be pleased to yield.

Mr. COLE. Will the guaranties that the gentleman has referred to be given through regular bonding companies?

Mr. HASTINGS. They would be given through regular bonding companies and no bank would guarantee the deposits of another bank. Each bank would guarantee its own deposits, just like a bank now guarantees its own deposits so far as county or school funds are concerned. I do not believe in a guaranty fund where one bank is dependent upon another or where one bank has to contribute to such a fund for the benefit of another bank.

Mr. COLE. Has the gentleman any idea of the cost of such bonding?

Mr. HASTINGS. I have covered that in my remarks. I believe it will bring money out of hiding and would not only be for the benefit of the depositors, but would be helpful to the banks as well, because I think this would immeasurably increase the deposits. [Applause.]

Mr. TAYLOR of Colorado. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Speaker, ladies and gentlemen, at last the Republican Party is willing to admit that there is a business depression existing in the country, and that unemployment is universal. For over a year this has been denied by them; now they admit that the country is suffering a depression that will require patience and business ingenuity to solve. They now admit that we are in a cycle of business depression.

The tariff bill adding an additional burden on the people of the United States of about a billion dollars a year has been passed by the Republican Congress. The President promised to make a careful study of the various items contained in the bill before taking any action on it. Although this was his promise, yet before the bill had reached him for consideration he issued a statement saying that he would sign it. Already the reaction of the country has been that this new burden that has been placed on them by the Republican Congress is fraught with danger to American industry.

This bill, of course, reflects the wishes of the manufacturing industries of the country.

In the writing of it minority members of the Ways and Means Committee were denied participation, although, on the other hand, it was known that representatives of the manufacturers' associations were conspicuous by their presence even in executive sessions.

In the House an amendment could not be offered or considered unless it was proposed by one of the majority members of the Ways and Means Committee.

This bill is indeed a raid on the consuming public and the great mass of our people, when they will be compelled to pay more for sugar, and also pay an increase of 20 per cent on the cost of shoes for themselves and their families, and pay increased prices for hundreds of other articles used in their daily lives will be brought to a keen realization of it. The people will indeed have just cause to remember the action of the Republican Party in passing this iniquitous tariff bill.

The distinguished Presiding Officer of this House, Doctor LONGWORTH, in a statement called our attention to the fact that we will get better and cheaper medicines under the new tariff act.

I would suggest to any of my colleagues who have "sick districts" that they lay in a good supply of these medicines before they leave Washington, for, in my opinion, they will be sorely needed by them in the fall campaign.

Mr. O'CONNELL. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. O'CONNELL. What kind of prescription does the gentleman imagine we will get from Doctor LONGWORTH? We would have to get that first.

Mr. BOYLAN. The prescription may be without power, and whether it will be an authentic prescription or not I am not able to say at this time.

Mr. GLOVER. Will the gentleman yield for a question?

Mr. BOYLAN. Yes.

Mr. GLOVER. I presume the gentleman when talking about cheap medicines has reference to ipecac, which is put on the free list under the new tariff bill?

Mr. BOYLAN. Such chemicals as that; yes, sir.

It certainly must be a very bad bill when the distinguished President of our country was compelled to issue a defensive statement of apology for signing it. This very fact is but a reflection of the public's disapproval of the bill.

The President said:

> That it contains many compromises between sectional interests and between different industries, and that the complexities of the legislative task requiring an examination of more than 3,300 items makes it inevitable that the responsibility must rest upon Congress in the legislative rate revision.

He also stated that the duty of the Executive is on the administration side, and that the flexible provision of the new law will have to correct inequalities.

So many such inequalities existed that the ink on the President's pen had scarcely dried on the document before Senator BORAH introduced a resolution in the Senate calling on the President to immediately exercise his power under the new law to correct many inequalities already apparent in the bill.

Indeed, everything in the President's statement relative to the bill he signed is a defense or an apology to the American people for the signing of this unjust measure.

Mr. ABERNETHY. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. ABERNETHY. Can the gentleman explain why he took six pens to sign the bill?

Mr. BOYLAN. That is beyond the power of my comprehension, I will say to the gentleman.

When the President affixed his signature to the tariff bill on June 17, shortly before 1 o'clock, a depressing rain fell in torrents over the city of Washington. The city was darkened. Fitful flashes of lightning pierced the darkness, the distant crash of thunder was heard (perhaps it was the crash of the market). The usually placid Potomac turbulently surged in its race to the sea.

In the Executive offices all was still and quiet. A monstrous tariff bill, marked and pitifully mutilated, lay in all its ugliness on the President's desk; around in solemn and mournful silence stood a few of the faithful cohorts who had taken it, a strong and vigorous child, to the Congress. Who during its many trials and vicissitudes stood loyally by, ever to lend a helping hand to smooth out its rough and tortuous path. Yet on that desk in front of them lay this instrument of oppression; the act that will bear its heavy burden on the backs of the American people.

Well indeed might there be solemnity. Well indeed should a funeral atmosphere surround the final act in the passage of this iniquitous legislation.

The small funeral party present fully realized the gravity and the import of the President's action to their dear old Republican Party, and the final signing of this oppressive measure filled them with a secret fear and alarm.

Indeed, so solemn was the occasion that no pictures were permitted to be taken of it. Posterity will be denied therefore the opportunity of studying the facial expressions of the mourners.

And so the bill was signed.

The Grundy bill is thus made the issue for the coming congressional campaign. The people will render their verdict on it next November, and the Democratic Party feels no concern over the result. [Applause.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, ladies, and gentlemen, to end the long uncertainty and to establish or reestablish business, the President issued Sunday a statement assuring the country that he would sign the tariff bill, but instead of having a favorable effect, another market crash has taken place and is still with us.

What I have to say is, and should be, of interest not only to us here but to the country, and especially to the administration and the Republican Party. For months the Wall Street financiers and their mouthpieces charged that Congress and the administration were responsible for the financial crisis, for the depression, the unemployment, and the discontent. People believe it and will hold the Republican administration responsible. To a certain extent you Republicans are responsible, because you refused and are afraid to stop these Wall Street racketeers. You are afraid to stop their racket. They hold, and will continue to hold, the country in the palms of their hands. They believe themselves—yes; they are—all-powerful, and this notwithstanding the fact they have and are now fighting foul, hitting the business of the Nation under the belt. The entire Nation is prostrated and suffering, and I maintain it is high time that they be disqualified and the country given an opportunity to recuperate and get on its feet.

Mr. O'CONNELL. Will the gentleman yield?

Mr. SABATH. I yield.

Mr. O'CONNELL. Is it not about time that the country called for a foul?

Mr. SABATH. That is what I maintain, that they are fighting foul and should be disqualified.

Mr. Chairman, during this session of Congress hardly a day has passed without a dozen Members on both sides calling attention to the great unemployment, to the unfortunate plight of agriculture, or to the closing of banks, mills, and factories in their respective districts. Many of the Members have pleaded for the enactment of relief legislation for the millions of unemployed and their destitute families and for the relief of business conditions. And what has the President and the administration done to relieve these deplorable conditions?

When last November the inevitable crash, due to high financiering, aided and approved by the former as well as this administration, was approaching, the President and his administration remained silent.

As I stated some time ago on the floor of the House I urged upon the President that some action be taken to minimize, and if possible, to prevent the approaching catastrophe.

The President shortly thereafter did call, as I suggested, a conference of the leading financiers and industrial leaders of the country. They, at that time, promised to cooperate, keep men employed, and not to reduce wages. By these means it was expected that financial conditions would be steadied and relieved. Unfortunately outside of their interviews nothing has been done. In fact since the meeting of these leaders of finance and industry unemployment has increased and wages have been reduced, resulting in more want and misery.

I ask what has the administration done? What is it doing now to stop this manipulation—that is, the short selling and the gambling—which makes impossible reestablishment of confidence.

Mr. Chairman, ladies and gentlemen of the House, I do not hold the President and his administration wholly responsible for these deplorable conditions now existing; but I do charge that by this time conditions could and should have been improved, unemployment reduced, and confidence reestablished had the President and his administration taken some constructive steps. I maintain that the high financiering and gambling, not only tolerated but approved by the administration, is responsible for the present business depression. You may properly ask why. My answer is that during the years 1928 and 1929 hundreds of millions of shares of stock, lot of it of questionable value, was through the various stock exchanges of the country, and by other methods, unloaded upon the public at fictitious prices, which required and brought about the withdrawal of billions of dollars from the banks in all sections of the country, thereby depriving legitimate business of the Nation of funds actually needed for the conduct of honest and necessary business.

After unloading, as I have before stated, their holdings at fabulous prices and being in control of the ready and available cash, the financiers started to boost the rate of interest as high as 20 per cent, and a few days later the great bear movement, the selling short the thousands upon thousands of shares of stock which they no longer possessed was started for the purpose of destroying the then market value of these very securities. This, however, not before the international but especially the English bankers, on a tip given them, had unloaded all of their holdings in this country at fancy prices.

Mr. Chairman: President Hoover, in his December message, stated that the crash was unavoidable and inevitable. But I charge that it was avoidable. I charge that it could have been prevented. I charge the 10,000,000 investors could and should have been saved from ruin, distress, and misery, and the Nation spared a great calamity.

I charge the former as well as the present administration with indirect responsibility for the ruin and distress among these millions of investors, who, encouraged by the alluring statements and reports emanating from time to time from the White House and administration leaders, withdrew in many instances their entire life savings and bought inflated stocks on part-payment plans, and were subsequently made the prey of the Wall Street racketeers—yes, they were "put on the spot" for them.

I realize that neither the Congress nor the President can restore the $40,000,000,000 lost in stocks and bonds, nor reopen the hundreds of banks which have been forced to close their doors. Nor can there be restored the thousands of lives that this financial hurricance has destroyed.

Mr. Chairman, it is persistently claimed by the foremost economists of this country that such a recurrence can be prevented. You who have the interest of the country at heart will ask how. I shall give you my opinion, which is not only mine but that of a large number of well-informed, well-qualified men. First, by stopping all illegitimate issuance of stocks and bonds by authorizing or establishing some responsible body to pass on all such issues of stocks before they can be listed, advertised, and sold to the public.

Second, by stopping and making illegal short selling; that is, selling of stocks by professional gamblers and speculators in tremendous quantities which they do not own or possess. Third, by the prohibition of loans of stocks to such short sellers. Fourth, by prohibiting any floor broker to buy or sell for himself.

You may question whether Congress has the power and jurisdiction to enact such laws. I answer, "Yes; we have several ways that we can legislate against all crooked and ruinous gambling and thus eliminate it entirely." This may be done without interfering with legitimate transactions of stock exchanges or their activities. I have introduced a bill, H. R. 6985, which imposes a tax of 5 per cent on all short sales. This, I know, will reduce to a minimum short selling. If, however, Congress does not wish to impose this tax of 5 per cent on all short sales, then it can consider another bill which I have introduced, H. R. 12171, which will prohibit the use of the post-office facilities and all other transportation and communication agencies, whether by telegraph, telephone, or radio, for these destructive transactions. If for any reason my bills or my plans do not meet with the approval of the House, the House can so modify or change either of my bills as it sees fit. If my bills or modifications thereof are not approved by you, surely there can be no objection to appointing a committee of five Members of the House, composed of men who are capable and unafraid to investigate and prepare legislation that will, in the future, prevent a few gamblers from throwing the Nation into a turmoil which is invariably responsible for demoralization of business and panic. I realize that representatives of these professional speculators will endeavor to show that short selling is not responsible for destroying prices, and that a financial crash is not responsible for destroying confidence in business and industry, but anyone who has given this matter any thought will—yes, must—come to the conclusion that their contentions are not borne out by fact and do not stand the test.

Mr. Chairman, I am of the firm opinion that if the House would only authorize the appointment of a committee, such as I have just mentioned for the purpose of investigating the stock exchanges throughout the country, the stock exchanges will immediately begin, for their own protection, to adopt rules and regulations to eliminate the present destructive tactics and practices. [Applause.]

Yes, Mr. Chairman; if the great and powerful financiers, whom this administration and Republican Party serves with such devotion, instead of continuously making tremendous loans to foreign nations reaching into hundreds of millions would be appreciative of the service and aid you render them, and give the market only partial support, they could easily stop the disastrous decline and stabilize the market and reestablish confidence, thus saving you from the deserved charges that the Republicans are incompetent of protecting the country's interest.

Mr. Chairman, this morning I have received several telegrams which again encouraged me to take the floor on this question. This is a sample:

Congressman A. J. SABATH,
Washington, D. C.:

Feeling your action November 12 had considerable to do with stock-market recovery, would suggest similar move at this time. Business conditions as well as general financial status of United States certainly does not justify present low stock prices on many issues and believe that concerted bear action coupled with indifferent attitude banking interest at this time responsible for this sinking spell.

OTIS B. DURBIN.

Mr. Chairman and gentlemen, I now take pleasure in introducing a resolution authorizing the appointment of a committee composed of Members of this House to investigate these ruinous practices I have briefly explained; therefore will not insert it.

Mr. Chairman, no doubt the Wall Street publicists will, as I have stated, contend that short-selling is not responsible for "crashes" and panics. I have in my hand extracts from the Wall Street Journal and at least a dozen of the foremost newspapers of Monday's and Tuesday's issues stating that "the break in the market was due to the bearish professionals, who returned to the attack with more vigor than they had displayed in the current reaction."

The other newspapers use less diplomatic verbiage and say that the break in the market was due to the tremendous short selling. Mr. Whitney, president of the New York Stock Exchange, some weeks ago stated that upon investigation in November it had been found that the amount of borrowed stocks on the part of the shorts was inconsequential in proportion to the stocks listed. To him five or ten millions of shares is not enough to break the market, to my mind. Throwing on a hesitating market three to five million shares of all kinds of stocks has and does bring about a break; yes, a crash.

Mr. Chairman, I have before me a report showing the millions that have been made on the part of certain shorts in November, and I believe the same forces doubled their unholy profit during this present "crash." I ask why should this be permitted to the detriment of the Nation?

Mr. Chairman, and ladies and gentlemen, I wish to call your attention to an article which appeared in the United States Daily, the headlines of which read:

Depression said to aid activities of communists—House committee informed that agitation is most dangerous during times of depression. Communist activities in this country are more dangerous now than ever before, according to testimony on June 18 before the special House committee investigating the question, by Walter S. Steel, of Washington, D. C., general manager of the National Republic Magazine. Mr. Steel told the committee he believed the reason lies in unemployment, and that communists do most of their work at depressed periods.

A few days ago we appointed a committee to investigate communistic activities in our country. It is a general opinion that in lieu of that committee we should have appointed a committee to investigate conditions that bring about or are responsible and aid communistic activities, but I feel that this is not recognized by the leaders of this House.

The power and the arrogance on the part of the New York Stock Exchange, according to an article in one of the large daily newspapers, is such that they have even barred newspaper reporters from their rooms because some of them have written articles that are displeasing to the officialdom of the New York Stock Exchange. I feel that some day, in the interest of our country, enough men will be elected that will be unafraid to legislate this Wall Street plunderbund out of existence.

I herewith insert an article written by Albert Newton Ridgely, which elaborates and explains more intelligently the workings of these manipulators suggesting certain preventatives. I hope that Members will find time to read it. I assure you that you will appreciate it:

PREVENTABLE PANICS

(The preventives are respectfully submitted herein to the honorable Senators and Congressmen of these United States for their consideration and action.)

FOREWORD

There are persons who say, perhaps cynically, that the recent stock-market panic means nothing more than "a change in ownership of luxury money." And there are serious-minded financiers who profess to believe that the loss of at least $15,000,000,000 (by theft) from the American public will prove, in the end, an excellent thing not only for Europe but for the United States. These gentlemen hold that "defla-

tion" was necessary to reestablish finance on a sound basis, and to send people back to their legitimate work.

Be this as it may, certainly more than 5,000,000 and probably 10,000,000 persons, in all financial strata, were made to suffer acutely by the collapse of paper values. It has been said that their own optimistic stupidity was to blame. Even so, is that any valid argument to justify the deliberately encouraged superinflation, masquerading as "prosperity," without which there could have been no panic? Should these alternate periods of inflation and collapse, immensely profitable to the few, but at terrific cost to the many, be permitted to continue, when both are so easily preventable?

There are those who believe that panics just naturally happen. There are others who know they are made to happen. In either case such occurrences can effectively be rendered impossible. The ensuing article will clearly demonstrate this.

"Short" selling (by amateurs), in connection with the income tax law making exempt the profits on capital increase, was in large measure responsible for the prolonged inflation. And bear raiding (by professionals) accelerated and intensified the collapse. But although this short selling was an important contributary factor in all that happened, it was only in minor part the cause. The underlying reason for the panic was that the biggest banking groups and capitalists had sold out to the public.

The masses are totally inexperienced and completely ignorant of the various concealed methods employed in Wall Street, whereby outsiders who speculate are inevitably ultimate losers; as very frequently also are bona fide investors. Overcapitalized "listings" and their marketing; such watered stocks as well as dishonest "splitups" and "mergers" which have as their only object the "distribution" (sale) at high prices; the lure of "activity" and inspired optimism, and the maintenance of artificial markets on which to sell—these are only a few of the devices which the public fail utterly to comprehend.

Of course, the overwhelming damage has been inflicted, but a recurrence of malevolent activities—and the consequent panic in which those interests who sold at the top buy back desirable stocks at the very lowest prices—can be made impracticable.

There are many both able and honest men in the National Senate and the House, and undoubtedly there will be an effort at legislation this winter to protect the investor from future Wall Street depredations. The organized and combined power of successful cunning and unlimited wealth may defeat these efforts for relief. But there will be introduced and argued several, possibly all, of the following preventives, every one of which can be made practical and highly efficient, every one of which deals a blow to chicanery and deceit, and not one which is in any way destructive of intrinsic values or legitimate enterprise.

THE PREVENTIVES

(1) Prohibit the sale of the property of a third party (without his consent) to a second party by a first party, i. e., short selling.

This is not at all experimental. It has been enforced not only in London and Paris with most satisfactory results, but was done by the New York Stock Exchange some dozen years ago at a time of impending threatened demoralization, with complete success—after favored banking groups and insiders had accumulated their full lines and really wanted to avert further pressure.

Selling "short" is, briefly, to sell stock you do not own, trusting that you will be able to buy lower at some later date and then making the delayed delivery. Whatever the short seller gains, obviously, either the original owner or the buyer must lose. But if outsiders sell short, as they did heavily late in 1926 and throughout 1927, the penalty usually is drastic. The manipulators at that time, knowing the income tax law would keep investment stock off the market, proceeded to mark prices upward, higher and still higher, until the margins of those venturesome outsiders (the public) were exhausted. Thus at least was initiated the period of wild inflation, a direct result of the wrong people selling short. Similarily, later, the extreme record highs of many stocks were made by forced short covering.

Of course, short selling widens the range of fluctuations and adds to commissions, and is claimed by brokers and traders to act as a cushion or stabilizer in declining markets. All Wall Street (self-interestedly) is impressed with this monstrous fallacy. So far from being a "stabilizer," except on very rare occasions, it steadily depresses prices in a weak market and brings panics to their acute stage.

Manipulation and collusive bear raiding explain the repeated violent attacks in the November collapse, and the forcing of the market to new low levels until the investing public had no available money to buy. Then, after favored capitalists had replaced their stocks and acquired their complete lines, the Stock Exchange issued a much belated warning against short sales; and the mere rumor that these were to be stopped ended the panic and sent stocks up 10 points that day.

Another specious and superficial argument is that investors should have the right to sell short against their safe-deposit holdings. They should have no such "right" in justice or equity. An eminent financier and esteemed "philanthropist" is said to have garnered two hundred millions within three months by actually selling short against long investment stock. He was within his present legal rights.

But having sold a vast quantity of stocks to the gullibles, would this "financier" have been logical (or human) had he not desired those stocks to fall and to fall sharply? For the obvious reason that he might repurchase them on a cheap-investment basis. In a case, selling short instead of long stock substantially reduced his income tax, and—doubtless of more importance to him—kept his activities obscured. This is the pernicious type. At present it is any man's right and privilege under the law. But it is a wholly unfair status which permits transactions of such magnitude, affecting the actual welfare of the country, to be done in strictest secrecy and under cover.

Prohibit short sales and you will surely block destructionists—you will deal a heavy blow to ruinous manipulation—and you will go very far toward preventing future depression and panics.

(2) Amend the income tax law to the extent that the profits or losses on stocks, if unsold, shall be based on the prices at which same are quoted at the end of each calendar year; or to prevent downward manipulation, at the average price of the year. That is, if stocks previously acquired are not sold during the year, but are carried over instead of being tax exempt as now, the tax shall be computed on the then price of the stock, or the capital increase each year per se.

The present unjust and short-sighted system was one of the main reasons for the prolonged and shameless inflation. Very rich people who had enormous profits a year or more ago were in a sense locked in, for if they took those profits they would have had the heavy Federal surtaxes to pay. Of course, they could have sold short against long holdings, as many of them did. But the average investors do not readily understand or avail themselves of short selling. The investment public simply and blindly hold on. A tax enforced against accrued profits, or capital increase on stocks, would remedy this and result automatically in the gradual marketing of stock as it advanced above the real investment value.

Incidentally, such an amendment would make it impossible for astute capitalists to scale down their surtaxes by selling short. If they, for instance, netted 90 points on short sales, they will have a tax on 90 points to pay. But if they had sold actual long holdings instead, they would have had a tax on at least double that to pay.

It has actually been suggested, with unbelievable effrontery, as a means of removing this conceded cause for inflation and dishonest profit, to eliminate the tax on capital gains altogether, even if the stocks have been sold. In other words, to make the profits of the organized few, the certain winners, tax exempt, the while prohibiting the public, the certain loser, from deducting stock-market losses! This amazing proposition is monstrously preposterous, but the paid lobbyists will try to enact it into law. As we have pointed out above, the only equitable way to remove a very potent cause of inflation is to tax the capital increase on stocks.

Enact a law to prevent the "split-up" schemes, the most effective of all devices to hoodwink and exploit the unsuspecting and optimistic investor. Scores of examples could be given of the split-up's pernicious workings, but the shameless manipulation of radio stock will suffice to illustrate. Up to the present time never intrinsically worth 200 at its best, radio was first boosted to above 300 against a stubborn short interest. Some of these "short" sellers, being rich men who really knew that the stock was dear at 200, refused to take their loss. Other students of values likewise sold short. Radio was finally marked up to about 550, and all the short sellers were ruined. Meanwhile the stock was being peddled out industriously, with the promise of "1,000 this year." But only very rich men can buy much of a stock at 400 or 500, and very rich men are not so easily fooled.

The clique was finding it exceedingly difficult to unload in quantity. Something had to be done. So radio was "split" into fifths; that is, 5 shares were issued for 1, and the new stock was brought out around 100. Thereafter, for a long time, radio fluctuated between 80 and 110, with enormous volumes near the higher figure and no end of favorable propaganda, while the stock was being steadily "unloaded" on the credulous public. Radio looked high at 400, but it looked cheap at 90. Very few of the buyers understood, or ever will, that they were getting only one-fifth of what they thought they were paying for. Finally the cliques had sold and the public were carrying the load. Then the panic. Radio fell to 26.

Moreover, before a split up or stock dividend many ignorant small investors, incredible as it may seem, embrace the delusion that the new stock will be worth the same per share as the old. They do not understand that the value is split in the same ratio as the shares. This is evidenced by the fact that a stock rises in anticipation of a split up, and that the new or split up shares usually decline.

Laws should, and doubtless will, be enacted to stop this method of exploitation. There is no valid defense for such split ups in any form, or large stock dividends which have the same object in view. If a stock sells at a price prohibitive to the small investor, fractional parts of a share can be issued and sold as such. This is the only fair procedure. The split up of stocks is a sales' scheme and has no other objective than "distribution."

(4) Curb the arbitrary over capitalization (and the subsequent sales to the public) of visionary prospects. This should be done by the

appointment of a Federal commission, experts in finance, law, and accounting, to check up and pass upon the many dubious listings which the New York exchanges now permit and indorse in endless profusion; in each case highly overcapitalized, and frequently with little intrinsic value, as recent events have amply demonstrated.

For illustration, three supposedly high-class stocks brought out in 1928 and 1929 by leading bankers, and thoroughly distributed at or near peak prices to a receptive and excited public, viz.: United Corporation, about 7,000,000 shares which have since fallen from 75 to 19; Electric Bond, nearly 10,000,000 shares, from 180 to 50; Commonwealth Southern, listed as 30,000,000 shares, from about 30 to 10 (with no bidders at 10). This shrinkage at the direct expense of investors, on these three recent listings alone, totals two thousand million dollars!

Of the legion of stocks not so highly sponsored, Combustion and Rumely will suffice to illustrate, each falling from above 100—near which price tremendous activity was artificially created—to well below 10. Some of the utterly worthless curb stocks, like Tobacco Products Export, which investors were persuaded to buy high up, have dwindled to below 1. Why are these listings allowed to transcend the blue sky laws?

Holding companies that are created for the sole purpose of marketing watered stock—near relatives to the fraudulent split up—also should be dealt with drastically. Alleghany, no par, highly sponsored, and vociferously advertised above 50, has fallen from 56 to 17.

Listing of all similar stocks, with the certain objective of sales at inflated prices to the public, should not be permitted to remain the prerogative and special privilege of the always arbitrary, sometimes biased or collusive, "listing committees" of the exchanges. This dangerous monopoly of privilege, immune as it is against all subsequent prosecution—when of right there should be a compulsory accounting to the ruined speculator and the despoiled investor—demands immediate attention and a stringent corrective. This is the most vitally important subject for legislation of any, to protect particularly the investor, who outnumbers the speculator 5 to 1.

Bankers and promoters, having kept their printing presses busy and pushed the boom to the limit, and having marketed their flotations for billions of dollars, may have stood aside and allowed events to take their own course. But some, overgreedy for more easy money, put the printing presses to work again and overreached themselves. Other bankers, more powerful and more astute, believed that if the speculative orgy continued much longer the world's entire financial structure might be imperiled. These latter gentlemen may have thought it best, for general business (and other reasons), to accelerate so-called deflation with its resultant stupendous losses and universal suffering and to get the whole unpleasant business over quickly. But be it noted that neither the prolonged and frenzied rise nor the precipitate fall was in the least inimical to their own interests.

Appoint an efficient Federal commission to pass upon all listings, especially industrials and holding companies, and you will do much to prevent these "brilliant" achievements of high finance; you will throttle the causes for inspired inflation and will go far in removing the incentive for panics, and their periodic or protean recurrence after favored capitalists have again distributed stocks to the public at highest prices, as ultimately they surely will.

(5) Impose a 3 per cent sales tax on all stock market transactions which may be regarded as gambling or illegitimate. This is in effect what we understand to be Senator GLASS's proposition, but somewhat milder and more practical. We believe the honorable Senator is a sincere and able statesman who understands finance and the machinations of Wall Street. He propounds a most potent and effective means to stop the brazen manipulation of stocks and day-to-day gambling. But what Mr. GLASS proposes is double-edged and may cut both ways, unless he desires to suppress marginal speculation practically altogether. In a general way we indorse his remedy, but beg leave to present it in the following modified form, subject to congressional revision:

A tax of 3 per cent on all stock sold within 60 days from the date of purchase, if the sale shows a profit.

And, absolutely, a tax of not less than 3 per cent on all "short" sales, if short selling shall continue to be permitted.

It would be manifestly unfair for the honest investor who was misled into buying steel common at 250 (really 400), or radio at 500, or any other inflated stock, and who hastened to sell out at a small loss, to be mulcted for a larger loss assessed by said tax. Moreover, in practice, such a tax on the outsider who had bought unwisely, would hold him for 60 days, vainly hoping, while his loss grew. It would lessen just so much his chance of escape from the exploiters, the system.

In many ways the measure is thoroughly commendable. It would effectively prevent outrageous manipulation and "wash" trading by making that vicious side of the scheme too costly. It would stop the enormous manipulative (matched) orders which are used for enticing in the unsophisticated and unwary at top figures. Pools and cliques could not be so ready to produce artificial activity in their specialties, at such an actual cost, in order to inveigle outsiders. In preventing exploiters from marking prices up to ridiculously inflated levels, it actually would protect the public who speculate—and always lose.

Members of the stock exchange will object, of course, to paying what they will consider a confiscatory tax on the gambling money they make by "scalping" and "trading" under present conditions and to the loss in brokerage commissions. Contrary to the impression in some quarters, a large majority of these brokers are honest men, from an ordinary business standpoint, loyal to their clients, and their word is good. In panicky times, with customers' margins suddenly depleted and a gap which he has to bridge over himself, the stock broker's lot is scarcely an enviable one. To be sure, there is a dishonest element, some who go so far as treacherously to advise customers to buy worthless stocks which the insiders who employ them are anxious to unload. But these are a small minority. As a whole, the members of the exchange are a fine body of men. But benefits to the entire people, and justice, should not and can not of right be subordinated to the interests of a limited class.

In the "distribution" of any stock the pool usually buys half as much as it sells, to maintain the current price. The proposed sales tax would prove extremely irksome to this procedure. But 3 per cent on a part of the transactions is not too high a toll for the immense privilege of distributing inflated stocks throughout the land. It certainly would act as a powerful deterrent to wild and disastrous speculation and still allow a broad investment and legitimate market to exist.

Interfering only with the pernicious practices so prevalent, the sales tax might prove in some ways the best preventive of all. But if enacted into law to the exclusion of the rest, and then by any chance held by the courts to be confiscatory, nothing will have been accomplished. Our other preventives—and the suggestions to follow—can not be construed as confiscatory in any sense, and will stand up surely. They are all constructive, and they all should be enacted. Only those persons whose own selfish interests are affected, will object.

SUPPLEMENTARY SUGGESTIONS

(a) Compel Federal incorporation of the New York Stock Exchange and its protégé, the curb exchange, which transact, in volume of money represented, by far the greatest interstate business in the United States. The customers, or clients (and victims), of these exchanges dwell in every State in the Union. Interstate wires and the mails are used incessantly to create and carry on the business of sales and purchases with the public. Yet there is no supervision whatever over this vast, and often disastrous, trade. It seems that by insisting upon their status as "parallel to a private club," these exchanges are entirely above and free from any regulations; they have successfully resisted all suggestions and attempts at any control whatsoever. Were governmental regulation and supervision applied to them, most certainly neither the superinflation nor its aftermath, the panic, could have happened or been made to happen. But influence is stronger than argument and justified protest.

(b) Nationalize the blue-sky laws and enforce the existing postal laws, regarding the sale of semiworthless inflated stocks, with the same stringent treatment for all, whether they be introduced and marketed through the above exchanges or by less influential manufacturers of dubious "securities" elsewhere. The blue-sky laws so far have been used only to suppress—and convict—the comparatively petty offenders. Never yet have they been invoked for the prosecution of any stock value collapse or shrinkage emanating from the listing committees of the exchanges.

(c) Forbid absolutely, with drastic penalties, the monthly forms showing the financial condition of brokers' customers from reaching those men who manipulate prices at will. These forms, which are required by the stock exchange to be signed each month by each customer, and then submitted, show exactly the stocks and the margins in every individual account. They show if said margins are confiscatable and worth while confiscating. This is an iniquity of the worst character.

(d) Publication of the names of the buyers and sellers of stocks in aggregate large blocks, the principals—the same as is done in real estate—in order that the public may know when and what the big bankers and capitalists are actually doing, and not be deceived by misleading propaganda and a controlled press.

This may sound as impractical as "belling the cat," but it would provide a complete and perfect protection. For no great depression or panic is possible when capitalists, comprising the Wall Street system, are heavily long or are buying stocks on balance; and no advance can endure when capitalists are out of stocks or short of them. This is obvious and axiomatic, and beyond the province of argument. A completed—inside—"accumulation" is certain to be followed by rising prices; a completed "distribution," as was the case last summer and early in October, by falling prices culminating in panic. Basic and business conditions, earnings, prospects, etc., are entirely secondary to the one vital factor of just who holds the stocks.

Ticker suggestions, "inside tips," and inspired news gossip are irresistible, and are as destructive as they are seductive. They designedly mold the outsider into a receptive and enthusiastic mood at or near the peak prices, and permeate him with pessimism at lowest figures. The public always forgets that a bull campaign begins in gloom when

he and his kind are selling, and always ends in glory with not a cloud visible to him on the financial horizon. But if he could know what the insiders, the system, were doing, it would be another story.

Thus, although a seeming paradox, buying by the public, except on rare occasions, results in falling prices, and selling by the public in rising prices. As we have seen, in the late panic very many outsiders were buying all the way down, especially on the rallies (buying from insiders) and every rally was followed by new low prices. Not until this outside buying ceased entirely and even the recent bargain hunters were on the selling side, everybody giving up hope, supposedly even leading bankers, did the decline culminate.

"In all the stupendous works of nature there is nothing more sublime than the egotism of the man who expects to win when he plays at a game of skill which he does not understand and has for an opponent an expert who marks and stacks the cards."

THE UPAS TREE

Nothing in all America to-day is more essential than the curtailing of Wall Street's unique and absolute power over the fortunes and lives of men. It is the duty of Congress to do this, and to protect its constituents (even against themselves, as in the narcotic and lottery laws) from the transcendant chicanery employed in the marketing, at exorbitant prices, of endless stocks and bonds; many semiworthless, ultimately fading into near-nothingness. We have shown how it can be done, with justice to all. And in the same ratio as manipulation is reduced, other and natural factors are increased, and something approaching real speculative conditions, with a chance for everybody, may ensue.

Go into any home, and Wall Street has left its scar—some luxury or pleasure or even necessity must be painfully stinted because of losses in stocks. Go into any cemetery, for panics fill numberless premature graves with money-murdered, grief-maddened victims. Visit any sanatorium or asylum, and you will find Wall Street has contributed a large quota of pitiable sufferers. Inspect the prisons. Investigate bankruptcies. Stock-market gambling has helped mightily with both.

The pinch of poverty and the lash of misery Wall Street has in one way or another inflicted on nearly all of its followers; annihilation has awaited many. Even with those who have partially escaped the taunts of regret are maddening. And why all this pain and torture when it can be so easily prevented? Senators and Congressmen, will you not try to stop it? You can by enacting into law all or a major part of the preventives and suggestions dilated upon herein; and if you do the game will be made fair, the investor and the speculator protected, and future panics will be impossible.

EXPLANATORY

With supreme impudence and having a profound contempt for the mental processes of the public the predatory interests who were responsible for the panic have tried to pass the buck to Congress. They will endeavor in their own adroit way to hoodwink the masses that any business depression is the fault of Washington. This to divert attention and to put Congress on the defensive, "while the guilty escape." It is in line with the defiance and belittling a year ago by Wall Street's despots of the Federal reserve, which was doing its best to stop further wild inflation and avert an ultimate panic.

In the light of afterevents, the disastrous break of February, 1926, shows clearly that panics are made to happen. It can be seen now that the one and only reason for that terrific crash of all good stocks was (distribution having previously been completed) that high finance wanted to reaccumulate at distress prices in anticipation of what it had planned to be the greatest bull market in history. And it did.

In October and November last the manipulated sharp rallies in a series of panics, alternately periods of hope and despair, and the optimistic assurances of prominent bankers meanwhile, obviously were to sell more stocks, likewise to give the public time to pawn their possessions, borrow on insurance policies, mortgage their homes—to raise money somehow—until the system had drained them of the last dollar.

And who gets this money that the public lose? A certain newspaper has named some of the "Market Makers" (eulogistically) who profited in the tens of millions, but with one exception is discreetly silent as to the real aristocrats of finance who profited (almost by direct theft) in the hundreds of millions. Why no important newspaper or magazine dares to publish the truth about Wall Street, or to advocate any reform to curb the rapacity of organized greed—why none dare say anything inimical to the interests of the stock exchange—is explained by the fact that the press are controlled and coerced—no newspaper could long survive an advertising boycott, or harsher measures if that failed.

Thus you, gentlemen of Congress, those who are not chained by so-called conservatism, are the arbiters, and the only hope for the protection of the masses from Wall Street's malevolent (not benevolent) despotism. We have not the ability nor the power of language to do our case full justice, but we have supplied the technical knowledge and the facts. There are some who may fancy there is an ulterior motive (personal profit) for our appeal. The chances are that this brochure will be killed by silence. But if perchance the contents should obtain publicity and the preventives be enacted into law, the writer will be a marked man for conspiracies to embarrass, if not completely ruin. No one can interfere, single-handed, with any criminal "racket" without damaging reprisals. What then to him who seriously obstructs this greatest of all rackets? And, on the other hand, we know full well the utter thanklessness and cynicism with which in any event our effort and hazard will be repaid. The motive then, if it needs explaining, Quixotic perhaps, is simply the desire to do one good deed, one good action, for the lasting benefit of ordinary men before the final dusk shall gather and the final darkness fall.

ALBERT NEWTON RIDGELY.

On December 4, 1910, the New York World said: "A. N. Ridgely has been in business for many years. At times he has enjoyed the confidence of the biggest operators in Wall Street in creating interest in new market conditions."

Mr. WASON. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. KADING].

Mr. KADING. Mr. Chairman and members of the committee, I fully realize that the speeches that are made on the floor of this House very seldom change the frame of mind of the membership. Each Member exercises his best judgment in the performance of his duties as he understands them. The membership usually is informed upon the public questions that come up for consideration in the House before the legislation itself is reached on the floor of the House and the position of the Member is seldom changed by a lengthy debate. I ask your indulgence, however, for just a few minutes on what I consider to be one of the greatest problems confronting the American people to-day with the hope that I may get you to think along certain lines. It is but natural for us to reflect at this time in the closing days of this session of Congress about what if anything that should have been done has not been done. The Declaration of Independence and Federal Constitution makes it plain that this is a government of, by, and for the people; and that the people have a right to change its laws and form of government whenever they consider it necessary and advisable. Realizing this, I believe it is our duty as Representatives of the people to reflect the sentiment and the wish of our constituency as we believe it affects them, and as we believe the majority of them want us to exercise our judgment.

The question that I have in mind which I consider an important question is the dry and wet question. Day after day big men who formerly were of the opinion that the eighteenth amendment is a permanent part of our Constitution and that the Volstead Act is a law that is to remain on our statute books are coming out and publicly declaring that they have changed their minds.

I hope the result of recent primaries held in different sections of the country have brought to your attention the fact that this question is a live one and that we should look upon it as such and consider it fairly and impartially. In the early part of this session a great many speeches were delivered upon this floor for and against the eighteenth amendment. When the Judiciary Committee finally started to hold hearings, the membership of the House ceased to discuss that question on the floor. Lengthy hearings were held by the able Judiciary Committee, and it was the hope of those of us who believe that some legislation should be reported, that that committee would report out some legislation which might be considered on the floor of the House.

It is to be regretted, however, that thus far that committee has not reported out any legislation looking toward a liberalization of the prohibition laws so that a vote might be had upon this floor and a record made as to the membership, showing how they stand on this highly important and controversial question. I believe, my friends, that it is a question in which the American people are vitally interested. With the metropolitan press advocating the wet side of the issue at all times, our people at home gain the impression that the entire country is wet, and that Congress, for no good reason refuses to permit liberalizing legislation to be considered.

I introduced a bill to modify the Volstead Act, permitting the manufacture, sale, and consumption of light wines and beer. Other Members introduced similar bills. This bill, I believe, conformed to the wishes of my constituents as expressed by an overwhelming majority in a referendum held pursuant to the law of my great State.

I have reached the conclusion that it is the desire and the wish of a very great number, if not a majority of the people of this country, that the eighteenth amendment and all Federal laws enacted thereunder should be repealed.

I want to say to you, my colleagues, that a vote on prohibition legislation during this session of Congress is not necessary to show my constituents where I stand, as they all know my position in the matter. The people of my district have had occasion twice to indirectly express themselves on the prohibition

question, and it is true that a large majority voted, by a large vote, in favor of wet legislation; my constituents know where I stand on this proposition; they know that I will reflect their wishes in favor of wet legislation. Therefore, it is not so important to me individually, but as one who believes that it is the duty of a Representative to reflect the will of the majority of the people, I feel that it is important that this Congress should give this matter very careful consideration and make possible a record roll call vote on prohibition legislation so that every citizen in the Nation will know how his Representative stands.

I have always felt that national prohibition was a mistake and that the liquor question is one that eventually should be left to the various States; and it is my sincere hope that this will be done in the near future so that States may be wet or dry as they choose. Therefore I say, my friends, that I hope that before this Congress adjourns our Judiciary Committee will see fit to report to the House some legislation on the subject. I care not whether it is legislation to repeal the eighteenth amendment or to modify the Volstead Act or to advance the resolution recently introduced by the gentleman from Illinois [Mr. MICHAELSON] to repeal the eighteenth amendment and leave the liquor question entirely in the hands of Congress, or whether it is a resolution authorizing a national referendum to be conducted by the various States. Any of these propositions would be satisfactory to me, because I believe it is our duty to give the people of our country an opportunity to express themselves on this question, and when they have expressed themselves it may be found—and I am quite certain it will be found—that many Members of this House who now believe that their constituencies favor dry legislation will change their minds and find that there is a great demand for the repeal of the eighteenth amendment, or at least a modification of the Volstead Act.

The people, in my opinion, have the right to express themselves on that question. It is an easy matter for us to give them that opportunity. If it is not considered proper at this time to advocate or to vote upon a repeal of the eighteenth amendment or a modification of the Volstead Act, then I believe that it is at least proper and high time that we should give the people an opportunity to express themselves in a referendum. They have a right to such an opportunity, and if they are given that opportunity then the Members of the House will be in a position to know how their constituents really stand. And if it develops from such a referendum that this Nation is wet, or that it believes the liquor question should be handled in some other way than at present, then the membership will be in a better position to pass upon the whole question.

I believe that our duty here is to reflect the sentiment of the people whom we represent; and I sincerely hope, my colleagues, that before this Congress adjourns, our Judiciary Committee, consisting of able men, will see fit in all fairness to report out some legislation along the line I have indicated here, and that the House and Senate will act upon the question before Congress adjourns. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WASON. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. EVANS].

The CHAIRMAN. The gentleman from California is recognized for 10 minutes.

Mr. EVANS of California. Mr. Chairman and gentleman of the committee, the suggestion has been made with reference to the Boulder Dam item in the second deficiency appropriation bill now under consideration that the city of Los Angeles should ratify by a vote of its electors the contract entered into between the Government through the Secretary of the Interior, for the purchase of power to be generated at the Boulder Dam. There could be no objection to requiring the city to ratify this contract by a vote of its electors, if by so doing the Government would be better protected in entering into the contract, although it would cost the city probably $150,000 to $200,000 to hold such an election and would delay the beginning of the construction of the dam several months. We maintain most earnestly, however, that there is no law or authority under which the ratification of such a contract is authorized, and that such vote of ratification would be an idle and useless thing.

Section 18 of article 11 of the constitution of the State of California provides:

> No county, city, town, township, board of education, or school district shall incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenue provided for such year, without the assent of two-thirds of the qualified electors thereof, voting at an election to be held for that purpose, nor unless before or at the time of incurring such indebtedness provision shall be made for the collection of an annual tax sufficient to pay the interest on such indebtedness as it falls due, and also provision to constitute a sinking fund for the payment of the principal thereof on or before maturity, which shall not exceed 40 years from the time of contracting the same * * *. Any indebtedness incurred contrary to any provision of this section shall be void * * *.

Mr. DOUGLAS of Arizona. Will the gentleman yield?

Mr. EVANS of California. I yield.

Mr. DOUGLAS of Arizona. I want to call attention to the provisions of the contract which provide for the payment of rental.

Mr. EVANS of California. I only have 10 minutes. If the gentleman will ask a question, I will be glad to yield, but he will have his own time within which to make a speech.

Mr. DOUGLAS of Arizona. What has the gentleman to say with respect to the rental which must be paid in 10 years for occupancy of the generating equipment for a period of 50 years?

Mr. EVANS of California. That is a part of the service for which the city agrees to pay 1.63 mills per kilowatt-hour.

Mr. DOUGLAS of Arizona. Does the gentleman construe that rental to be within the 1.63?

Mr. EVANS of California. The gentleman certainly does.

Mr. DOUGLAS of Arizona. Or does the gentleman construe the language of paragraph 10 of the contract, which is labeled "Compensation for generating equipment" in another way? The compensation for the use of falling water is another paragraph of the contract and does not refer in any way to the rental to be paid in 10 equal installments.

Mr. EVANS of California. The gentleman has his own time within which to make a statement, and I will appreciate it if he will allow me to complete my thought.

It is clear that the purpose of the foregoing section of the Constitution is to authorize the State through legislative action to provide a way for the incurring of indebtedness and raising the money to liquidate the same by issuing bonds when two-thirds of the qualified electors of the city vote in favor thereof. Pursuant to this section the legislature of the State of California enacted what is known as the 1901 bond act under which municipalities are authorized to incur bonded indebtedness for certain defined permanent public improvements, such as water works, sewers, or other fixed municipal improvements, through which public service is administered to the people of the city.

Under the terms of the contract between the Government and the city of Los Angeles for the procurement of electrical energy to be generated at Boulder Dam the city of Los Angeles is not procuring a municipal improvement, but rather a form of service; that is to say, the city of Los Angeles agrees to pay a certain rental, to wit, 1.63 mills per kilowatt-hour for electricity to be generated by water flowing over a turbine; or, in other words, the use of a certain amount of water sufficient to produce a minimum amount of electrical energy.

It is in no sense a public utility or public improvement, but merely a service for which the city agrees to pay a monthly rental.

This question was construed by the Supreme Court of the State of California in the case of the city of Redlands against Brook, reported in One hundred and fifty-first California at page 476. In that case the city of Redlands issued bonds to pay a private company for lighting the city. The Supreme Court of the State of California held that such a service was not such an improvement as contemplated by the bond act of 1901, which authorized municipalities to issue bonds for permanent municipal improvements, but that it was to pay expenses for a service to be furnished the city. It is exactly the same in principle as the Boulder Dam contract.

Mr. SWING. Will the gentleman yield?

Mr. EVANS of California. I yield.

Mr. SWING. The gentleman was for a long time a city attorney in California and is familiar with the laws applicable to the cities of California. I am interested in the statement he has made and have been much impressed by it. As I understand it, the gentleman said there is no law in the State of California which authorizes a vote by the electors of a city on this kind of a contract, because, first, it is not a contract for the acquirement of any permanent improvement.

Mr. EVANS of California. Exactly.

Mr. SWING. But for current expenses from month to month in the purchase of what might be termed energy.

Mr. EVANS of California. Exactly.

Mr. SWING. Second, that it is not for the acquisition of property but for services that are rendered either in the form of falling water or for the rental of a power plant and machinery. In the third place, that there is no authorization for this kind of an election because the findings of the Secretary of the Interior, the findings of the board of commissioners of the bureau of light and power, and the findings of the

city council are that they will have current revenues sufficient to meet these expenses from time to time as they arise, and, therefore, it would be untrue should they undertake to adopt a resolution saying that the indebtedness proposed in this contract is in excess of the anticipated revenues.

Mr. EVANS of California. Exactly. As I attempted to state, before incurring such indebtedness the city council must through an ordinance find and resolve by a two-thirds vote that the ordinary annual income and revenue of the city is insufficient to meet this obligation, and that is refuted by the annual income of the bureau of power and light of the city of Los Angeles at this time, because it is shown by an audit made by a responsible authority, Price, Waterhouse, I believe it is, that the annual income of that department, over and above operating expenses at this time, is $3,626,972. That is based upon the purchase at this time from the Southern California Edison Co. of electricity at a cost of $3,422,000, which will be supplied by the power that will come from the construction of this dam, at the rate I have quoted, for $2,427,000, which will augment the annual net income of this department to $4,622,604. That fact absolutely precludes the city from making a finding such as is required under the bond act. So I say that beyond any question the city of Los Angeles could not legitimately authorize the issuance of bonds for the payment of this service for two reasons, first, because it is not a permanent improvement; and is not such an improvement as is contemplated in the bond act; it is not for the purchase of a municipal improvement or for a definite and fixed thing but it is for a service, and for the further reason that the revenue of the city is more than sufficient to pay for it.

Mr. SWING. And to hold such an election would add nothing to the rights of the Federal Government and would merely be a straw vote.

Mr. EVANS of California. It would merely be an idle gesture. That is all.

It has been further suggested that the validity of the contract is questionable by reason of the claim that the city would not have sufficient annual income to meet the annual payments incurred by the contract.

This premise can not be maintained, for the reason that it can be and has been thoroughly demonstrated and proven that the city of Los Angeles, through its bureau of light and power, has an annual net income of $3,626,972.23, and that when it is able to avail itself of the power at Boulder Dam at the rate specified in the contract this income will be augmented so as to amount to $4,622,614.23, even on the basis that no additional consumers are taken on its distributing system.

The annual payments called for by the contract to be made to the Government amount to $2,427,000. Thus it will be seen that there is no legitimate reason why the city should be required to vote or issue bonds, even if it had legal capacity to do so, to meet the payments of a contract of this kind.

The Secretary of the Interior, after thorough investigation, has determined that the income of the city, through its bureau of light and power, is ample to meet all payments called for; and this finding would preclude the city council of the city of Los Angeles from determining that the contract calls for payments too great to be met out of the ordinary annual income and revenue of the city, which finding by the council is necessary jurisdictionally before bonds could be authorized.

Hence it appears conclusively, first, that the contract is not such as is contemplated and covered by the bond act, and second, that even if it were there would be no basis for the city determining that the issuance of bonds to meet the payments was at all necessary.

It has been further suggested that the contract between the Government and the city for power at Boulder Dam is similar to a contract entered into between the Edison Co. and the city in 1919, whereby the city purchased from the Edison Co. a distributing system and also a certain amount of power, with a provision that the city of Los Angeles reserved the right to sell back to the Edison Co. its surplus power which it anticipated would be later coming in from other sources.

This contract was submitted to the electorate of the city for ratification.

The difference between the contract with the Edison Co. in 1919 and the contract now made with the Government for Boulder Dam power is readily distinguishable. The contract with the Edison Co. called for an immediate payment to the company of $11,000,000 for an electrical distributing system—a permanent public improvement. Neither the city nor the bureau of light and power had the ready cash available, so a bond issue was necessary.

The contract further provided for the sale back to the Edison Co. of surplus power to be resold outside of the city of Los Angeles. There is a charter provision that provides that the city can not make such sale of power in bulk without the assent of two-thirds of the electors of the city. Hence in the Edison contract it was necessary to submit the same to the voters for the purpose of raising the money to pay for the distributing system, and, second, to meet with the charter provision which requires that such a contract must be submitted to the voters for approval.

The contract with the Government on Boulder Dam power does not call for any immediate payment. It does not provide for the acquisition of any permanent municipal improvement. It only provides for the procurement of a service as a current expense under which no provision of the law or the charter of the city of Los Angeles is required to be ratified by a vote of the electors. The suggestion is made that the present contract obligates the city of Los Angeles to construct a power line at the cost of $30,000,000. It is true that the power line will have to be constructed when the power is available, but that is to be met some six or seven years in the future, and it is the finding of the Secretary of the Interior that the bureau of light and power will have accumulated from its savings a sufficient amount to construct the line, but in event no such accumulation has been made, the city of Los Angeles can then vote bonds for that purpose. There is now no premise of immediate indebtedness being created which would justify the city of Los Angeles to call or hold an election to provide bonds for the building of this power line. It could not under the law of the State of California at this time provide for the issuance of bonds for the proposed power line, because there is no indebtedness created at this time, and it is only for the purpose of meeting an indebtedness that the city is authorized to issue bonds.

The further criticism has been made of this contract on the basis that it has not behind it the taxing power of the city of Los Angeles to insure the payment of installments called for therein.

We maintain that in the first instance the revenue of the bureau of light and power is ample to meet these installments and insist that if at any time the revenue from said bureau is insufficient power lies within the bureau to increase its rates so as to provide sufficient revenue to meet all payments called for.

Section 224 of the Los Angeles city charter provides:

> The rates for service from the municipal works for or on account of which any such indebtedness is incurred shall be so fixed as to provide for payment at maturity of the principal and interest of such indebtedness in addition to all other obligations and liabilities payable from the revenue fund pertaining to such works.

It will readily be seen that under the section of the chapter just quoted mandamus proceedings would lie against the bureau to fix a rate which would be adequate to pay at maturity principal and all interest of any indebtedness in addition to all other obligations in event the bureau should fail in the first instance to provide such revenues.

In other words, the Government would have legal authority to proceed to force the city of Los Angeles through its bureau of light and power to fix such rates for service as would be adequate to raise sufficient funds to meet all obligations of the bureau.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BLACK].

Mr. BLACK. Mr. Chairman and gentlemen of the committee, when the experts on the Boulder Dam problem were talking about falling water I could not help but think of the New Jersey election. I rather agree with the thought of the gentleman from Wisconsin [Mr. KADING], who says it is time Congress took a vote on the wet and dry question so that the people might know how we stand. Congress is afraid to vote on the question, but the people are not afraid to vote. We could well consider a modification or a repeal bill at this time instead of portions of this deficiency bill. The New Jersey election made this section of the deficiency bill absolutely unimportant. I am glad to see that the Member from New Jersey is here. No matter how dry you are we will always miss you. [Applause.] I refer to this provision of the deficiency bill:

> Investigation of enforcement of prohibition and other laws: For continuing the inquiry into the problem of the enforcement of the prohibition laws of the United States, together with enforcement of other laws, pursuant to the provisions therefor, contained in the first deficiency act, fiscal year 1929.

That is unnecessary in view of the expression of the Republicans at the polls in the great State of New Jersey. The Atlantic Ocean has come into its own again. New Jersey is again wet.

The dry debacle of New Jersey should end appropriations for continuing the Wickersham committee's inquiry into the noble experiment that blew up. It is not the purpose of government to find out what the people will submit to, but what the people want.

We are carrying $250,000 in this bill for the Wickersham committee, yet we know from New Jersey and the Literary Digest poll that the people want that prohibition farce to end. We do not have to spend a 2-cent stamp to find out that prohibition is sunk. Even Hoover, the dry chieftain, hurried to congratulate the wet Morrow on a wet triumph. The engineering mind certainly works in circles. We ought to make Hoover an honorary member of the wet bloc. Of course, we are not going to let him lead the bloc after what he has done to the prosperity of the country.

However, I suppose we will go ahead and appropriate this $250,000 for Mr. Wickersham's committee. They have to spend it; let us see if they can make some use of it.

I would suggest to the Wickersham committee that if they get this money and they want to look into some ancient history about prohibition, make some antiquarian researches and let the public know why prohibition does not work, what is the matter with it, and how rotten it is; let them find out and publish the personnel reports that Doctor Doran has on Maj. Maurice Campbell, the prohibition administrator in New York City; on Andrew McCampbell, of Buffalo; on Edwin S. Ross, of New Jersey; and Colonel Herbert, formerly of Maryland. I think it would be interesting for the Wickersham committee to insist that these personnel reports be furnished to them.

Then let them go to New Jersey and find out what was the cause of a brawl in the prohibition office, where one Lido Pickett, a prohibition agent, who, I understand, is a brother of Deets Pickett, of the Methodist Board of Temperance, Prohibition, and Morals, was in some kind of a fight over some trouble about permits. Let the Wickersham committee find out why Doctor Doran covered up this fight in the New Jersey prohibition office.

Let the Wickersham committee go to New Jersey and find out why so many new perfumeries have come into being and why so many people are anxious to obtain withdrawal permits to get alcohol for perfumery manufacturing purposes. Let them find out where this alcohol goes. I wager—in fact, I am convinced—a great deal of the alcohol withdrawn on perfumery permits, particularly in New Jersey, has found its way into the hands of the bootleggers.

The Wickersham committee might also, with its present funds, immediately find out just what the industrial-alcohol companies have to do with denaturants. I understand that the Government's denaturants are based on formulæ provided by the industrial-alcohol companies, and in some way or other the bootleggers find out from the industrial-alcohol companies how to take out the denaturants. This would be an interesting avenue of investigation for Mr. Wickersham's committee.

Mr. O'CONNELL. Will my colleague yield?

Mr. BLACK. I yield.

Mr. O'CONNELL. What has been the total appropriation to this commission?

Mr. BLACK. Oh, I do not recall. Whatever it is, it has been wasted.

Mr. O'CONNELL. It is enough, anyway, is it not?

Mr. BLACK. Yes. Let the Wickersham committee find out how much of Government funds is going into the secret spy service which Doran has on Lowman and Lowman has on Doran. Let us find out about that. Instead of investigating criminals, they are investigating each other. This would be an interesting report for the American people as long as we have to spend this money on prohibition.

It might be interesting to find out how the State of New Jersey has become the haven of bootleggers; how it has become the center of the bootlegging trade; and what is the matter with enforcement in the great State of New Jersey. This would be interesting for the Wickersham committee. The people of New Jersey have said they do not want the thing. Now, let us find out what is happening in New Jersey with respect to enforcement.

Then there is another phase of law enforcement in which I have been particularly interested and on which the Wickersham committee could spend some money to good advantage. I have a resolution before the Rules Committee to investigate the subject of narcotic enforcement in the city of New York.

Recently some charges were made about narcotic agents. The very men who stood up and made reports in the public interest are the men who have suffered. I think it is about time that the Wickersham committee or somebody else found out why Agents Connolly and Kelly, formerly of the narcotic bureau of New York, who testified truthfully and manfully as to conditions, had to suffer for their efforts in the public interest.

It might also be well to find out how little real enforcement of the narcotic law there is in New York under the new narcotic chief Mr. Anslinger, formerly a career man in the State Department. Some of the narcotic agents in New York have been taking the money of the Government and have gone out and bought chalk instead of narcotics in a so-called effort to apprehend criminals. I understand the narcotic agents in New York are having a fine time in speak-easies, instead of going out after the big narcotic peddlers. I understand since Mr. Anslinger has been in charge and since the honorable agents have been held down or dismissed from the service or removed to foreign territory there has been no sizable arrest and no sizable seizure of narcotics in the city of New York.

These things the Wickersham committee could do. They do not have to find out whether the public wants prohibition. Everybody knows quite well that the public does not want prohibition, and I say that so far as this House is concerned let us stop making these idle gestures in appropriating money to find out how prohibition can be enforced. Let the House be logical and sane for a change and let it realize that the House is only the servant of the public, that the public has spoken, and that this farce should end.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WOOD. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. DENISON].

Mr. DENISON. Mr. Chairman, most of us are getting inquiries as to when Congress is going to adjourn. [Applause.] I am sure all of us want to adjourn as soon as we can. We have all worked hard, and most of us are tired and want to get to our homes, and some of us to our primary elections.

The gentleman from Mississippi [Mr. RANKIN] has made several talks in which he urged that we should not adjourn until we have enacted legislation to afford additional relief to the veterans of the World War, who are in great need of relief.

As one Member on this side of the House I want to say that I believe that if that subject was of sufficient importance, and I am sure it was, to justify taking up the time of the House and the Senate in the consideration of veteran relief legislation, we ought not to adjourn until we have passed legislation of that kind. If we can just keep our heads and not allow political considerations to enter into the matter too much, I am sure that the House and the Senate can agree on veteran's relief legislation that will bring substantial relief to those of the veterans who are now in need of relief.

Now, I want to take occasion at this time to express my own view that we ought to go at the matter in a deliberate way and try and reach an agreement between the House and the Senate on veteran's legislation and pass it before we adjourn this session of Congress.

Mr. RANKIN. Will the gentleman yield

Mr. DENISON. I am sorry I can not now for there are other matters I want to take up. I will say that I was agreeing in the main with the attitude of my friend from Mississippi that we ought not to adjourn until we have passed legislation for the benefit of the veterans.

Mr. RANKIN. That is an answer to the question which I wished to ask.

Mr. DENISON. There is no valid reason why the two Houses of Congress should not agree upon legislation that will meet the approval of the President and afford relief to that class of veterans who, for various reasons, can not obtain relief under existing law, but who are in such a condition of need or suffering that the Government can not afford to longer leave them without relief. I have hoped that the two Houses could agree upon the original Johnson bill, which would treat all veterans of the World War substantially alike with reference to presumption of service connection, and would remove many other injustices in existing law, or at least in the administration of existing law. And for those veterans who are suffering with certain constitutional diseases since 1925 which can not be service connected we ought to provide substantial pensions that would afford relief in every case where relief is needed. I know of no reason why this can not be done and I believe that such legislation would be approved by the President.

But whether we can get that kind of legislation or not, I am sure that if we will but approach the subject in the right spirit and with a view to doing our duty to the needy veterans, as well as to the rest of the country, we can, if we remain in session,

enact legislation that will fulfill our duty to those who served the country when their services were needed and who are now in need of assistance from the Government.

But, Mr. Chairman and gentlemen, that is not the only question of great importance that is before us. There is other legislation that I think we ought to pass before we adjourn. I think, as all of us must realize, that there is a very serious condition of unemployment in the country. I know it is true in the State of Illinois, and I know it is particularly true in that part of the State from which I come.

This is due to economic conditions; it is not the result of anything the Government has done nor anything the Government has not done. Everybody knows that it is a worldwide condition; serious unemployment conditions now exist in practically every country in the world.

Nevertheless, I think it is our duty as Representatives of the people to do what we can, and do it now, to relieve the conditions of unemployment if there is anything we can possibly do.

All kinds of schemes can be proposed that are unworkable and impracticable and unreasonable, but if there is a concrete proposal before us that will appeal to our reason and that will offer a reasonable hope of doing some good I think it is our duty to consider it and pass it before we adjourn this Congress.

Mr. HOWARD. Will the gentleman yield?

Mr. DENISON. Yes.

Mr. HOWARD. I want to know if the gentleman has in mind any suggestions. I am entirely in sympathy with him, but has he any suggestion for relief?

Mr. DENISON. I am glad the gentleman asked the question. We do have some definite proposals before us. We have S. 3059 and S. 3060. These two bills have passed the Senate and are now before the Judiciary Committee of the House.

Senate bill 3059 is an act to provide for the advanced planning and regulated construction of certain public works, for the stabilization of industry, and for the prevention of unemployment periods of business depression. This bill passed the Senate on April 28 and authorizes not to exceed $150,000,000 in any one fiscal year for carrying out the purposes of the act.

Senate bill 3060 would provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes.

These two bills were prepared after much study and investigation by the Senator from New York, and since they have now been passed by the Senate, I think the House may well remain in session long enough to give them careful consideration and enact them into law. The Government can not, of course, give employment to all those who are unemployed in industry. The Government has no money except such as it takes from the people by taxes or borrows from the people by the sale of bonds. We still owe some sixteen or eighteen billion dollars, and the annual expenditure for operating the Government and meeting our current obligations amount to about $4,200,000,000 exclusive of postal expenditures. But we have arranged plans for public construction along many lines. These works might well be expedited and unemployment relieved as far as possible. So long as we can carry out the useful and needed improvements in our rivers and harbors and needed construction of public highways and public buildings all over the United States, I think it would be the course of wisdom to relieve unemployment as much as possible by expediting these projected improvements.

One of the Senate bills provides for a general plan of coordination and cooperation between Federal employment agencies and State employment agencies which, it seems to me, is very much needed, and will be very helpful not only now but hereafter.

Mr. TUCKER. One of them, S. 3059, has been reported by the Judiciary Committee of the House.

Mr. DENISON. The gentleman from Virginia says that S. 3059 has been reported out of the committee and is now on the calendar. I have not studied these two bills very carefully. I have read them and given them some study, but it seems to me they at least present concrete and not very complicated proposals—proposals that deserve the consideration of the House. We ought to take time to discuss them, and I think we ought to pass legislation of this kind before we adjourn, because I believe these bills, perfected by such amendments as the House may think proper, would give some relief to the employment situation.

So I say that we ought to consider this question before we adjourn. The Senate is going to have to remain here to consider the naval limitations treaty, and I know of no reason why we younger legislators might not just as well stay here and pass this very important legislation before we adjourn. I appeal to the House and to the Committee to hasten consideration of these proposals, with a view of enacting something of that kind before we adjourn.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes.

Mr. RANKIN. I thoroughly agree with the gentleman, and as far as I am individually concerned I am willing to stay here all summer if necessary to work out some way of solving this unemployment problem.

Mr. DENISON. I do not know that I would want to stay here all summer; I do not think that is necessary. Of course, if I lived in my friend's State of Mississippi where it is so hot, I might be willing to do it; but I live in the very beautiful and very pleasant State of Illinois, and my home appeals to me so strongly that I want to get there as soon as possible.

Mr. RANKIN. Unless we do something to relieve the unemployment situation, it will be much hotter in Illinois than in Mississippi next fall. [Laughter.]

Mr. DENISON. If there is any prospect of that, I am willing to stay here all summer and solve the problem as far as possible. But Illinois is always fair in the fall.

Mr. RANKIN. I do not want to stay here all summer, but I am willing to join the gentleman and stay here until we work out some legislation that will help solve this problem.

Mr. DENISON. I join with the gentleman in that. There is other legislation that ought to be considered. Our committee considered for weeks the bill to regulate wild-cat transportation by motor bus, and we passed a very good bill. That has been before the Senate for some time. I am sure that we could dispose of it quickly if we could get them to consider it. It is an important measure, and I believe we ought to try to get that enacted into law before we adjourn. It is going to be a question of great importance.

There is another bill now before the House that has some important significance, and that is the so-called Couzens resolution. I do not think the House would approve of it in the condition in which it came here; but there are some important provisions in the resolution which we ought to consider and pass.

Laws providing for the unification of carriers, for the consolidation of carriers by rail, were several years ago enacted by Congress for the purpose of saving the so-called weak railroads that might have to be junked if they are not combined with stronger systems. The Interstate Commerce Commission, or some members of it, believe that under existing law they have the right, in permitting such unification, to protect the interests of the men employed on the railroad. However, that is more or less uncertain, and is not at all free from doubt, as they themselves say. Inasmuch as there is doubt on that question, I think Congress might well provide legislation that will confer upon the Interstate Commerce Commission ample authority in authorizing unification of rail carriers to see to it, in its orders and its authorizations, that the men employed on the railroads are not thrown out of employment. I think Congress may very well go that far and protect the men employed on the railroads without doing any violence to the public interest.

Mr. BRIGGS. Does not the gentlemen think that Congress could go further and protect the localities that have assisted in building up the railroads, where obligations have been made on the part of the railroads to maintain their offices and shops in that locality?

Mr. DENISON. I think Congress can well afford to do that, and I think we ought to do it. There is one thing further that ought to be done. I do not want to anticipate, of course, and I am not anticipating any action that may be taken by the Committee on Interstate and Foreign Commerce, that is giving the matter consideration at this time. The committee will, perhaps, take some action in the matter soon.

They have been giving it careful and serious consideration; but the holding company question is a matter of considerable importance, and I believe that Congress ought at this time to prevent any consolidation or unification of carriers through holding companies until we can complete our investigation of the subject and enact wise legislation which will put such holding companies under the jurisdiction of the Interstate Commerce Commission.

Mr. BRIGGS. Is it the intention of the gentleman's committee to report out the present resolution?

Mr. DENISON. I am not sure. I am not in a position to speak for the committee at this time. Final action will probably be taken by the committee to-morrow.

Then, Mr. Chairman, I think that the rivers and harbors bill, which the House passed some time ago, ought to become a law before we adjourn. This bill authorizes a large amount of public construction work in the improvement of various rivers and harbors. It is very important legislation and is now being considered by the Senate. I am sure the Senate will pass the bill this week. We ought not to adjourn until the two Houses have agreed and the bill approved by the President. This bill

carries one provision that is of very great importance not only to the State of Illinois but to the entire Mississippi Valley. It adopts the Illinois waterway project as a national waterway from the Great Lakes to the Gulf of Mexico. The Illinois River has heretofore been adopted by the Federal Government as a waterway project from its confluence with the Mississippi River to Utica. Some years ago the State of Illinois entered upon the project of improving that part of the river extending from Utica to Lockport, about 65 miles, connecting with the Chicago Drainage Canal.

The constitution of our State was amended by a vote of the people and $20,000,000 was authorized for the purpose of making this improvement. That was done in 1908, but actual work on the improvement was not begun until after the World War. Five locks and dams are now being constructed by the State and are nearly completed. But on account of the advance in the cost of labor and materials the State can not complete the project and there is no possible way of obtaining additional funds for that purpose. We can not further amend our constitution to secure the funds. The pending rivers and harbors bill takes over the remainder of the Illinois waterway and authorizes its completion. The State grants to the Federal Government the work for which it has expended $20,000,000 and the Government will receive in addition navigation rights through the Sanitary Canal, which cost about $90,000,000. If this bill becomes a law, work on the locks and dams will continue and a great force of men will not be thrown out of employment, and the Nation will, within the next two or three years, have completed one of the most important navigation projects that we have. It is impossible to estimate the value that will accrue to the entire intermountain part of our country by the opening up of a commercial waterway from the Great Lakes to the Mississippi River and the Gulf of Mexico, and we ought not to adjourn until that bill has been passed and approved.

I wish to insert here as part of my remarks Senate bills 3059 and 3060, which I have discussed briefly, and which, I believe, ought to at least be considered as a basis for legislation at this session to aid the unemployment situation.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

S. 3059

An act to provide for the advance planning and regulated construction of certain public works, for the stabilization of industry, and for the prevention of unemployment during periods of business depression

Be it enacted, etc., That this act may be cited as the "employment stabilization act of 1930."

DEFINITIONS

SEC. 2. When used in this act—

(a) The term "board" means the Federal employment stabilization board established by section 3 of this act.

(b) The term "United States," when used in a geographical sense, includes the several States and Territories and the District of Columbia.

(c) The term "public-works emergency appropriation" means an appropriation made in pursuance of supplemental estimates transmitted to the Congress under the provisions of this act.

FEDERAL EMPLOYMENT STABILIZATION BOARD

SEC. 3. (a) There is hereby established a board to be known as the Federal employment stabilization board, and to be composed of the Secretary of the Treasury, the Secretary of Commerce, the Secretary of Agriculture, and the Secretary of Labor. It shall be the duty of the board to advise the President from time to time of the trend of employment and business activity and of the existence or approach of periods of business depression and unemployment in the United States or in any substantial portion thereof.

(b) The board is authorized to appoint, in accordance with the civil service laws, a director and such experts and clerical and other assistants, and to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for law books, books of reference, and periodicals) as may be necessary for the administration of this act, and as may be provided for by the Congress from time to time. The compensation of the director and such experts and clerical and other assistants shall be fixed in accordance with the classification act of 1923, as amended.

BASIS OF ACTION OF BOARD

SEC. 4. (a) In advising the President the board shall take into consideration the volume, based upon value, of contracts awarded for construction work in the United States, or in any substantial portion thereof, during the three months' period preceding action, in comparison with the corresponding three-month periods of the two previous calendar years.

(b) The board may also take into consideration the index of employment prepared by the Department of Labor, and any other information concerning employment furnished by the Department of Labor or by any other public or private agency, and any other facts which it may consider pertinent.

PUBLIC WORKS EMERGENCY APPROPRIATION

SEC. 5. Whenever, upon recommendation of the board, the President finds that there exists, or that within the six months next following there is likely to exist, in the United States or any substantial portion thereof, a period of business depression and unemployment, he is requested to transmit to the Congress by special message, at such time and from time to time thereafter, such supplemental estimates as he deems advisable for emergency appropriations, to be expended during such period upon public works in the United States or in the area affected, in order to prevent unemployment and permit the Government to avail itself of the opportunity for speedy, efficient, and economical construction during any such period. Except as provided in this act such supplemental estimates shall conform to the provisions of the Budget and Accounting Act, 1921.

WORKS ON WHICH APPROPRIATION USED

SEC. 6. Public works emergency appropriations are authorized and shall be expended only—

(a) For carrying out the provisions of the Federal highway act, as now or hereafter amended and supplemented;

(b) For the preservation and maintenance of existing river and harbor works, and for the prosecution of such projects heretofore or hereafter authorized as may be most desirable in the interest of commerce and navigation;

(c) For prosecuting flood-control projects heretofore or hereafter authorized; and

(d) For carrying into effect the provisions of the public buildings act, approved May 25, 1926, as now or hereafter amended and supplemented, in respect of public buildings within and without the District of Columbia.

PUBLICATION OF INDEX OF EMPLOYMENT

SEC. 7. The Secretary of Labor shall prepare and publish monthly an index of employment, which shall indicate the condition of employment in the United States and in each substantial portion thereof.

PREPARATION OF INDEX OF EMPLOYMENT

SEC. 8. For the preparation of the index of employment there shall be made available to the Secretary of Labor, upon his request, statistics collected or compiled by any executive department, independent commission, board, bureau, office, agency, or other establishment of the Government. The Secretary of Labor is further authorized to utilize, to such extent as he deems advisable, statistics collected or compiled by any State or political subdivision thereof, or by any private, industrial, commercial, banking, labor, or other association or enterprise, and to obtain such additional facts and statistics as he deems necessary for such purposes.

ACCELERATION OF EMERGENCY CONSTRUCTION

SEC. 9. For the purpose of preventing unemployment during periods of business depression and of permitting the Government to avail itself of opportunity for speedy, efficient, and economical construction during such periods the President is requested to direct the Secretary of War, the Secretary of the Treasury, and the Secretary of Agriculture to accelerate during such periods, to such extent as is deemed practicable, the prosecution of all public works within their control.

ADVANCE PLANNING

SEC. 10. It is hereby declared to be the policy of Congress to arrange the construction of public works, so far as practicable, in such manner as will assist in the stabilization of industry and employment through the proper timing of such construction, and that to further this object there shall be advance planning of public works to be accomplished (a) in the case of river and harbor and flood-control works and projects and public-building projects by means (1) of preliminary reports, made under the subsequent provisions of this act or existing law, as to the desirability of the project; (2) of annual authorizations of projects, the total estimates for which are sufficiently in excess of the annual appropriations made for the work thereon to result in uncompleted projects being available for the expenditure of public works emergency appropriations when made; and (3) of advance preparation of detailed construction plans and (b) in the case of public-road projects by means (1) of advance approval of projects in accordance with the provisions of the Federal highway act, and amendments and supplements thereof, and of this act, and (2) advance preparation of detailed construction plans.

PUBLIC-ROADS PROJECTS

SEC. 11. (a) In addition to the projects authorized to be approved under the Federal highway act, and amendments and supplements thereof, the Secretary of Agriculture is authorized to approve emergency Federal-aid road projects for the construction, reconstruction, and maintenance of Federal-aid highways, the share of the United States in the cost of which is to be paid primarily out of public works emergency appropriations made for the purpose. Such emergency projects may be approved in advance of any such appropriation but only to such extent as the Secretary of Agriculture deems advisable in order that uncom-

pleted projects for the expenditure of money so appropriated may be immediately available at the time such appropriation is made. If the amount apportioned to the State of the public works emergency appropriation made for the purpose is insufficient to meet the share of the United States in the cost of all approved emergency projects within the State, the balance of the share of the United States shall be paid out of the amount apportioned to the State from any subsequent appropriations made for Federal-aid highways.

(b) The approval of emergency projects for roads within a State shall be deemed a contractural obligation of the Federal Government for the payment of its proportional contribution to the cost of the projects only to the extent of the amount apportioned to the State and remaining unpaid of the public works emergency appropriation made for the purpose and the subsequent appropriations made for Federal-aid highways.

(c) The provision of the Federal highway act in respect of the apportionment of Federal-aid appropriations shall not apply to public works emergency appropriations, but the Secretary of Agriculture may apportion such appropriations among all the States or in the State in the area or areas designated by Congress in such a way as may be fixed by Congress or shall in his judgment be best calculated to prevent unemployment.

(d) For the purpose of equalizing among the several States the amount of Federal funds apportioned under the Federal highway act, as amended and supplemented, and this act, the Secretary of Agriculture shall deduct any payment made to a State out of a public works emergency appropriation from the amount apportioned to the State out of any subsequent appropriation for Federal-aid highways.

(e) The Secretary of Agriculture, after making the deductions authorized by this section, shall within 60 days thereafter reapportion the amount so deducted to all the States in the same manner and on the same basis, and certify to the Secretary of the Treasury and the State highway departments in the same way as if it were being apportioned under the Federal highway act for the first time.

(f) In the event that the payment received by a State under the provisions of a public works emergency appropriation for Federal-aid highways exceeds the amount apportioned to that State out of the next succeeding appropriation for Federal-aid highways, the whole amount apportioned to that State shall be reapportioned to all the States in the manner provided in subdivision (e), and the difference between the payments so received and the amount so reapportioned shall be deducted from the amount apportioned to the State out of the next succeeding appropriation for Federal-aid highways and reapportioned in accordance with subdivision (e), and so on until the total amount so received has been thus deducted and reapportioned.

PUBLIC BUILDINGS

SEC. 12. The provisions of the public buildings act, approved May 25, 1926, shall apply to public buildings authorized under this act, except that the method of allocation prescribed therein shall not apply; but the sums appropriated for public buildings under this act shall be apportioned as Congress may provide, or, if there be no such provisions, by the Secretary of the Treasury in such way as best to carry out the intent of this act and prevent unemployment in the United States or the area prescribed by Congress.

APPROPRIATIONS AUTHORIZED

SEC. 13. There are hereby authorized to be appropriated such sums as are necessary for expenditure on public works to prevent unemployment during any such period of business depression, not in excess of $150,000,000 in any one fiscal year, and such further sums as are necessary for the administration of this act.

S. 3060

An act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes

Be it enacted, etc., That in order to promote the establishment and maintenance of a national system of public employment offices there is hereby created in the Department of Labor a bureau to be known as the United States employment service, at the head of which shall be a director general. The director general shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive a salary at the rate of $10,000 per annum. The employment service now existing in the Department of Labor is hereby abolished.

SEC. 2. The Secretary of Labor is authorized, in accordance with the civil-service laws, to appoint, and, in accordance with the classification act of 1923, as amended, to fix the compensation of a woman assistant director general who, subject to the director general, shall have general supervision of all matters relating to the obtaining of employment for women, and, in accordance with the civil service laws, to appoint, and, in accordance with the classification act of 1923, as amended, to fix the compensation of, such other officers, employees, and assistants, and to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, and for law books, books of reference, and periodicals), as may be necessary to carry out the provisions of this act.

SEC. 3. (a) It shall be the province and duty of the bureau to establish and maintain a national system of employment offices for men, women, and juniors who are legally qualified to engage in gainful occupations, and, in the manner hereinafter provided, to assist in establishing and maintaining systems of public employment offices in the several States and the political subdivisions thereof. The bureau shall also assist in coordinating the public employment offices throughout the country by furnishing and publishing information as to opportunities for employment, by maintaining a system for clearing labor between the several States, by establishing and maintaining uniform standards, policies, and procedure, and by aiding in the transportation of workers to such places as may be deemed necessary, for the purpose of obtaining employment. It is hereby declared to be the policy of the Congress that the service authorized by this act shall be impartial, neutral in labor disputes, and free from political influence.

(b) Except as herein otherwise provided, the United States employment service shall be charged with the administration of this act, under the supervision of the Secretary of Labor. The director general is authorized to deduct from any amount appropriated for any fiscal year under the provisions of section 5 not in excess of 5 per cent thereof, which shall remain available until expended for expenses incurred in the administration of this act.

SEC. 4. Except as provided in section 10, in order to obtain the benefits of appropriations apportioned under section 5, a State shall, through its legislature, accept the provisions of this act and designate or authorize the creation of a State agency vested with all powers necessary to cooperate with the United States employment service under this act.

SEC. 5. (a) For the purpose of carrying out the provisions of this act there is hereby authorized to be appropriated the sum of $4,000,000 for the fiscal year ending June 30, 1931, and for each fiscal year thereafter up to and including the fiscal year ending June 30, 1934. Seventy-five per cent of the amounts appropriated under this act shall be apportioned by the director general among the several States in the proportion which their population bears to the total population of the States of the United States according to the next preceding United States census, to be available for the purpose of establishing and maintaining systems of public employment offices in the several States and the political subdivisions thereof in accordance with the provisions of this act. The balance of the amounts so appropriated shall be available (1) for administrative expenses under subdivision (b) of section 3, and (2) for expenditure as provided in section 10, or, in the discretion of the director general, for the purpose of carrying out the provisions of subdivision (a) of section 3 other than for establishing and maintaining public employment offices. Except as provided in section 10, no payment shall be made in any year out of the amount of such appropriations apportioned to any State until an equal sum has been appropriated for that year by the State, including appropriations made by local subdivisions thereof, for the purpose of maintaining public employment offices as a part of a State-controlled system of public employment offices; except that the amounts so appropriated by the State shall not be less than 25 per cent of the apportionment according to population, made by the director general for such State for the current year, and in no event less than $5,000.

(b) The amounts apportioned to any State for any fiscal year shall be available for payment to and expenditure by such State, for the purposes of this act, until the close of the next succeeding fiscal year; except that amounts apportioned to any State for any fiscal year preceding the fiscal year during which is commenced the first regular session of the legislature of such State held after the enactment of this act, shall remain available for payment to and expenditure by such State until the close of the fiscal year next succeeding that in which such session is commenced. Subject to the foregoing limitations, any amount so apportioned unexpended at the end of the period during which it is available for expenditure under this act shall, within 60 days thereafter, be reapportioned for the current fiscal year, among all the States in the same manner and on the same basis, and certified to the Secretary of the Treasury and treasurers of the States in the same manner, as if it were being apportioned under this act for the first time.

SEC. 6. Within 60 days after any appropriation has been made under the authority of this act, the director general shall make the apportionment thereof as provided in section 5 and shall certify to the Secretary of the Treasury the amount estimated by him to be necessary for administering the provisions of this act and shall certify to the Secretary of the Treasury and to the treasurers of the several States the amount apportioned to each State for the fiscal year for which the appropriation has been made.

SEC. 7. Within 60 days after any appropriation has been made under the authority of this act and as often thereafter while such appropriation remains available as he deems advisable, the director general shall ascertain as to each of the several States (1) whether the State has, through its legislature, accepted the provisions of this act and designated or authorized the creation of an agency to cooperate with the United States Employment Service in the administration of this act in compliance with the provisions of section 4 of this act; and (2) the amounts, if any, which have been appropriated by such State, including

appropriations made by local subdivisions thereof, in compliance with the provisions of section 5 of this act. If the director general finds that a State has complied with the requirements of such sections, and if plans have been submitted and approved in compliance with the provisions of section 8 of this act, the director general shall determine the amount of the payments, if any, to which the State is entitled under the provisions of section 5, and certify such amount to the Secretary of the Treasury. Such certificate shall be sufficient authority to the Secretary of the Treasury to make payments to the State in accordance therewith.

SEC. 8. Any State desiring to receive the benefits of this act shall, by the agency designated to cooperate with the United States Employment Service, submit to the director general detailed plans for carrying out the provisions of this act within such State. If such plans are in conformity with the provisions of this act and reasonably appropriate and adequate to carry out its purposes, they shall be approved by the director general and due notice of such approval shall be given to the State agency.

SEC. 9. Each State agency cooperating with the United States Employment Service under this act shall make such reports concerning its operations and expenditures as shall be prescribed by the director general. It shall be the duty of the director general to ascertain whether the system of public employment offices maintained in each State is conducted in accordance with the rules and regulations and the standards of efficiency prescribed by the director general in accordance with the provisions of this act. The director general may revoke any existing certificates or withhold any further certificate provided for in section 7, whenever he shall determine, as to any State, that the cooperating State agency has not properly expended the moneys paid to it or the moneys herein required to be appropriated by such State, in accordance with plans approved under this act. Before any such certificate shall be revoked or withheld from any State, the director general shall give notice in writing to the State agency, stating specifically wherein the State has failed to comply with such plans. The State agency may appeal to the Secretary of Labor from the action of the director general in any such case and the Secretary of Labor may either affirm or reverse the action of the director general with such directions as he shall consider proper.

SEC. 10. During the current fiscal year and the two succeeding fiscal years the director general is authorized to expend in any State so much of the sums apportioned to such State according to population, and so much of the unapportioned balance of the appropriation made under the provisions of section 5 as he may deem necessary, as follows:

(a) In States where there is no State system of public employment offices, in establishing and maintaining a system of public employment offices under the control of the director general.

(b) In States where there is a State system of public employment offices, but where the State has not complied with the provisions of section 4 in establishing a cooperative Federal and State system of public employment offices to be maintained by such officer or board and in such manner as may be agreed upon by and between the governor of the State and the director general; except that pending the conclusion of such agreement, but for not more than one year, the director general may establish and maintain in any such State a system of public employment offices under the control of the director general.

SEC. 11. (a) The director general shall establish a Federal advisory council composed of an equal number of employers and employees for the purpose of formulating policies and discussing problems relating to unemployment, and insuring impartiality, neutrality, and freedom from political influence in solution of such problems. Members of such council shall be selected from time to time in such manner as the director general shall prescribe. The director general shall also require the organization of similar State advisory councils composed of equal numbers of employers and employees.

(b) In carrying out the provisions of this act the director general is authorized and directed to provide for the giving of notice of strikes or lockouts to applicants for employment.

(c) In carrying out the provisions of this act the director general is authorized to provide for establishing employment offices for individual occupations.

SEC. 12. The director general, with the approval of the Secretary of Labor, is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this act.

SEC. 13. The Postmaster General is hereby authorized and directed to extend to the United States Employment Service and to the system of employment offices operated by it in conformity with the provisions of this act, and to all State employment systems which receive funds appropriated under authority of this act, and to all cooperative Federal and State employment systems operated under agreements made as provided in this act, the privilege of free transmission of official mail matter.

Mr. AYRES. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. O'CONNOR].

Mr. O'CONNOR of Louisiana. Mr. Chairman and gentlemen of the committee, there is a good deal of talk about staying here all summer if necessary to solve the problems that confront us to-day—economic and legislative. I have no doubt of the sincerity of the gentlemen who have spoken along those lines. Perhaps I will be quite willing to stay with them, but we can not afford to ignore the advice and wisdom of those who figured in this House for many years, and who were looked upon as men of light and learning. I remember that the lamented James R. Mann stood on the floor of this House on one occasion and expostulated about continuing the House in session during the summer months. As I recall he said that the dog star, Sirius, was in the ascendency, and that all experience shows that legislative assemblies do not confect or perfect the best and proper legislation during the dog days. He said that if he were inclined at that moment to substantiate and verify the statement, he believed that he could quote from records of some of the most ancient legislative assemblies showing it was deemed in those far-away times inadvisable and unwise to continue a legislative assembly in session during the hot months of the summer. But extraordinary situations and problems require extraordinary remedies. We should remain here, however torrid the weather may be, until we have passed and assured their enactment into law the veterans' bill, the rivers and harbors bill, and the Couzens resolution, for reasons that are so obvious that they require no elaboration.

Suffice it for me to say that we put our boys in the war and they saved us and the balance of the world—for we won the war regardless of what other nations may claim—and we are going to take care of those boys. It is an obligation which people who love their country, its honor, its integrity, and its future want extinguished. They want to pay in full the debt of gratitude we owe those who rallied to the flag at the call of the Nation.

I want to see, and so does the country, I think, want the rivers and harbors bill passed before adjournment. It will do a great deal to solve the unemployment problem for reasons set forth by me on so many occasions that I will to-day refrain from reiterating them. And now to the Couzens resolution, which came this morning from the Committee on Interstate and Foreign Commerce with an amendment, which is virtually a substitute, so unsatisfactory in its nature that it has provoked a minority report which will be filed by my friend, GEORGE HUDDLESTON, and behind which every student of economics and sincere friend of labor, railroad and otherwise, should rally.

I want to say to the distinguished gentleman from Illinois [Mr. DENISON], a member of the Committee on Interstate and Foreign Commerce, and for whom we all have a great affection, a gentleman who has done a great deal for the Mississippi Valley and for the people among whom I dwell—and I know he will accept this in all kindness and friendship—that if he is under the impression that the railroad consolidations are made for any other purpose than to cut down the overhead expense and reduce the number of employees he is absolutely mistaken, and I think should study the subject a little longer and get the correct idea. Most consolidations through the recent years, in my judgment, have been made for no other purpose than largely to increase the capitalization of the units consolidated and then reduce the number of men employed, men who have served until old age in the service of the company, and who can secure employment in no other service, thus adding to the complexities of the problem of unemployment and producing a condition that unfortunately for humanity can not be solved by all of the sages on this earth, apparently. I say apparently, for I hope that some day a Messiah will come to the industrial, agricultural, and commercial leaders with a message of great joy, one that will mean that a panacea has been found, a solution has been discovered for the curse that has haunted the footsteps of men and women through the ages. "Eureka" will be on the lips of all people on the great day when families need not agonize about the morrow, when at least every human being will have a place to lay his head, raiment to wear, and food to eat—that is, to know that he will not be denied the simple fundamentals of existence.

I agree with the gentleman that no legislative nostrum can be found to cure an economic ill, for if legislation could cure such an affliction it would mean, paradoxical as it may appear, the destruction of the very law which if freed by industry and commerce themselves from restrictions and obstacles that threaten to suspend its operattion, would operate so as to permanently establish and effectuate that satisfactory condition usually referred to as stabilization.

Of course, there is unemployment throughout the world and conditions of life are depressed. It is amazing, my friends, to consider that the world has made such wonderful advances along every imaginable line—agricultural, financial, astronomical, and I was going to say ecclesiastical, and why not?—but that no remedy has been found for the disease that withers body and soul—unemployment and poverty.

Universities and colleges and their vast number of students, scientists, experts, logicians, lawyers, preachers, and doctors are apparently up against a stone wall when it comes to a solution of the problem that is of more concern to men and women than all of the other factors in civilization.

Something is wrong with a plan that means that in the face of plenty, men shall suffer privation and even starvation. Of course unemployment has a bad effect upon all values and brings the financial and commodity market into that condition and situation where it becomes a problem, if not a menace, to orderly existence. Poverty is a curse, and unemployment is its cause. It is the progenitor of disease, misery, decay, and death, and therefore the main purpose of all government of every civilization should be to prevent poverty by providing lucrative employment for men and women who want to work; for the right to live is inalienable in a state of nature and should be no less in a state of society or civilization. If I could eradicate this deepest stain that afflicts mankind I would not exchange the grand satisfaction I should enjoy for all the rewards that has ever come to the most successful conqueror. As I said before, if a legislative enactment in itself could solve the problem, we would not have any problems to solve. For then legislative enactments would be as thick as the leaves in proverbal Vallambroso. All that we can do is to prevent those who would violate or suspend economic law from doing so. We can not say, "Let there be employment and there shall be employment." But we can say you shall not create unemployment by combinations and consolidations under the guise of effective economics that will inure to the public, but really for the purpose of adding millions to the coffers of those rich beyond the dreams of avarice. But to another slant of this address which must be delivered in a limited period. While I appreciate the attitude of the men among whom I was born and reared and with whom I have associated politically since I attained my majority, yet I can not feel that it is quite the proper practice to inferentially if not directly criticize the President for expressing an optimistic view. What other course is there for him to pursue; what other attitude can he adopt?

If the President, under the most depressing circumstances, were to become publicly or privately a pessimist, he would be regarded as an incompetent menace. Uneasy lies the head that wears a crown, and he must carry on and go smiling it through.

As to the tariff, it probably will be a cause of disturbance to the Republican Party, and even in the Democratic Party. If there is no decrease in unemployment, men and women, as the way with all flesh, will blame the new tariff for their ills and woes, and visit an unjust condemnation upon those who will have to be the goats of discontent. But there are certain subjects on which I will not surrender my convictions, regardless of temporary consequences. I am a protective-policy man because I believe such a policy is good for our country. I believe in an Army to defend our people. I believe in a Navy that will be our first line of defense and protect our rights. [Applause.] I believe in a protective tariff because it will enable our own countrymen to supply their domestic wants and not have them depend on the foreigner. I want to make my country rich and great and prosperous and strong for the tremendous days that we all know lie ahead, in which our supremacy may be challenged. I want to build up our highways, and I want to see it done through Federal aid. I want to improve our rivers and harbors and have it done through Federal aid. I want to prevent floods in the Mississippi Valley and I want to see it done through Federal aid. Coming from the State of Louisiana, I know what our people have had to endure from flood waters that roll down upon us from the 33 States of the valley. But we are going to keep on fighting until we get the National Government to perform, discharge, and execute a national obligation in a broad, comprehensive, capable, and permanent national way and manner.

Of course, fault will be found with the protective tariff; but, of course, there is nothing in the world that is not defective and with which fault can not be found. Even the highest arts have their critics. Even the Lord's Prayer is subject to criticism. There is not a project of the human mind that is not assailable. Of course, the tariff is assailable. No one will deny that.

I think that the tariff rate given to refined sugar is absolutely rotten, and I believe that the Tariff Commission ought to correct that as early as possible, though many of the older Members think that adequate and satisfactory relief can be secured only through legislation. It takes 107 pounds of raw sugar to make 100 pounds of refined sugar. Our refiners can not pay the duty on 107 pounds and compete with the Cuban refiner, who pays a duty on 100 pounds of refined sugar. Our home refiners can not compete with the Cuban sugar refineries on that basis. From the standpoint of protecting American labor and American rights that fault in the tariff ought to be corrected. That may appear to be a reflection on the astuteness of Members of the House to talk in that way. But it is not so.

Congress is a recognitory body. It gives recognition to the findings of its committees. The findings of fact and of law by the committees are set forth in bills and amended bills and the reports thereon which give the reasons for urging the adoption of the proposed legislation. The tariff bill originated with the Ways and Means Committee of the House. The bill was considered in the House under a rule which precluded any amendments from the floor of the House by Members who are not members of the Ways and Means Committee. I do not find fault with this, because in all probability as a sheer result of parliamentary necessity the Democrats, if in power and had to report out a tariff bill, would have had it considered under the same kind of a rule.

This makes it clear that the obligation was all the greater upon the Ways and Means Committee to report out a bill that was correct and logical with respect to the compensatory duties on the fabricated or refined article where a duty had been levied upon the raw product. The House had a right to rely and were absolutely correct in relying upon the Ways and Means Committee, in view of the fact that that House could not offer an amendment under the rule, to bring in a bill which would make for a proper duty upon refined sugar so as to protect that big American interest from destructive competition from the alien interest without the gates.

Cuban sugar-refining interests have an advantage under the present bill over our own American refineries. That is unfair—it is un-American; it is unjust and should be corrected. Our refineries are as much a part of our sugar industry as the growers of beet and sugarcane. They give employment to thousands of American workmen and they deserved better treatment from the Republicans, who made the tariff bill. They should be given relief, administratively or legislatively, as early as possible, and I can not repeat this admonition too often. As one of the champions of the protective policy and as one who voted for this bill on every roll call, I feel that I have a right in the interest of a great refinery in my district to ask the Republican Party to do the square and honorable thing by the American sugar-refining companies. I stand for the square deal to everything in America. I want to protect the American workmen, and I want to protect American capital against the menace of foreign competition.

I reiterate, out of an abundance of caution and lest I may not have expressed my viewpoint clearly in the rapidity of my delivery, in view of the limited time accorded me, my thoughts with reference to the Couzens joint resolution. I repeat that no resolution or legislative enactment can, in itself, make for prosperity. Prosperity depends upon economic law, thrift, toil, and sacrifice, but a legislative resolution or law may check causes, which, if permitted to operate freely, might make for adversity. Whatever might be said ordinarily about huge consolidations and mergers I feel that the American people do not believe that this is the time for such consolidations. We can not and will not take any chances of aggravating the state of unemployment by permitting consolidations, which inevitably lead, if experience is a safe teacher and counselor, to the discharge of a vast number of employees, many of whom have grown old in the service and are now tottering westward with feeble steps. The Couzens resolution is indeed a sad commentary upon the times. When it was first proposed years ago to create the Interstate Commerce Commission the suggestion and the legislation were fought furiously and bitterly by the railroad companies. The people thought they were creating, through Congress, an instrumentality to regulate the railroads, but time in its whirligig performs many a queer stunt. Many people in our country to-day believe that instead of regulating the railroads properly in order to promote the welfare of the people, the people themselves are regulated by the commission and their welfare ignored in order to convenience and to promote the views of the railroad companies. It may be an unjust attitude and criticism on the part of the people but it is thoroughly human for them to criticize their own institutions, when those institutions by their own conduct cause suspicion. As a Member of Congress I do not object to the criticism of the Congress by the people. It stimulates Congress into greater activity. The people have a right to criticize their courts when courts do not function to the best interest of the people. The people have a right to criticize every administrative body when that body fails to function in the people's interest.

The people have a right to criticize the Interstate Commerce Commission as they will have the right to criticize the Tariff Commission whenever either fails in its mission and purpose. The railroad labor people believe that a failure to adopt the Couzens resolution by the House means that the Interstate Commerce Commission will permit consolidations to go on that

threaten the very existence of railroad labor. So far as I am concerned I will not by my attitude help the Interstate Commerce Commission to carry out such an end. On the contrary, I will work and vote to prevent them from permitting these vast consolidations to go on. I am for America in all of its phases and aspects. I am for protection to American labor and capital. I am for protection to American agriculture, finance, and commerce. I voted for the tariff bill because I believed that it makes for stability in our domestic commerce and because it gives a chance to American business to prosper. I would not and could not do less for American labor. Let us fight for the square deal, my friends, for all America—for its high and its low, its rich and its poor, its strong and the weak, and in that way make our country the country of equal rights to all and special privileges to none.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WOOD. Mr. Chairman, I yield myself one hour.

Mr. Chairman and members of the committee, realizing that there are others who desire to speak this afternoon and as it is getting late, I will not touch upon all of the provisions of the bill. I will endeavor to call to your attention some of the more prominent items in this bill, and if there should be any criticisms of them, or any questions or suggestions, I shall invite them.

The amount recommended to be appropriated in the bill totals $66,199,384.05, which sum is $2,867,139.42 less than the amount of the Budget estimates.

While the bill contains numerous items distributed among the departments and establishments of the Government, a very large proportion of the total amount is caused by the inclusion of the fourth installment of public buildings and by the initial appropriation for the commencement of work on the Boulder Canyon project. Additional appropriations are also included for carrying into effect new laws enacted during the present session, funds for which could not be included in the regular annual appropriation bills. Another class of items contributing considerably to the total includes the amounts for payment of judgments of courts, claims allowed by the General Accounting Office, and claims of various kinds adjudicated under statutes and certified to the Congress for appropriation. Items in the bill which may be termed "deficiencies" are few in number and are largely of the nature of "legal deficiencies."

While the amount specifically carried in the bill aggregates $66,199,384.05, there are included under the Treasury Department three paragraphs of indefinite appropriations for satisfying awards which may hereafter be allowed by the arbiter under the settlement of war claims act of 1928, for payment of claims of German and Austrian nationals on account of ships, patents, and radio stations seized during the war. The maximum amount which may be paid under these indefinite appropriations is $51,341,387.78, and such figure should be kept in mind in connection with any statement of the grand total carried by the bill.

The major items of specific appropriation contained in the bill are as follows:

Public buildings, including construction, sites, and administrative expenses	$29,037,840.00
Boulder Canyon project	10,660,000.00
Porto Rican relief, roads and bridges	1,000,000.00
United States Veterans' Bureau, military and naval compensation	2,200,000.00
Cooperative agricultural extension work	1,000,000.00
Forest roads and trails	3,500,000.00
Payment to the States of Georgia and South Carolina, flood relief for roads and bridges destroyed	1,311,628.50
New penitentiary, northeastern section of United States	1,700,000.00
Working capital fund for prison industries	500,000.00
Construction and maintenance, prison camps	750,000.00
New Federal jails	1,000,000.00
Marine Corps, expenses of expeditionary forces, China and Nicaragua	1,325,000.00
Postal Service, special delivery fees	1,000,000.00
Contract air-mail service	1,700,000.00
Customs Service, additional salaries and expenses	898,480.00
New Coast Guard cutter for Lake Michigan	450,000.00
Subsistence of the Army	500,000.00
National Home for Disabled Volunteer Soldiers	773,520.00
Panama Canal, maintenance and operation	500,000.00
President's Commission on Law Enforcement and Law Observance	250,000.00
George Washington Bicentennial Commission	362,075.00
American National Red Cross Building	350,000.00
Equipment, new Department of Commerce Building	200,000.00
Hydraulic laboratory, Bureau of Standards	350,000.00
All other items in the bill, including judgments and audited claims	4,880,840.55

The principal amounts hereinbefore enumerated are included in the following explanation under the various departments and establishments:

The amount recommended for the legislative establishment is $455,767.85, which is $40,817.27 less than the Budget estimates.

The amounts for the House of Representatives include the customary payment for beneficiaries of deceased Members, approved expenses incurred in connection with contested-election cases, and several items of supplemental expenditures under the contingent fund of the House. The sum of $2,500 is recommended for the painting of an oil portrait of Speaker LONGWORTH.

For the Capitol power plant the sum of $22,054.63 is allowed to complete the purchase of equipment for the enlargement of the plant in connection with the additional load to be thrown upon it by the erection of the House Office Building annex, the new Supreme Court Building, and so forth.

The estimates contain an item of $404,190.68 to be added to the appropriation of $600,000 previously made for the acquisition of land for a new site for the United States Botanic Garden. The committee has reduced this sum to $341,378.68, or by $62,812, which represents certain fixtures of the gasoline station and the bakery which have been allowed by the commissioners of appraisement in their report to the court.

The amount included in the bill, namely, $341,378.68, consists of $326,378.68 toward the acquisition of property and $15,000 for expenses in connection with razing the buildings and clearing the site when title has been secured. In connection with the acquisition of this property the committee desires to call attention to the fact that for such of the property as is sought to be acquired by condemnation the aggregate of the asking price of the owners was $1,246,793.40, the total assessed value was $353,001, and the total amount awarded was $912,220. The amount awarded was 144.55 per cent above the assessed value.

I wish to call the attention of the committee especially to how the United States Government was treated in the acquisition of lands made necessary by this additional appropriation. Some of the land that has been acquired or which is to be acquired through condemnation has been at a cost to the Government of from two to three times its assessment. Those who had charge of the acquiring of this land got only one piece of it by purchase. That was the church property down on the corner. The prices asked for some of the land were eight times the amount of the assessed value.

I wish to call your attention to the fact that under the law of the District of Columbia all real estate is supposed to be assessed at its fair, true, cash value. Not in a single instance in this particular transaction, and in any other transactions as far as I have been able to learn, have we been able to purchase the property at anywhere near that true cash value which the law says shall be provided through assessment.

Mr. AYRES. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. AYRES. Is it not also a fact that in some cases where condemnation proceedings were had the juries awarded anywhere from four to five times as much as the assessed value?

Mr. WOOD. That is correct, and the assessor calls my attention to a most striking case. The Government undertook to condemn a certain piece of property for public purposes and the assessor was called as a witness. He knew what the assessment on this property was. It was $2 per foot. He thought he would be liberal, and he testified that its fair cash value was $2.50 a foot. Every witness offered by the owner of that property testified that it was worth $17 or $18 a foot, and the award of the jury was a little over $9 a foot.

I wish to call your attention to another law with reference to taxation in the District of Columbia. There is a law which provides that whenever the assessor ascertains that property has been omitted from the assessment rolls, or when it has been assessed too low, or when, for any other cause, it has not been assessed at its true cash value, it is the duty of the assessor, under the law, to go back for a period of three years and adjust it and assess it at its true cash value.

If this law was enforced as it should be, and if the assessor would do his full duty and put this property upon the tax rolls for three years prior thereto, not only would it add much to the treasury of the District of Columbia but it would be a wholesome example to these gentlemen who so stultify themselves in giving these false values upon real estate when the property is taken for governmental purposes.

Mr. O'CONNELL. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. O'CONNELL. As a matter of fact, is not the committee in the position that if they do not get the property at the present price and wait for several years more to buy the property, they will then have to pay about twice as much for it?

Mr. WOOD. In some instances I expect that is true.

It is also true that if the Government does not accept the property at the price given in the award, it can not be again condemned for the same purpose.

Here is another remarkable thing: In condemning property the Government can not introduce the tax assessments as evidence. The law provides that tax assessments shall be the true cash value of the property. Yet when condemnation proceedings are had the Government is prohibited from introducing the tax assessments which are supposed to represent the fair cash value of the property.

I have introduced a bill for the purpose of making admissible in evidence the tax assessments upon these particular pieces of property, not that it may be conclusive but that it at least should be some evidence as to what is the fair cash value.

Mr. O'CONNELL. That bill should be passed.

Mr. REED of New York. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. REED of New York. When was that bill introduced?

Mr. WOOD. Just within the last few weeks; just after we had this experience with regard to the botanical garden.

Mr. DENISON. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. DENISON. To what committee has that been referred?

Mr. WOOD. To the Committee on the Judiciary.

Mr. DENISON. I think that is another measure that should be passed before we adjourn.

Mr. REED of New York. I think so, too.

Mr. WOOD. There is another item to which I wish to call attention.

The sum of $250,000, together with the unexpended balances estimated to amount to approximately $80,000, is recommended for continuance of the work of the Commission on Law Enforcement and Law Observance.

The report accompanying this bill contains in some considerable detail what has been done already by this commission, and what they have in mind for the future. It is a mistake when we think, as many people do think, that all they have to do with is the prohibition question and the enforcement of the eighteenth amendment. While much has been spent on that subject, they have given particular attention to many other subjects.

They have given their attention not only to prohibition but to the cost of crime, the causes of crime, police, criminal justice and the foreign born, prosecution, statistics, lawlessness of Government officials, courts, probation, prisons, and parole. They are asking for an additional $250,000 to complete the program they have laid out. They have already recommended, as we know, various bills which should be enacted into law, some of which have already been passed by this House.

Mr. O'CONNELL. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. O'CONNELL. When the gentleman from New York [Mr. BLACK] was on the floor a few moments ago I asked him if he knew what had been the total appropriations for this commission to date. Is the gentleman prepared to give us that information?

Mr. WOOD. The original appropriation was $250,000.

Mr. O'CONNELL. All together?

Mr. WOOD. All together.

Mr. O'CONNELL. And we are giving them in this bill $250,000?

Mr. WOOD. Of that $250,000 they will have expended by July 1 all but about $80,000; but they are asking for a reappropriation of that $80,000 and an additional $250,000.

Mr. O'CONNELL. That would make a total of $500,000?

Mr. WOOD. It would; yes.

Mr. ARENTZ. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. ARENTZ. Since the gentleman from New York has referred to the dissertation of the gentleman from New York [Mr. BLACK] as to the reasons for the existence of the Wickersham Commission, I wonder if it is not true, after what the gentleman has said about the broad field covered by this commission, that the wet and dry question has nothing to do with the purposes of this commission, and that whether we are wet or dry we must admit that this commission has rendered a very useful purpose.

Mr. O'CONNELL. I am not criticizing the appointment or existence of the commission, but I was seeking information as to the amount of the appropriations for this commission, and for the first time I have learned they have gone very far afield and have done very good work.

Mr. ARENTZ. The commission has covered a great many subjects other than the wet and dry question.

Mr. O'CONNELL. And those things the House did not know about.

Mr. WOOD. We also carry a reappropriation of funds, totalling approximately $140,000 for the continuance of the work in connection with the protection of the interests of the United States in leases on oil lands in former naval reserves. As you will recall, Senator Pomerene and Mr. Roberts, who is now a member of the Supreme Court of the United States, were selected by the President for the purpose of doing this work. One hundred and forty thousand dollars out of a total appropriation of $400,000 is unexpended, and they ask for its reappropriation in order that this work may be completed. Mr. Pomerene appeared before the committee and gave a very detailed statement with reference to what had been done with reference to the amounts of money that have been recovered and with reference to the lands that have also been recovered, so your committee thought this reappropriation should be made.

From what I heard earlier in the day there is another item that may bring about some contention during the consideration of this bill. We have authorized an appropriation of $362,075 for the expenses of the George Washington Bicentennial Commission in preparation for the nation-wide celebration to be held in 1932, commemorating the two hundredth anniversay of the birth of George Washington. The amount recommended includes salaries and administrative expenses and also expenses of printing and binding and preparation of the writings of George Washington as authorized by the act approved February 21, 1930. The act providing for this celebration contains no specific limitation with reference to expenditures, and it is a matter of moment that this Congress at this time should be advised as to what is being done and what is proposed to be done. The program as outlined by the gentlemen in charge, Congressman BLOOM and Colonel Grant, is a very, very extensive one, covering the entire United States. If you will read the hearings upon this subject you will find set out in considerable detail what it is proposed shall be done. In my opinion, if this is carried out to the fullest extent the appropriation here involved will not be enough.

Mr. MICHENER. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. MICHENER. Just how are the accounts audited, or is there any audit at all?

Mr. WOOD. There is no special provision made for any audit, but we are assured that the fullest and completest care is taken with reference to the expenditures, and that a strict accounting will be rendered to the Congress at any time and that they are ready and willing to make it at any time they are called upon to do so.

Mr. MICHENER. Then, do I understand the gentleman to say the law is that this commission is authorized to proceed in such manner as it may see fit, to expend such money as it may think advisable, and after so proceeding and after the money is spent or obligated then they come to Congress and ask that the bills be approved; is that correct?

Mr. WOOD. No; they can not go beyond the appropriations. They are asking for this appropriation to defray the expenses of the initiatory work, in preparing the program, in engaging those who are to write these various histories and these various pamphlets; also to procure a certain amount of literature and lithographs for distribution all over the United States, especially among the schools of the United States.

Mr. MICHENER. If that is true, then, as a matter of fact, they have authority to proceed to do certain work and then come back to the Appropriations Committee and have that committee and then the Congress pass upon the advisability of their proposals before there is any binding commitment made; is that correct?

Mr. WOOD. No; I think if this appropriation is made, they will have a free hand to expend the amount of the appropriation in carrying out the program; but I do not think they could exceed the amount of the appropriation without further authority from the Congress.

Mr. MICHENER. In other words, they would have to come back next year and get further authorization, and before you would make any such authorization you would be satisfied in your committee as to its wisdom.

Mr. WOOD. That is correct.

Mr. MICHENER. Following this a step further, have you given the present bill the consideration which it should have, and do you approve of it, and do you believe we are embarking upon a proper policy when we authorize the expenditure of the amount named in this bill?

Mr. WOOD. The opinion which I have, which I think is the opinion of all the other members of the committee, is that this amount of money will be needed, and perhaps more than this amount of money. There is a certain amount of procedure necessary to be followed in order to inaugurate the celebration; and, of course, we all realize that if we enter upon this celebration it is not to be an ordinary one. It is such a celebration as

should be participated in in some manner by all the people of the United States, one of its prime objects being to instil the ideals of George Washington in the rising generation, and to instil in the minds and hearts of the older generations the respect which they should have for this country to which he gave so much.

So I am not out of accord with the purpose, but I think the commission should be given to understand that while we want a proper celebration and one that will have its influence throughout the United States, there should be a reasonable limit upon its expenditures.

Mr. GARNER. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. GARNER. If the gentleman will go back and examine the RECORD when this resolution was first introduced and adopted by the Congress, he will find that the statement was made at that time that the cost to the Government would be practically nothing and the appropriation would be a negligible one. The gentleman will recall that when Mr. GILLETT appointed this commission he appointed two members from the Republican side and two members from the Democratic side. Although this has been stated before, I am going to make the statement for the RECORD now that Mr. GILLETT made the statement at the time he appointed these four men that this was done for the purpose of seeing that this promise was carried out in all good faith. The commission was not two years old until they came in with a proposition for about $5,000,000 to build a road to Mount Vernon to celebrate George Washington's birth. Other expenditures have come along.

The next thing we heard was that some gentlemen wanted to accumulate some papers and that it would cost $180,000 to publish them, and they continued to make expenditures that I thought, in all good faith, should not be made. I did what I could to defeat this in the House, but the House adopted these things and I thought there was not anything else for me to do but to get off of the commission.

Mr. MICHENER. The committee is making progress with the commission because now they have got down to purchasing 25-cent covers for automobile tires to send throughout the country telling the people about the birth of George Washington.

Mr. GARNER. I just wanted to call attention to the fact that when you start in on one of these so-called celebrations, although you may be assured you are not going to spend any money, it usually winds up in spending millions and in this instance, mark my prediction, before you get through with it you will spend from $7,000,000 to $10,000,000.

Mr. WOOD. It is my prediction that the road that has been inaugurated as a part of the celebration will cost more than the amount now authorized. However, I felt it my duty to call this to your attention. No doubt these men will be guided by what they conceive to be the wishes of the Congress. Without such advice coming from the Congress, they might, perhaps, spend more than we would approve.

The next item I wish to call to your attention is the Porto Rican relief appropriation. You will recall there was an estimate submitted of $3,000,000, composed of $1,000,000 for the making of loans to agriculture in the islands and $2,000,000 for the construction of roads and schoolhouses, and this item was considered in connection with a former deficiency bill.

The case was presented by an officer of the Army and his presentation was not convincing. We ascertained, with respect to the $2,000,000 for the purpose of building roads and schoolhouses, that the schoolhouses had all been built and that, as a matter of fact, the principal purpose, so far as the construction of roads was concerned, was to give employment to the idle. So we cut it out entirely. It was put in over on the Senate side and was dropped out in conference.

At the beginning of the hearings on this measure Colonel Roosevelt, who is the Governor of Porto Rico, came before the committee, and I invite your attention to what he has said with reference to the need of this money and the purposes for which it will be expended. He presented quite a different case from that which had been previously presented to us.

While this money will be used for the improvement of roads, its primary and ultimate purpose is to make the small farmers on the island more capable of becoming self-supporting, so that hereafter they may be able to take care of themselves. Many of these farms are small. They are remote from any highway, and it is almost impossible for those that are on what may be called excuses for highways to reach the main road and get their products to market. The result is that what little they may raise upon their small patches of ground brings them but little return.

There is, of course, no more public land in Porto Rico, and this storm devastated the island so completely that the holders of large acreages of land have been unable and will be unable for years to come to rehabilitate their farms and conduct them as they should be conducted. As a consequence, and by reason of a fund that is being raised by subscription and otherwise, they are buying up this excess of land which these planters can not use and placing the title in the government. Then they are selling these tracts of land in small parcels to those who will buy them, in order that they may have something to make themselves self-sustaining.

There are a million and a half people on this little island. I daresay there is more population to the square mile in Porto Rico than on any comparable area of land in the United States. They are trying to teach these people all sorts of husbandry and all sorts of ways to take care of themselves and their families, and I think they are doing a wonderful work.

If for no other reason that encouragement be given to these people it is well to make this appropriation. So we have in this bill given them a million dollars, hoping that it may be sufficient, and if it is not sufficient to give them another million the next year.

Mr. BRIGGS. Is this amount reimbursable?

Mr. WOOD. No. There is one thing that should be taken into consideration: Porto Rico is not receiving the benefits of the Federal road law; they get nothing from that whatever.

Now, there are some items here in the Agricultural Department that I wish to call attention to. In the main we have allowed the items asked for by the Agricultural Department, except we have reduced it $130,000 from the Budget estimate.

There was one item that we eliminated—$37,500, the purpose of which was to enable the Bureau of Agricultural Economics to make an agricultural survey in Southeastern States of land that has been found unprofitable for cultivation, and largely abandoned for agricultural purposes, believing that such a survey should be provided for by the State and local interests rather than by the Federal Government.

Here is another bit of paternalism that we are fast entering upon. We were told that there are many acres in Georgia that does not raise a crop of cotton any more. They say the people of Georgia ought to raise something else on the land that has been planted in cotton since the beginning of time. To my mind, a State that can not teach its people rotation of crops or how to bring back land through its agricultural department, if the State can not take some initiative, it is not entitled to consideration by the Federal Government.

We also cut out another item. They wanted $80,000 for inspections of the phoney peach disease. There is available for next year already $80,000 and we felt further funds for this work should be put up by the States themselves. The problem of treatment is now known.

With all due respect to the Agricultural Department, the wonderful work it has done in the past, and no doubt will do in the future, these scientific gentlemen lie awake nights trying to find out some way to expend Government money.

I had a very trying experience with reference to one of these projects, with reference to the so-called Mediterranean fruit fly. They wanted $26,000,000 in addition to the four million dollars and a quarter that we gave them for exterminating that pest. If they had gotten that appropriation, they would have spent every dollar of it. You recall that they got $10,000,000 to eradicate the corn borer, and they wanted $10,000,000 more. Everybody knows that that was a fraud, and this was attempting a much bigger fraud than that.

The Department of Agriculture now knows that there was a Mediterraneon fruit fly there a year ago last April, and it was there four years before the time that Doctor Marlatt came before our committee and told us of the horrors produced by the Mediterranean fly and the millions of dollars worth of property that would be destroyed if permitted to remain here a year without eradication. He told us how it destroyed the fruit industry in Spain, and yet the fruit industry in Spain is going along, paying no more attention to the Mediterranean fly then we pay to the occasional grasshopper in Kansas or the potato bug in Indiana. [Laughter.]

And it is no more of a pest. To show you the extent to which Doctor Marlatt went in order to accomplish his purpose, I call your attention to one or two items. The Plant Board of Florida induced the Agriculture Department to enter upon this enterprise. They placed the four and a quarter million dollars in the hands of the plant board with the cooperation of the Agriculture Department. They established a quarantine that was a nuisance and has been a nuisance ever since its beginning. They manned this quarantine with the National Guard of Florida. There was no law under which that could be done, and the attention of Doctor Marlatt was called to that fact by our fiscal agent in Florida. In order not to be checkmated, he told them down there to employ the militia as common day laborers.

That was done, and they were paid as common day laborers from the time this thing commenced until the investigation that we commenced down there disclosed the fact, and then that payment was stopped instantly by the comptroller, because they had not any right to do it, and Marlatt knew they did not have any right to do it.

Mr. O'CONNELL. And it came out of the money appropriated by the United States?

Mr. WOOD. Absolutely.

Mr. O'CONNELL. Perhaps they were employed to shoot the flies.

Mr. WOOD. The trouble was that they never found a fly except those that were found by those who were interested in spending the money. There is an old gentleman named Case who is at the head of the Citrus Exchange down there, who had a large orchard within a mile of where this infested patch was. He sent away and bought all kinds of nets and apparatus to catch one fly on his place, and he never suceeded in doing it.

According to their report there was from first to last 1,000 infestations, and those flies were the most discriminating flies I ever heard of. They located themselves from 10 miles to 12 miles apart, and most of them on a single piece of fruit on a single tree. What did they do? They made a zone 10 miles around and destroyed every bit of fruit within that zone, where they had found only one infested piece of fruit.

They would have half a dozen of these guards or inspectors who would come up to a man's house. A couple of them would entertain the man and two or three others of them would go down into the orchard and then they would come back and tell him that his orchard was infested. They would then put up a sign on the property, "This property is infested." The owner would ask them where they got the fruit, this piece of fruit they found, and they would say they got it down in his orchard. He would then ask them to show him the tree, and they would tell him that it was none of his business where they got it, that his fruit was infested, and his fruit would be destroyed. They dug trenches a hundred feet wide, 8 feet deep, and a hundred feet long and filled them with these oranges and grapefruit that were as perfect as any fruit that was ever raised, and they would destroy it absolutely. When they started out on this thing they had 142 vegetables and fruits that they declared were hosts for this fly. They wiped out many little vegetable growers down in that country, and after it was all over they reduced the number of hosts from 142 to 8.

Let me tell you another thing that this man Marlatt did. He is a bigger pest than all the pests that we have in the country, so far as extravagance is concerned.

Mr. O'CONNELL. Who is this man and what is his position?

Mr. WOOD. He was Chief of the Plant Quarantine Administration of the Agriculture Department until it got too warm for him and they supplanted him with a man named Strong from California. You will find this in the testimony. A woman in Chicago wanted to get up a moving-picture show. She wanted to exploit the Mediterranean fly in Florida. Marlatt wrote to Doctor Newall, who is the head of the Florida Plant Board, to furnish this lady with all of the pictures that he had. Doctor Newall thought it should not be done, that they already had had too much advertising, and of a very damaging nature. Marlatt then sent in a letter peremptorily demanding that he furnish the lady with these pictures, and among other reasons given for doing it said, "We have to make this thing as black as we can in order to get the appropriation we want."

That is in black and white in the record. There was a man named Doctor Kratz who came here to see Doctor Marlatt. Marlatt gave him a letter of introduction to Doctor Newall and told Newall to furnish him with all of the facts that he had in order that he might write an article that would be a scarecrow arrangement and scare the people of the United States as to what was going on down there. This man went down there and interviewed a half dozen people and then wrote his article. It was published in the Country Gentleman. He told in that article that you could not go up to a filling station and get your gasoline without fighting every minute you were there to keep these flies out of your face.

We have spent more dollars in Florida already than there were ever flies down there. To show you that these gentlemen now know and could have known then that what Doctor Marlatt told us was untrue, he told us in order to get this appropriation, that if this fly was permitted to remain unexterminated for a year, it would be impossible to exterminate it.

And they now know and could have known then that the fly had been there four years before, that the fly has been coming and going for 50 years, that he can not stay there very long, that he can live only under the most exceptional circumstances, and then disappears, and I will tell you why they now know that that fly was there four years before.

There was an old man down there by the name of Price. His orchard was visited by a fly of some kind four years before this fly was discovered in April, 1929. He took the larvæ and put it into a bottle and kept it until this thing broke out, and then had them examine it, and it was pronounced to be the Mediterranean fly larvæ.

The thing was not disclosed to the public except what that laboratory got, and the man in the laboratory knew where it was obtained from. This old man was sick and could not go away from home, but they took his affidavit, and when they discussed that, Doctor Benjamin, who claimed to be the first man to pronounce it as Mediterranean fly, went to see him, and he stated that it was examined by another man in his force.

Then he asked the man for a specimen of the larvæ. The man said, "You can not have it." But he took that sample and pronounced it the Mediterranean fly. That established the fact that it had been there four years, and all you could do was to try to control it.

Now, some one may ask why we should appropriate $1,740,000. We did it on the same principle that a parent puts up money when a bandit steals his child. You have a quarantine over Florida, and those people have suffered long enough; but in order to satisfy those people and give them a chance to save their face, this $1,740,000 was granted. I hope this is the last of it. It may be that another accommodating fly will go down there. But with the experience that we have had, if Congress appropriates another dollar for such a purpose down there it will be making a mistake.

Mr. ARENTZ. Mr. Chairman, will the gentleman yield there?

Mr. WOOD. Yes.

Mr. ARENTZ. I think the newspapers should take cognizance of the speech made this afternoon by the gentleman from Indiana [Mr. WOOD] so that the embargo prevailing in California along the eastern border will be taken off, so that tourists will not be put this summer to the extremity of unloading their packs and allowing these officials to grab and purloin their belongings. I hope this will be called to their attention.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. GREEN. I was very much interested in the statement of the gentleman from Indiana relative to the destruction of property in my State. I was wondering whether we could have the cooperation of the gentleman to help those sufferers to be reimbursed?

Mr. WOOD. I think I have done my full measure of cooperation.

Mr. GREEN. Does not the gentleman think the Government should reimburse those people?

Mr. WOOD. I think that is a question that should some time be determined. That millions of dollars' worth of property have been destroyed down there, there is no doubt.

Mr. GREEN. I will say to the gentleman that I was down to see Doctor Strong, insisting that the tomato licensing time may be extended, which they are establishing from the first of July to the last of July, to enable the people to carry their tomatoes to the canners. They could not give me any assurance that the people would be permitted to do that. But they do say that the people may destroy their own stuff. There are no funds available to destroy such fruits and vegetables as the quarantine requires.

Mr. WOOD. There is no excuse for that quarantine. It should have been suspended months ago. We found that 150 miles below that place they could not ship their fruits and vegetables unless they got a certificate from the Government agent 150 miles away, and the express company would not take it without the little ticket. When the ticket was given he would take it out and stick it on the package.

Mr. GREEN. During the last winter, when the snow was waist deep in some of the Central States, we could not even ship our fruits there for fear the fly would get out, and we lost millions of dollars thereby.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. SIMMONS. I think it is only fair to call the attention of the House to the testimony given before our committee. It was to the effect that the destruction of property, and the invasion of private rights, and all that the gentleman from Florida complains about was done by State officials under the authority of the State police power. None of those acts was done by the people there by authority of the Federal Government. If the people in Florida want restitution for the destruction of property, I suggest that they look to the people who destroyed it, and those are their own officials.

Mr. GREEN. By whom were they employed?

Mr. SIMMONS. By the United States under a subterfuge that is disgraceful. They had no authority to do anything under the United States except enforce the quarantine regu-

lations. All that was done by the State officials was done under the State police power, under State rights, and the United States is not responsible.

Mr. GREEN. The gentleman knows that Doctor Marlatt was head of the entire situation and designated by these other employees. It was federalized from the time the fly was destroyed.

Mr. SIMMONS. I am quoting from the sworn testimony of your own State officials as to how the property was destroyed.

Mr. BLANTON. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. BLANTON. As I understand the gentleman from Indiana, he does place some blame on some Federal bureau or somebody in it for at least a part of what he intimated was the waste of this $1,740,000?

Mr. WOOD. Yes; and I have no excuse to offer for it.

Mr. BLANTON. Can the gentleman from Indiana tell us what Federal bureau it was and who it was in the bureau who was responsible?

Mr. WOOD. It was the Department of Agriculture, and this is what happened: The Department of Agriculture had no right to destroy that property, but there is a statute in the State of Florida, which I think is unconstitutional, but which has never been tested, which permits this plant board to enter anybody's property and destroy it. They did the work and the United States furnished the money for them to do it.

Mr. GREEN. In other districts the Federal Government has destroyed property in just the same way.

Mr. WOOD. I have cited the facts as they exist.

Mr. GREEN. Certainly, and I want the gentleman from Nebraska to understand the chairman's position on that.

Mr. SIMMONS. The gentleman knows exactly what happened down there.

Mr. GREEN. The gentleman knows that the Federal Government from time to time has destroyed animals and property that would inflict contagious diseases and pests on other parts of the country.

Mr. WOOD. I do not yield further to the gentleman from Florida.

Mr. GREEN. The gentleman knows he can not shift that burden to my State. He has tried to do it already, and he can not do it. The Federal Government was responsible and destroyed it.

Mr. JONES of Texas. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. JONES of Texas. I want to suggest that under the quarantine provisions the Federal Government may levy such restrictions as to shipments as to practically force the State authorities to take action or have their entire production of products placed under the ban. That system was used in the pink bollworm provision. I want to state to the gentleman that by putting an amendment in the appropriation for a $5,000,000 fund to eradicate the pink bollworm in central west Texas that no noncotton zones should be established until a live worm was found within 5 miles of the property, we saved that $5,000,000 which was spent in Florida on this Mediterranean fruit-fly proposition. They had announced their intention of establishing a noncotton zone, but a regulated zone was established. What I rose for in that connection was to suggest to the gentleman that it has been two years since they have found a live worm in that section, and they still maintain a partial quarantine on those districts, and that should be lifted.

Mr. WOOD. There is not any doubt about that, and I sometimes think we should take this power to establish quarantine away from the Agricultural Department. It is too much power to place in the hands of a coterie of men.

Mr. GREEN. The gentleman is right.

Mr. JONES of Texas. I think the gentleman is a little strong in that statement, but there has been abuse of it.

Mr. WOOD. There is no doubt about the abuse of it. I have spoken to Secretary Hyde about this thing many times, and with reference to lifting this quarantine or making it less stringent, and he always throws up his hands and says, "I have to depend on my biologists, and those biologists unfortunately are under civil service." They run that institution. There is a coterie of those civil-service men in almost every Cabinet office, so that half the time the Cabinet officer does not know what is going on, and that coterie of men are the ones who dictate the policy and enforce or fail to enforce the law.

Mr. JONES of Texas. Will the gentleman yield further?

Mr. WOOD. I yield.

Mr. JONES of Texas. In that connection, with regard to this pink bollworm, which is a somewhat analogous proposition apparently, although I am not familiar with the fruit-fly proposition, if the State authorities did not maintain sterilization and fumigation in this immediate district, they could have put a quarantine on the whole State of Texas and forbid any cottonseed to be shipped out of the State. So, perforce, the State officials must comply with the provisions for regulation or suffer a much worse penalty. Now, those people have been compelled for the last two years to sterilize cottonseed and fumigate the lint at a cost of about $2 per bale. They have lifted finally, for this year, the sterilization requirement, but they are still compelled to fumigate. I think that should be relieved, and I further think the Federal Government should pay at least one-half the expense which these farmers have undergone.

Mr. WOOD. My purpose in calling attention to this was to call attention to the growing power of bureaucracy in our Government. The fact of the matter is we have gone far afield from the character of government that the fathers established for the people of this country, and we are largely responsible for it ourselves.

We pass a bill, and instead of prescribing limitations on that bill and the manner of the enforcement of the law we pass the bill and put in it a clause giving to the department which will have charge of it the right to formulate regulations for its control, and the regulations which they form and the regulations which they enforce never were contemplated by Congress at the time they passed the bill.

Mr. JONES of Texas. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. JONES of Texas. I think there are some instances in which the quarantine provisions are valuable. Valuable work was done in connection with the foot-and-mouth disease. Quarantine is sometimes necessary to avoid the spread of disease or pestilence; but, of course, it may be, and sometimes is, abused.

For instance, in the control of the foot-and-mouth disease I think some valuable work was done. I think there are instances where a quarantine is very necessary, but there have been instances of abuse, I will have to admit.

Mr. GREEN. I will say that the State of Florida appreciates the efforts made by the gentleman to raise this quarantine in the State of Florida and that such action would not have been taken had not the gentleman cooperated with us. The department should raise the quarantine entirely from our fruits and vegetables and reimburse us as they should do.

Mr. WOOD. The sum of $1,000,000 is included under the extension service for additional cooperative agricultural extension work to be in addition to the appropriation of $8,840,000 already provided for the next fiscal year and to be used specifically for allotment to the States for the employment of specialists in economics and marketing of agricultural products. The allotments under this sum are required to be matched by the States with at least equal amounts. The appropriation is indorsed by the Federal Farm Board and is in line with the duties placed upon that board by the agricultural marketing act for promoting education in the marketing of agricultural products. The representative of the Farm Board appearing before the committee believes that the expenditure of this sum through the Agriculture Department will be more economical than for the Federal Farm Board to undertake to set up an agency for this educational purpose.

An appropriation of $100,000 is included for the erection of an experimental ginning plant, purchase of equipment and supplies, and the employment of personal services for conducting investigations of cotton-ginning methods and machinery as authorized by the act approved April 19, 1930.

The sum of $3,500,000 is included for forest roads and trails for the fiscal year 1931, to be supplemental to the appropriation of $7,500,000 heretofore made. This appropriation is pursuant to an increase in the annual authorization of the amount for forest roads and trails from $7,500,000 to $12,500,000 under the act approved May 5, 1930.

The sum of $1,311,628.50 is recommended to provide payment of $506,067.50 to the State of Georgia for damage to and destruction of roads and bridges by floods as authorized by the act approved May 27, 1930, and the sum of $805,561 to the State of South Carolina for similar purposes as authorized by the act approved June 2, 1930.

I want to call your attention next to the Boulder Canyon project. An appropriation of $10,660,000 is included in the bill for the commencement of work on the Boulder Canyon project, as authorized by the act approved December 21, 1928. The total estimated cost of the project as fixed by the act is $165,000,000, of which $25,000,000 is allocated to flood control.

This act provided certain conditions which should be fulfilled before any money should be appropriated, and it was provided in the organic act that the Secretary of the Interior should be the judge as to whether these conditions were performed. This Congress delegated to the Secretary of the Interior authority to make certain contracts for certain purposes and not until those contracts were fully completed to his satisfaction should any money be expended on this project. The Secretary of the Interior appeared before our committee with these various contracts, some three in number, and the committee, at great pains

and great length, examined the Secretary and his advisers with reference to the contents of these contracts, in order to satisfy ourselves as to whether they were what they should be. We might have contented ourselves by relying upon the statute, which provided that the money should be expended when the Secretary was satisfied that the contracts were all right and took the responsibility of so holding. But we were not content to do that.

After an examination of the contracts we came to the conclusion that they were not what they should be. In other words, they did not explicitly specify the minimum amount of power and energy that it was necessary to take and/or pay for in order to amortize the debt to the United States within a period of 50 years. So they formulated and had executed by all those who had signed the original contracts a supplemental contract which, in our opinion, was complete and all right. However, there was one item about which there was a difference and about which, perhaps, many good lawyers would differ. That was with reference to the bonding power of Los Angeles. As has been called to your attention this afternoon, there is a statute in the State of California applying to Los Angeles which prohibits expenditures beyond the ability to pay from the current taxes for any one year unless two-thirds of the electors vote in favor of that thing. We submitted all of these contracts, the original and supplemental contracts, to the Attorney General of the United States, who is the adviser of the President, the Cabinet officers, and of this Congress, if called upon.

After some two weeks he rendered an opinion in which he found the contracts were complete. He found, with reference to this one subject, that this inhibition in the Constitution, to which I have called your attention, did not apply. The facts found by the Secretary of the Interior are to the effect that the ordinary revenues will repay the necessary amount.

Mr. DOUGLAS of Arizona. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. DOUGLAS of Arizona. Will the gentleman state to the House the extent to which the Attorney General found these contracts to be binding? It is to be found on page 1204 of the hearings.

Mr. WOOD. I do not propose to listen to the reading of all that opinion.

Mr. DOUGLAS of Arizona. I asked the gentleman to state that.

The CHAIRMAN. The gentleman from Indiana has occupied one hour.

Mr. WOOD. Mr. Chairman, I ask unanimous consent to proceed for 15 additional minutes.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent to proceed for 15 additional minutes. Is there objection?

There was no objection.

Mr. WOOD. No doubt there will be considerable debate when we reach this item in the bill, so I will not take your time longer than to say that a majority of the committee was satisfied with reference to these contracts. As a matter of fact, we were satisfied, and the Secretary is satisfied, that there will be sufficient revenue derived from one or two of these contracts, even though they do not get anything out of the others, to amortize this entire debt within a period of 50 years, together with 4 per cent interest. As I have said, all that was necessary under that statute was to have the Secretary of the Interior satisfied.

He is not only satisfied, but the Attorney General is satisfied, a majority of your committee was satisfied, and to my mind we have given to this the very best thought and very best attention, and a majority of the committee recommends that this thing should be commenced. This matter was fought and fought in this House; it was fought and fought in the Senate; and those in favor of the Boulder Dam were finally successful. I do not think it is the duty of this Congress to throw further obstruction in the way of a thing which the Congress of the United States has determined by such a decisive vote, after such full debate, should be commenced and completed.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. WOOD. I yield .

Mr. OLIVER of Alabama. From a reading of the contract, who does the gentleman understand will build the transmission line from Boulder Dam?

Mr. WOOD. I understand from the contract, the city of Los Angeles.

Mr. OLIVER of Alabama. Is there any direct obligation on Los Angeles to build the transmission line?

Mr. WOOD. Yes. There is certainly a direct obligation on the part of Los Angeles, because if they did not build the transmission line——

Mr. OLIVER of Alabama. Is it the gentleman's idea, then, from a reading of the contract, that the Secretary has bound the city of Los Angeles to build, and have ready at the time the Government is prepared to deliver current, a transmission line for the distribution of the current?

Mr. WOOD. Yes; but that is not a present liability.

I want now to call your attention to an appropriation that has been recommended for the Department of Justice.

The amount recommended for the Department of Justice is $5,333,258.25, which is $350,311.33 less than the Budget recommendations. Of the total amount recommended there is carried for penal institutions an aggregate of $4,766,497.58.

This is divided up into allocations for extensions of prisons, the building of new prisons, the building of jails, and the establishment of prison camps.

Under this program it was proposed to establish a prison camp down at Camp Lee, in the State of Virginia. In order to establish this camp they would have to spend about $400,000. They would have to build it from the ground. Camp Lee has been entirely abandoned and everything has been torn out and taken away. About 50 miles away, down at Camp Eustis, there are accommodations for 2,000 prisoners, and all that would be necessary would be for a little remnant of our Army to move out and for the prisoners to move in.

General Summerall told me himself it was the purpose to take practically all the troops away from Camp Eustis, and that the camp hereafter would be used only for some artillery practice and used for one month each year for the Reserve Officers' Training Corps and for the cadets at West Point. He also told me that with very little inconvenience, and at very little cost, these activities could be held at other military posts.

So it seemed to me it would be the part of foolishness to expend funds for the purpose of building a new camp when we already have a camp that will accommodate twice the number that the proposed camp at Fort Lee would accommodate. So we have asked the Secretary of War to arrange with the Department of Justice so that Camp Eustis may be used and in this way save the Treasury of the United States and provide for twice as many prisoners at Camp Eustis as we could accommodate at Camp Lee.

Mr. EDWARDS. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. EDWARDS. I would like to say to the gentleman in that connection I think there are a number of places over the country where these camps can be established. For instance, Fort Scriven, Ga., is one that could be enlarged and used. They have good buildings and a good site and there is no reason why the buildings could not be put in good repair at a nominal cost and used for the Reserve Officers Training Corps work.

Mr. WOOD. I think that could be done and I think it will be done. The trouble with these military gentlemen is that when they once get hold of a piece of property they hate to give it up for fear that it might be of use to them at some time in the far distant future; but we will try to save this money and get a prison camp for our rapidly growing prison population.

Another item in the bill to which I wish to call your attention is the one for the establishment of narcotic farms.

As you know, we passed a bill authorizing the purchase of land for the establishment of two narcotic farms. The land has already been purchased for one of them out near Lexington, Ky.

We had before us the gentleman who is supervising this work. He is no doubt a very capable man and no doubt will do his duty as he understands the Congress wishes it to be done. We admonished the gentleman at the hearings that this is a new venture and we did not want the Treasury of the United States exploited as it was exploited in the establishment of the prison for women over at Alderson. If there was ever an outrageous performance in respect of the Treasury of the United States, it was in the building of this prison at Alderson. This gentleman said that that was an outstanding institution. We do not want any more such outstanding institutions. That prison cost us five times as much per capita as any prison we have in the United States. When we build one of these narcotic institutions we will have to build another one just as good, if not better, or else we will have all sorts of complaint and criticism.

So I wish to admonish the Congress now that we should be on our guard with reference to the establishment of this narcotic farm.

They wanted a lot of money for the purpose of commencing construction, although they had no plans. We told them we felt it would be ample for us to appropriate the money for the purpose of paying for the site and for the purpose of taking care of it until such time as they may submit to the committee and to the Congress what their proposal is with reference to construction and the amount of money that is going to be involved in such construction.

Mr. LANKFORD of Virginia. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. LANKFORD of Virginia. I notice that there are only two ways that an addict can get into one of these homes—one is through the Federal courts and the other by consent. The addicts are not criminals. Does the gentleman think of any provision so that they can be sent by the commissioner, as they are in the State courts for insanity? Was that brought to the attention of the committee?

Mr. WOOD. I will say that I am not familiar enough with the law to state whether it can be done or not.

Now, the amount recommended for public buildings under the Treasury Department is $29,037,840, which is $175,000 less than was recommended.

For 5 miscellaneous repair and improvement projects not included in the general building program	$19,300
Site and plans, narcotic farm	325,000
Land for sites for public buildings in the District of Columbia	2,000,000
Outside professional services	1,400,000
Technical and clerical services, Office of Supervising Architect	293,540
Sites and construction, building program	25,000,000

The item of $2,000,000 for the acquisition of sites for public buildings in the District of Columbia is a continuation of the acquisition of properties in the triangle area as sites for public buildings, and also toward the acquirement of additional sites authorized in the amendment to the public buildings act approved March 31, 1930, extending such area to the territory bounded by Pennsylvania Avenue and New York Avenue on the north, Virginia Avenue and Maryland Avenue on the south, and Delaware Avenue SW. on the east, for which a limit of $15,000,000 is fixed.

The appropriation of $1,400,000 for outside professional services is largely due to a provision in the amendment to the public buildings act approved March 31, 1930, authorizing the Secretary of the Treasury to utilize and employ the services of outside architects, the purpose being to use such services on the larger projects and thereby relieve the pressure on the Office of the Supervising Architect to a considerable extent and permit it to get out a larger number of smaller projects.

The sum of $293,540 recommended for technical and clerical services in the architect's office is occasioned by the additional projects authorized in this act.

The sum of $25,000,000 is recommended for sites, commencement of construction, and so forth, on the fourth installment of public buildings under the act of May 25, 1926, as amended. The inclusion of a lump sum to serve a group of projects under initial authorization is a departure from the practice previously followed in such cases, but is believed by the committee and the Supervising Architect's Office to be more flexible and more satisfactory from the standpoint of the progress of the program than to follow the method heretofore in use of making a small specific initial appropriation for each project.

The committee has also included in the bill a paragraph consolidating into a lump-sum fund the balances of appropriations heretofore specifically allotted to certain projects under section 5, and which at present are unobligated for various reasons. The placing of these balances in a single account will serve to expedite the whole building program and will lessen the bookkeeping on funds totaling about $6,000,000.

The committee's recommendations include the following classification of projects:

4 projects under section 3 involving increases in limit of cost	$346,500
178 new projects under section 5 outside the District of Columbia, 20 increases in limit of cost on former projects, and 1 decrease in limit of cost, the net increase aggregating	85,154,300
10 projects in the District of Columbia under section 5, aggregating	35,550,000
Total new limits of cost, net	121,050,800

The total authorization for public buildings outside of the District of Columbia under section 5 of the act of May 25, 1926, as amended, is $315,000,000, against which 259 projects have been approved by Congress with limits of costs totaling $178,841,876.04. The present bill contains 178 new projects and some changes in limits of cost of various projects under section 5 aggregating $85,154,300. These two amounts provide for 437 projects with total limits of cost of $263,996,176.04, leaving in the $315,000,000 of authorization a total of $51,003,923.96. In addition to this figure, it is estimated there will be authorizations arising from the sale of old properties in connection with the entire program of approximately $50,000,000, making something in excess of $100,000,000 that will still be available for future additional installments of the public-building program.

For the District of Columbia there has been authorized a total of $150,000,000 for construction, of which there has been allotted by Congress to specific projects $47,968,741, which sum, added to the $35,550,000 in new limits established in this bill, makes a total of $83,518,741, leaving in the authorization of $150,000,000, for future allotments, $66,481,259.

The committee has included in the hearings on this bill, on pages 12 to 16, statements relative to the status of projects heretofore authorized.

The appropriation balance available for all public building construction on July 1, 1929, was $70,000,000. The Treasury Department appropriation act recently approved carried $23,000,000 and $25,000,000 is included in the accompanying bill, making a total of appropriations for the fiscal years 1930 and 1931 of $118,000,000. The expenditures for the two fiscal years are estimated at $100,300,000, consisting of $36,300,000 for the fiscal year 1930 and $64,000,000 for the fiscal year 1931. There will, therefore, be ample appropriations to carry on all projects at as rapid a rate as the Architect's Office will be able to proceed with them.

I thank you. [Applause.]

Mr. AYRES. Mr. Chairman, I yield to the gentleman from Arizona [Mr. DOUGLAS] 10 minutes.

Mr. DOUGLAS of Arizona. Mr. Chairman and members of the committee, arguments have been made on the floor for the last two days with reference to the contract that the Secretary of the Interior has negotiated and executed with certain parties of southern California for the delivery of power and water.

Earlier this afternoon the gentleman from California [Mr. EVANS] discussed the legal question pertaining to the advisability of the city of Los Angeles approving or obtaining the assent of two-thirds of its electors voting at a duly authorized election to the obligations and liabilities sought to be imposed upon it by the contract entered into with and negotiated and executed by the Secretary of the Interior.

The gentleman from California stated that the contract was entirely for service to be rendered. It should be called to his attention, just as it should be called to the attention of every Member of the House, that there are three express obligations and liabilities imposed in the contract; and if gentlemen will bear with me for a minute I will recite them to the members of the committee.

I refer each one of you to the hearings held before the Committee on Appropriations in which the contract will be found. On page 1206, section 9 (a) is the contract entitled "Compensation for Use of Machinery," in which there is the following language:

> (9) (a) Compensation for the use, for the periods of lease thereof, of machinery and equipment furnished and installed by the United States, for each lessee, respectively, for the generation of electrical energy, equal to the cost thereof, including interest charges at the rate of 4 per cent per annum, compounded annually from the date of advances to the Colorado River Dam fund for the purchase of such equipment and machinery to June 1 of the year next preceding the year when the initial installment becomes due under this article, shall be paid to the United States by the lessees, severally, in 10 equal annual installments, so as to amortize the total cost (including interest as fixed above), and interest thereafter upon such total cost at the rate of 4 per cent per annum.

Mr. EVANS of California. Mr. Chairman, will the gentleman yield?

Mr. DOUGLAS of Arizona. Yes.

Mr. EVANS of California. Does the gentleman hold that that even comes within the purview of the bond act of the State of California?

Mr. DOUGLAS of Arizona. I think it comes within the purview of reasonable business judgment to require a guaranty prior to the beginning of the construction of this dam that there shall be paid to the United States $12,000,000, being the city's share of the cost of generating equipment, plus interest, compounded at the rate of 4 per cent per annum, from the date advanced to the Colorado dam, plus interest at 4 per cent for every year thereafter. The question the gentleman has in mind is whether this is a service or not.

Mr. EVANS of California. Yes.

Mr. DOUGLAS of Arizona. And I say this, that inasmuch as paragraph 10 provides that the lease shall be for a period of 50 years, whereas the compensation for the lease and for the occupancy and use of the generating equipment shall be paid in 10 years, I am convinced in my own mind, and I am reasonably certain that there are many other lawyers who are equally convinced, that that is a payment not for service but for something other than service.

Mr. EVANS of California. May I ask the gentleman another question?

Mr. DOUGLAS of Arizona. I am sorry; I have only 10 minutes. I like to yield to the gentleman always, but I can not do it now. That is the first express obligation in this contract. The second express obligation refers to the payment for

the use of the falling water. This obligation is for service. I would not deny it and I do not think it is susceptible of being denied. That is provided for in section 17 of the contract on page 1213 of the hearings. The third express obligation in the contract is to be found in paragraph 25-b, page 1216, of the hearings, and reads:

The city of Los Angeles shall transmit over its main transmission lines constructed for carrying Boulder Canyon power all such power allocated to and used by each of the municipalities, severally.

That is an express obligation to transmit over its main transmission lines, but inasmuch as this transmission line is not now constructed, and inasmuch as there is no transmission line connecting Boulder Dam with the city or with the allottees, then, to quote the language of the Attorney General, which is found in his opinion on page 1201 of the hearings:

Performance of these obligations will require their construction.

What the Attorney General said in full was this:

As none of the transmission lines have been built, performance of these obligations will require their construction.

In other words, if the city is to fulfill the express obligation of transmitting, in the language of the contract, over its main transmission lines, then as a condition precedent to its fulfilling that obligation it must construct its main transmission line. Therefore the city by this contract is committed to the construction of a transmission line 279 miles in length at a cost of approximately $30,000,000, and with respect to the cost I refer to the hearings—

Mr. OLIVER of Alabama. Does the gentleman understand it is contended by the gentleman from California [Mr. EVANS] that the city of Los Angeles would not be authorized to issue any bonds for the building of that transmission line, even though it was essential in order to get power there for the distribution in the city?

Mr. DOUGLAS of Arizona. I understood the gentleman from California to say that the payment for this contract was a contract for service only. That is why I call attention of the members of the committee to the fact that the contract contains two other express obligations, and with respect to those two the gentleman from California said nothing.

Mr. OLIVER of Alabama. Assuming that the gentleman from California from his standpoint may be correct that the obligation of the city to pay for service only, surely the city, in order to get the benefit of service it seeks must build a transmission line and since that is in line with the acquisition of its power plant, that the city must unquestionably have authority to build such a transmission line?

Mr. DOUGLAS of Arizona. There is no question but that there is authority in the city subject to prior assent of its electors for the issuance of bonds to build the transmission line.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. AYRES. Mr. Chairman, I yield the gentleman five minutes more.

Mr. DOUGLAS of Arizona. Mr. Chairman, leaving out of consideration for the moment the payment for services, namely, the use of falling water which the Secretary of the Interior says will amount to $2,427,000 a year, the payments the city of Los Angeles through its department of water and power must make within eight years will amount to $31,700,000. This is in addition to and exclusive of the $2,427,000 due on account of the use of falling water. The question arises—what are the resources of the city through its department with which these obligations may be met? The Attorney General holds that its resources are limited to its earnings. The language of the Attorney General is to be found on page 1202 of the hearings, in which he says:

Leaving entirely out of consideration the proceeds from the sale of bonds, which would no doubt require, under section 18 of article 11 of the State constitution, the approval of two-thirds of the electors, and leaving entirely out of consideration the proceeds of loans contracted as provided by section 224 of the city charter, which are authorized only for emergency purposes—no quota and only for a period of five years—and bearing in mind that the department of water and power is not authorized to levy taxes, it is apparent that its resources are limited to its earnings from the sale or use of water and of electric energy, and that over these revenues it has complete control of expenditure for the construction, operation, and maintenance of all works and property for the purpose of supplying the city and its inhabitants with water and electric energy.

Question that arises: What are its earnings, what has been its history with respect to its financial solvency and its earning capacity? In the hearings there is an audit by the firm of Price, Waterhouse & Co. inserted by the Secretary of the Interior, which indicates that in the fiscal year ending June 30, 1929, the water and power department of the city of Los Angeles earned a net income of $3,626,972.33, of which only $543,273 was reflected in any manner whatever in liquid assets. I refer the committee to page 1199 of the hearings.

Further from the same audit made by Price, Waterhouse & Co. in the hearings it appears that $1,996,611 represented the only liquid asset of the water and power department over which it had control for purposes other than the program of construction to which it had been committed, in 1926, by the electors of the city.

The committee should bear in mind that in the audit made by Price, Waterhouse & Co. there is an item of $20,000,000, plus the $3,626,973, called surplus. I call the attention of the committee to the fact that the item termed "surplus" represents no liquid asset whatever. It is simply a bookkeeping item, balancing the assets and the liabilities.

Further, the title to all property must be in the city. I refer the members of the committee to section 423 of article 31 of the charter of the city of Los Angeles, as amended in 1929, in which there is the following language:

The title to all property of the city of Los Angeles, now owned or hereafter acquired, including all such property in the name of any officer, board, commission, or department of the city, other than the board of education, shall be vested and held in the name of the city of Los Angeles; and it shall be the duty of every such officer, board, commission, or department, or the successor thereof in office, immediately upon the taking effect of this charter, to execute to the city of Los Angeles such conveyances as may be necessary to put the provisions of this section into effect.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. AYRES. Mr. Chairman, I yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from Arizona is recognized for five minutes more.

Mr. DOUGLAS of Arizona. So that the assets of the water and power department are very limited and can not as of today be considered in any way as making the city of Los Angeles through its water and power department a financially responsible party capable of carrying out the liabilities sought to be imposed upon it by the contract.

The advocates contend that the department will be released from the payment of $3,400,000 plus from the Southern California Edison Co. on account of the purchase of electrical energy from it. When this bill was originally under consideration the House was told that there was a great demand for every kilowatt-hour of electrical energy that could be developed. I wonder if the House was not misled? Either the House was misled then or it is being misled now.

However, if the statement the advocates made two years ago as to the necessity of power is true, and there is the necessity for this power, then the Southern California Edison Co. will not be released from the amount of power now taken by the water and power department of the city of Los Angeles and there will be no avoidance of the payment of the $3,427,000 to that company. But if the department does release the company prior to the construction of the Boulder Canyon Dam, then the amount of power available to it for sale will be reduced by that amount, and the income of the power and water department correspondingly will be reduced.

Again, if the department released the Southern California Edison Co. when Boulder Canyon Dam is finished, then before that power so released can be replaced with Boulder Canyon power the department must spend $31,700,000, first for the transmission lines, exclusive of interest, and secondly on account of the first rental payment for the generating equipment. Until the department has expended such a sum it will not be able to replace the power now being taken by the city from the company, and therefore any additional income referred to by the advocates during the 8-year period in which the Boulder Canyon Dam project is to be constructed, can not be seriously considered.

The advocates state that the accumulation of earnings within the next eight years will be sufficient to cover the payment of $31,700,000, exclusive of interest on the $30,000,000 for the transmission line and exclusive of the $2,427,000 on account of service; namely, the use of falling water.

If the gentlemen of the committee will examine the audit of Price, Waterhouse & Co. it will be found that the department, which came into existence in 1917, has accumulated a fund over which it has control throughout the life of its operations—namely, 12 years up to the end of 1929—in the amount of only $1,996,611.52.

Further, if one were to take the audit as of 1929 and multiply by 8 the amount of the net earnings of the department represented in increase in liquid assets—namely, $543,273—the total

at the time the department must meet the obligations amounting to $31,700,000 will amount to but $4,344,000.

The CHAIRMAN. The time of the gentleman from Arizona has again expired.

Mr. AYRES. I yield to the gentleman three additional minutes.

Mr. DOUGLAS of Arizona. It is further to be pointed out to the committee that the city itself, under section 219 and section 220 and section 3, subsection 6, of the charter, has no power to sell property of this nature, a public utility, or other real property, except upon prior assent of two-thirds of its electors voting at a duly authorized election.

What, then, is the situation with respect to this contract? The city and the department, according to the Attorney General, is bound only to the extent to which the department of water and power is bound. The city, through the department of water and power, from the audit of Price, Waterhouse & Co., can not meet the obligations sought to be imposed upon them. What recourse then will the United States have against the city? Solely against the department of water and power. Since it will not be able to meet the obligations, and since the city is bound only to the extent to which the department is bound, the United States will be barred against talking recourse against the city unless it is provided that the city, at a duly authorized election, provides for the bonds necessary to construct the facilities with which it may utilize the electric energy, and unless, in order that the United States might attach property in the event of default, the city has further, by a vote of two-thirds of its electors at a duly authorized election, consented to the obligations and liabilities sought to be imposed. That, members of the committee, is exactly what the Southern California Edison Co. required the city to do when it entered into a contract with the city for purchase and for service in 1919.

I thank the members of the committee.

ANALYSIS OF AUDIT BY PRICE WATERHOUSE & CO., OF THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES RELATIVE THE ABILITY OF THE DEPARTMENT TO MEET THE OBLIGATIONS SOUGHT TO BE IMPOSED UPON IT BY THE TERMS OF ITS CONTRACT WITH THE SECRETARY OF THE INTERIOR, DATED APRIL 26, 1930, AMENDED MAY 31, 1930

EXHIBIT I.—*City of Los Angeles—Department of water and power—Division of power and light—Balance sheet, June 30, 1929*

ASSETS

Plant and equipment:		
Lands	$7,496,506.31	
Power plants and connecting waterways, less credit from water revenue fund for construction of joint waterways	10,876,458.39	
Transmission system	5,460,779.61	
Distribution system	35,367,211.60	
Utilization equipment	1,515,242.45	
General structures and equipment	2,630,492.13	
Construction work in progress	2,309,768.19	
		(1) $65,656,458.68
Construction funds: Cash on hand and with city treasurer		(2) 1,064,193.56
Bond interest and sinking funds:		
Cash with city treasurer—		
For payment of matured bonds and coupons	159,852.50	
For future maturities	3,324,641.70	
		3,484,494.20
Construction materials and supplies		2,148,036.71
Accounts receivable:		
Consumers	$845,537.15	
Miscellaneous	118,519.47	
	964,056.62	
Less reserve for doubtful accounts	23,181.68	
		(3) $940,874.94
Revenue funds: Cash on hand and with city treasurer		(4) 1,996,611.52
Deferred charges:		
Preliminary engineering and similar expense	306,430.66	
Miscellaneous	55,064.42	
		361,495.08
		75,652,164.69

LIABILITIES

Electric-plant bonds (Exhibit III):		
Serial bonds, unmatured	40,527,000.00	
Matured bonds not presented for payment	86,000.00	
		40,613,000.00
Accrued interest on bonds:		
Matured coupons not presented for payment	73,852.50	
Accrued but not due	589,937.92	
		663,790.42
Purchase-money obligations		45,545.55
Water-revenue fund, current account		151,509.40
Accounts payable:		
Southern California Edison Co.	240,071.30	
Others	323,247.18	
Extension deposits	527,452.23	
Accrued pay rolls	165,044.47	
		1,255,815.18
Unamortized premium on bonds		218,346.55
Reserve for depreciation		4,943,148.38
Investment from proceeds of taxation		3,736,759.46
Surplus arising from operations:		
Balance June 30, 1928	20,397,277.52	
Net income year ending June 30, 1929 (Exhibit II)	3,626,972.73	
		(5) 24,024,249.75
		75,652,164.69

(See pages 1195 and 1196 of the Hearings on Second Deficiency Appropriation Bill, 1930.)

EXHIBIT II—*City of Los Angeles—Department of water and power—Division of power and light*

INCOME ACCOUNT FOR THE YEAR ENDING JUNE 30, 1929

Gross income:			
General consumers, lighting		$8,428,375.17	
General consumers, power		3,854,993.86	
Governmental consumers, lighting		2,080,991.45	
Governmental consumers, power		242,262.84	
Miscellaneous electric revenues		32,736.69	
Other income		98,402.57	
			$14,737,762.58
Deduct—Expenses:			
Production		178,410.10	
Transmission		238,499.38	
Power purchased		3,422,642.37	
Distribution		1,303,008.53	
Utilization		467,973.74	
Commercial		887,340.72	
General		1,030,204.39	
			7,528,079.23
Net income before interest, depreciation, etc.			7,209,683.35
Deduct:			
Interest paid and accrued	$1,855,045.86		
Less interest received	93,565.22		
		1,761,480.64	
Provision for depreciation of plant and equipment		1,567,832.00	
Miscellaneous charges and adjustments (net)		253,398.48	
			3,582,711.12
Net income (Exhibit I)			(1) 3,626,972.23

(See pages 1196 and 1197 Hearings on Second Deficiency Appropriation Bill, 1930.)

EXHIBIT III.—*City of Los Angeles, department of water and power, division of power and light; statement of electric-plant bonds, June 30, 1929*

Election	Authorized	Date of issue	Interest rate per cent	Sold	Matured	Outstanding	Annual maturities	
							Amount	Period
1910	$3,500,000	June 1, 1911	4½	$3,500,000	$1,300,000	$2,200,000	$100,000	1930–1951
1914	6,500,000	Aug. 1, 1914	4½	6,500,000	3,000,000	3,500,000	250,000	1929–1942
1919	13,500,000	Aug. 1, 1921	5	13,500,000	1,125,000	12,375,000	375,000	1929–1961
1924	16,000,000	Oct. 1, 1924	4½	8,000,000	800,000	7,200,000	200,000	1929–1964
		Oct. 1, 1925	4½	4,000,000	300,000	3,700,000	100,000	1929–1965
		Oct. 1, 1926	4½	2,000,000	100,000	1,900,000	50,000	1929–1966
		do	4½	500,000	28,000	472,000	14,000	1929–1961
							10,000	1962
		Oct. 1, 1927	4¼	1,500,000	38,000	1,462,000	38,000	1929–1966
							18,000	1967
1926	11,000,000	Nov. 1, 1926	4½	2,000,000	100,000	1,900,000	50,000	1929–1966
		do	4½	1,000,000	56,000	944,000	28,000	1929–1961
							20,000	1962
		Nov. 1, 1926	4	2,500,000	126,000	2,374,000	63,000	1929–1965
							43,000	1966
		July 1, 1928	4½	500,000		500,000	14,000	1929–1963
							10,000	1964
		July 1, 1928	4½	2,000,000		2,000,000	50,000	1929–1968
	50,500,000			47,500,000	6,973,000	40,527,000		
Matured bonds not presented for payment at June 30, 1929:								
1910 issue					85,000			
1919 issue					1,000	86,000		
Total electric-plant bonds outstanding June 30, 1929 (Exhibit I)						40,613,000		

(See page 1198 Hearings on Second Deficiency Bill, 1930.)

EXHIBIT IV.—*City of Los Angeles—Department of water and power—Division of power and light*

SUMMARY OF RESOURCES AVAILABLE AND DISPOSITION THEREOF, YEAR ENDING JUNE 30, 1929

Resources available:	
Net income for the year ending June 30, 1929 (Exhibit II) (1)	$3,626,972.23
Add provision for depreciation of plant and equipment	1,609,875.00
	5,236,847.23
Deduct proportion of bond premium amortized	14,066.01
Funds derived from operations	5,222,781.22
Bonds sold, 1926 issue (including $2,199 premium)	2,502,199.00
Decrease in construction funds with city treasurer	269,868.13
Appropriated from reserve fund of city (power and light portion)	20,000.00
Total	8,014,848.35
Accounted for as follows:	
Additions to plant and equipment (net)	4,296,999.57
Expendtures for replacements, etc	646,586.28
Expenditures for repairs to power plant No. 2 and aqueduct guarding expense charged to reserve for contingencies	320,000.00
Bonds matured	1,268,000.00
Decrease in purchase money obligations	73,350.50
Authorized payment into general fund of city	20,000.00
Increase in working capital (per accompanying table) (1)	1,316,909.07
Increase in net assets of bond interest and sinking funds (per accompanying table)	73,002.93
As above	8,014,848.35

	June 30, 1928	June 30, 1929
COMPARISON OF WORKING AND CURRENT ASSETS AND CORRESPONDING LIABILITIES		
Assets:		
Materials and supplies	$2,733,564.73	$2,148,036.71
Accounts receivable	922,635.13	940,874.94
Cash	1,453,338.50	(1) 1,996,611.52
Deferred charges	305,227.40	361,495.08
	5,414,765.76	5,447,018.25
Liabilities:		
Accounts payable	1,816,583.42	1,255,815.18
General fund of city	750,000.00	
Water revenue fund	125,397.74	151,509.40
	2,691,981.16	1,407,324.58
Difference, representing working capital	2,722,784.60	4,039,693.67
Increase therein	1,316,909.07	
COMPARISON OF NET ASSETS OF BOND INTEREST AND SINKING FUNDS		
Assets (cash)	3,381,642.52	3,484,494.20
Liabilities:		
Matured bonds not presented	101,000.00	86,000.00
Accrued interest	618,941.67	663,790.42
	719,941.67	749,790.42
Net assets	2,661,700.85	2,734,703.78
Increase therein	73,002.93	

I hereby certify that the foregoing is a full, true, and correct copy of statement of audit report and accounts of the bureau of power and light, by Price, Waterhouse & Co., June 30, 1929.

JAS. P. VROMAN,
Secretary Board of Water and Power Commissioners of the City of Los Angeles.

(See p. 1199, Hearings on Second Deficiency Bill, 1930.)

ANALYSIS OF EXHIBIT I BY NUMBERS

(1) Inasmuch as under the provisions of section 423 of the charter of the city of Los Angeles which requires that title to and exclusive control of all real property must be vested in the city and not in the department, this item must not be construed as an asset of the department. Further, inasmuch as under the contract the city is bound only to the extent to which the department may have available the funds necessary to meet the obligations sought to be imposed and inasmuch as this item, under the provisions of section 423 of the charter does not represent an asset of the department it must not be construed as reflecting in any way whatsoever the ability of the department to meet the obligations sought to be imposed by the contract.

(2) This item, represents the unexpended proceeds of the sale of 1926 electric-plant bonds, is pledged to purposes other than those of meeting the obligations sought to be imposed by the contract and can not, therefore, legally be used for the purpose of meeting the obligations sought to be imposed.

(3) This item is less than accounts payable and therefore represents no net liquid asset of the department.

(4) This item represents the only liquid asset of the department over which it has control and of the date of the audit is the sole asset of the department available to it to meet obligations sought to be imposed by the contract in the minimum amount of $31,700,000.

(5) Since the department may not legally own property and since this item does not represent an asset of the department it must be construed as being solely a bookkeeping item to balance assets with liabilities.

ANALYSIS OF EXHIBIT II

(1) On Tuesday, May 20, 1930, two-thirds of the qualified electors of the city of Los Angeles voting at a legally held election authorized the sale of bonds in the amount of $38,800,000 for purposes of increasing the water supply of the city of Los Angeles, and incidentally increasing the power output of the department. Inasmuch as the lowest rate of interest which the city has paid and is now paying on its bonds sold for purposes similar to the instant authorized issue is 4½ per cent, it may be safely assumed that the $38,800,000 bond issue authorized will bear at least the same rate. At the rate of 4½ per cent, the net interest which must be paid annually will be increased in the minimum amount of $1,746,000 and the net income consequently will be decreased by the same amount or will fall from $3,626,972.23 to $1,880,972.23.

ANALYSIS OF EXHIBIT IV

(1) Of the net of $3,626,972.23 before deductions on account of $1,746,000 increase in interest charges only $1,316,909.07 was reflected in increased working capital, and of that amount only $543,273,02 represented an increase in cash—the only liquid asset over which the department has control.

Mr. AYRES. Mr. Chairman, I yield to the gentleman from Missouri [Mr. LOZIER] such time as he desires to complete his statement.

Mr. LOZIER. Mr. Chairman, section 2804, Revised Statutes of the United States, became effective July 28, 1866. It is as follows:

No cigars shall be imported unless the same are packed in boxes of not more than 500 cigars in each box; and no entry of any imported cigars shall be allowed of less quantity than 3,000 in a single package; and all cigars on importation shall be placed in store or bonded warehouse, and shall not be removed until the same shall have been inspected and a stamp affixed to each box indicating such inspection, with the date thereof. And the Secretary of the Treasury is hereby authorized to provide the requisite stamps and to make all necessary regulations for carrying the above provisions of law into effect.

This has been the law of the land for 64 years and has never been amended in any particular. This law was enacted to build up the cigar industry in the United States and protect it from ruinous competition from cigars produced in Cuba by cheap labor, from tobacco grown by cheap Cuban labor on cheap Cuban land. It was designed not only to protect the American manufacturers of cigars but the laboring men in the United States engaged in the manufacture of cigars. Obviously it was designed to give the American cigar industry control of the American market for cigars. It had that effect, and since July 28, 1866, until the Hawley-Smoot Tariff Act was signed by President Hoover, cigars manufactured in Cuba or elsewhere abroad could not be shipped into the United States in less quantities than 3,000 in a single package; and all imported cigars on their arrival at the United States ports were sent direct to store or warehouses for inspection and stamping by representatives of the Secretary of the Treasury. Without this inspection and stamping foreign cigars could not pass through the channels of trade and commerce and be sold in the United States.

This act prohibiting the importation of foreign cigars in less quantities than 3,000 was a great boon, not only to the American manufacturers of cigars, but to the workmen. If this law had not been in effect, the manufacturers of cigars in Cuba could have flooded the United States with cigars made in Cuba by poorly paid Cuban labor out of cheap tobacco grown by cheap Cuban labor on cheap Cuban land. The law was helpful not only to the American manufacturer and laborer, but to the growers of tobacco in the United States.

Under this law parcel-post shipments of cigars from Cuba are practically prohibited. For many years the manufacturers of cigars in Cuba, assisted by American importers and other interests have labored unceasingly to secure the repeal of this law so that parcel-post shipments of Cuban-made cigars could flood the American markets. At every session of Congress bills have been introduced to repeal this act and a well organized and powerful lobby has endeavored to secure favorable action on this legislation. Heretofore all these efforts to repeal this law have ended in failure. Neither political party would stand for the repeal of this 64-year-old statute. Realizing that in a fight made in the open the proposal to repeal this law would be overwhelmingly defeated, the enemies of this law cunningly went to work to do indirectly, something that they could not do directly. Obviously their plan was to insert in some lengthy bill a provision repealing the act of July 28, 1866, in the hopes that in a multitude of provisions in such a measure this particular provision would be overlooked and slip by and would be

enacted under cover. This they have succeeded in accomplishing, much to the surprise of Congress and the American people, and it was done by slipping a "joker" into the Hawley-Smoot tariff bill.

Immediately after President Hoover signed this tariff bill it was printed officially as Senate Document 166. If you will turn to pages 192 and 193 of this document you will find section 651 entitled "Repeals." This section repeals the Fordney-McCumber tariff bill of 1922 and all acts and parts of acts inconsistent with the provisions of the Hawley-Smoot bill. But on page 193, subparagraph (4), appears the following language:

Section 2804 of the Revised Statute, as amended (relating to limitations on importation packages of cigars).

Section 2804, enacted in 1866, is repealed, and the interests that have been trying for years to secure the repeal of this provision, have finally, and may I say, secretly, accomplished their sinister and selfish purpose. Two lines repealing this old statute were slipped into this bill and passed without the committee having called their report to the attention of the House. The tariff bill was a very voluminous document, consisting of several hundred pages, carrying several thousand provisions.

I doubt if a half a dozen members knew that the tariff bill contained this provision or if they read subparagraph (4) or examined the statutes to ascertain the purport of section 2804. It was reasonable to assume that the statute sought to be repealed by this act had reference exclusively to the tariff. Members of the House naturally assumed that substantive laws not relating to the tariff would not be repealed in this tariff act. I wonder how many members of the Ways and Means Committee understood this provision or knew that this bill repealed the act of 1866. It is probable that this provision was slipped into the bill under cover and without the matter having been given proper publicity, and probably without the full committee having discussed or considered its purport. Surely the Ways and Means Committee would not knowingly lend its influence to legislative legerdemain of this kind, and I am convinced that someone put something over on the Ways and Means Committee.

The Hawley-Smoot tariff bill was written by the Republican members of the Ways and Means Committee, the Democratic members having been excluded from the conference. The odium for having permitted this "joker" to be inserted in this bill must, of course, rest on the Republican members of the Ways and Means Committee who formulated this act.

When the bill was reported to the House it was considered under a rule reported by the Republican members of the Rules Committee. Under this ruling the bill was not open for amendment except under conditions controlled by the chairman and Republican members of the Ways and Means Committee. When the bill was being considered the chairman of the committee, in offering committee amendments, did not commence at the first of the bill and offer the amendments to the sections as they were reached in the reading of the bill, but he "jumped about" from place to place, offering amendments first here and then there, and now amending sections near the end of the bill, then sections near the beginning, and continuing this "skip about" process until the membership of the House in attempting to follow the acrobatic performance of the committee were overcome with dizziness; thereby rendering it impossible for the House to intelligently consider an amendment when it was offered.

Of course, the purpose of this legislative acrobatic feat was to prevent the systematic and orderly consideration of the bill, and not only are the Republican members of the Ways and Means Committee responsible for the insertion of this cigar joker of the bill but, the Republican membership of the House and Senate are to blame for the repeal of the act of 1866. If they had laid their cards on the table and frankly stated to the membership that the bill proposed the repeal of the act of 1866, I am sure that not a dozen Members of the House would have voted for this provision.

I am wondering what the cigar manufacturers in the United States will say when they learn that the Hawley-Smoot tariff bill repeals the act of 1866 and permits the importation of Cuban cigars and their distribution by parcel post throughout the length and breadth of our land. Under this new tariff act these Cuban cigars may be imported and distributed by parcel post in quantities of one or more.

I am also anxious to know what the cigar makers of the United States will say about this Republican tariff bill when they realize that the most important item of protection they have enjoyed since 1866 has been withdrawn.

Hundreds of millions of cigars are made in the State of Florida. The manufacture of cigars in Tampa, Key West, Jacksonville, and other Floridian cities is one of the most important industries of that State. When the Hawley-Smoot tariff bill passed the House the four Representatives from Florida are recorded as having voted for it. The two Senators from Florida voted for the measure. Without the vote of these two Senators the tariff bill would not have passed the Senate or become a law. I do not envy the Representatives and Senators from Florida in their present predicament. I wish I could extricate them from their embarrassing situation. In their zeal to get a spoonful of pottage in the form of a tariff on winter vegetables and a few other products, they placed on the backs of the people of Florida an immense burden in increased cost of practically everything the Floridian buys in his pilgrimage from the cradle to the grave. To get a dime's worth of protection on spinach and onions the people of Florida will be compelled to pay millions of dollars additional on their purchases of manufactured commodities; and what is more pathetic, the tariff baby which they have suckled and nurtured strikes down the protection that the cigar industry of Florida and the Nation has enjoyed for 64 years.

Verily, in the language of Poor Richard, the people of Florida will pay dearly for their tariff whistle.

Moreover, Representatives and Senators from other States, in voting for the Hawley-Smoot tariff bill, struck a deadly blow at American labor in general and the cigar industry of our Nation in particular. This instance illustrates how easy it is for a Democrat to fall into a bottomless pit when he abandons the fundamental principles of the Democratic Party and becomes an advocate of special-privilege legislation.

The Republican Party can not escape responsibility for the wrongs the Hawley-Smoot tariff law will inflict on the American people. It can not evade responsibility for having under cover repealed the act of 1866, thereby strangling the cigar industry in general and the great army of cigar makers in particular. And President Hoover, by signing this bill, ratified the action of his party in standing by and holding the clothes of those who stoned and killed the act of 1866.

Those of us who voted against the comedy of errors known as the Hawley-Smoot tariff bill are not responsible for this and the many other iniquities and jokers contained in this measure. We who voted against the measure found so many vicious provisions that we did not have time to go through the bill with a fine-tooth comb and uncover the vermin that was breeding in the nooks and corners of this pest-infected measure. Full responsibility must be placed on those who formulated the bill, and by their votes enacted it. [Applause.]

Mr. AYRES. Mr. Chairman, I yield to the gentleman from Georgia [Mr. LANKFORD] such time as he may desire to complete his statement.

Mr. LANKFORD of Georgia. Mr. Chairman, the farmer is losing out because those in power are making laws to his detriment rather than for his benefit. He is being robbed and the day of retribution is about to overtake his robbers. The whole country is on the verge of a panic as the result of the basely unjust laws that have been made and because of our unfair economic system.

The farmer is not getting a square deal. Congress has never passed a really worth-while, honest-to-goodness farm-relief measure. The present Farm Board is not to blame. Congress is to blame. I mean those in control are to blame. The farmers' friends are not to blame, but his enemies, who are in the majority here, are to blame.

This Congress is approaching adjournment and as usual, but without much foundation, I still have hope for better legislation at next session. We must help the farmer or, in letting him lose, all will be lost. What I have just said is very evident just at this time. Farm-loan foreclosures are taking place everywhere. Farm lands are falling into the hands of the loan companies. The farmers are losing out. These farms are being abandoned. Something is wrong. The loan companies do not need or want the farms. What can we do? I am offering what I hope may prove to be a solution in the form of a bill to enable and authorize the Government to refinance the distressed long-term farm loans, where the farmer has either lost his farm by foreclosure or is about to lose it.

Foreign debts have been refinanced on much more liberal terms than I am suggesting for the farmers. There has been a straight donation of most of the amount of the foreign debts. I am asking no donation to these unfortunate farmers. I am only asking that they and their children be given 40 years' time in which to pay the debt, with interest at 4 per cent per annum. This would require a very small payment each year unless the farmer desired to pay more. If we ever pass some real farm relief legislation, the farmers could redeem their farms in a few years and have some money to spare.

Congress voted to take care of the losses of the railroads occasioned by the World War. Why not do the same thing for the farmers? All honest patriotic men favor a square deal for the veterans of the World War. The farmers are victims of the World War and the deflation period that followed it. Why not give them a square deal also? It would be money well spent, even if it should cost a few million dollars.

I believe, though, that it would cost very little. Very probably the loan concerns would exchange the farms owned by them for Government bonds for such time and rate of interest as could be met by the annual payments of the farmers.

After mature study I believe the plan suggested in my bill is practical and can be put into effect on a sound economic basis. I am trying to deal with what I believe to be a very serious problem. I have faith in my plan and invite friendly criticisms. If my idea is not good, then, will some one please suggest a solution for this menace to the very existence of the independent farmer? I shall not discuss this measure further at this time. It is my purpose, though, to insist on a thorough study of the bill and complete committee hearings.

The bill is a reclamation measure and seeks to reclaim abandoned farms rather than desert lands, and therefore was referred to the Committee on Irrigation and Reclamation, of which I am a member.

Just now I wish to briefly refer to several other legislative proposals of interest to my people. I am not naming the many measures which have been passed. I only wish to call attention to some fundamentals on which I and my colleagues have done much, but which, as yet, might be termed unfinished business. In fact, some of these subjects will never be finished, for always there will be those favoring them as well as those opposing them. My many speeches, bills, votes, and labors in behalf of these ideas only constitute a part of the mighty, ceaseless conflict which has taken place and is still going on.

While we have gained many objectives, still we find more and more to be done. I trust I may now point out some of the ideals which have inspired my best efforts in the past and which shall guide and direct me in the future.

Mr. Chairman, by speeches, bills, and every available proper method I am fighting for ideals which I believe best for my people and Nation, a few of which are as follows:

(a) Equality for the farmer by enabling him to name the price of what he sells as fully as others name the price of what he buys.

(b) The sale of farm products more directly from the producer to the consumer, thus eliminating unnecessary middlemen, helping the farmer get a better price, and the consumer get a fresher, better product for less money.

(c) Extension of the parcel-post system so as to insure a much cheaper rate for transportation of identical packages of farm and other products directly from producer to consumer.

(d) Free government grading of tobacco when desired by the farmer.

(e) Return of all or a large part of tobacco taxes for State purposes, thus lessening State and county taxes.

(f) The recognition of turpentine and other similar naval stores products as entitled to the same Federal farm aid and protection as is accorded other farm products.

(g) The construction of Government buildings for postal and other Federal purposes in all cities with annual postal receipts of $5,000 or more instead of requiring $10,000 or more annual receipts as is now the case.

(h) A canal across south Georgia and north Florida connecting the intracoastal waterway of the Atlantic Coast with that of the Gulf, along the best and most practical route, to be determined by the Army civil engineers.

(i) Such irrigation, drainage, and flood control throughout my district and the Nation as is essential to the development and protection of low-land areas.

(j) Return, by Federal aid to good roads and other State projects, of at least a reasonable part of the money the big cities have received and are now getting from the rural sections, as well as a return by Federal aid to State activities of a large part of the money the United States Government collects as tariff duties and other Federal taxes from the consuming public, but with the distinct provision that the control of these matters shall at all times remain absolutely and unqualifiedly in the respective States and subdivisions thereof.

(k) Government aid or refinancing, at 4 per cent interest on long time, to distressed farmers by helping them keep their farms or rebuy them where already sold.

(l) Absolutely a square deal for our veterans of all wars at all times everywhere.

(m) Promotion and protection of the livestock, timber, and every other legitimate industry of south Georgia and the Nation.

(n) Safeguarding the farmer, the laboring man, the independent business man, the individual citizen, and the common people against all unlawful or unfair treatment by or because of large combines of wealth and powerful monopolies.

(o) Tariff, where effective, on products my people sell to offset and lessen the effects of tariff on articles my people buy.

(p) A square deal for my section in river and harbor and all other Federal improvements.

(q) Reestablishment of government by the people rather than by bureau chiefs and other Federal appointees.

(r) The control of the Government by the people rather than the control of the people by the Government.

Mr. Chairman, those of us fighting for these principles and other similar ones have gained many battles; we have lost still more. Let us hope for the reelection of all who are true, and for more Members than ever before battling for the right in the next Congress.

Mr. AYRES. Mr. Chairman, I yield to the gentleman from Alabama [Mr. OLIVER] two minutes.

Mr. OLIVER of Alabama. Mr. Chairman, I desire to employ the two minutes assigned me in asking one or two questions of the gentleman from California, not in any controversial mood, however. The gentleman was present, I think, when I asked a question of the gentleman from Arizona [Mr. DOUGLAS] as to whether there was any insistence, on the part of those from California who had spoken as to limitations of the power of the city of Los Angeles, that the city had no authority to build a transmission line.

Mr. EVANS of California. The city of Los Angeles, under the authority granted by the general bond act of 1901, undoubtedly has authority to issue bonds by a two-thirds vote, to build a power line, provided the city of Los Angeles by a two-thirds vote of its city council should first convene and resolve that the cost of the power line would be too great to be met out of the ordinary annual income and revenues of the city, which fact I maintain can not be found in the face of the audit of the Price, Waterhouse Co. of the revenues of the bureau of light and power.

In that connection I maintain that at this time there is no legal premise under which the city of Los Angeles could proceed to issue legal bonds for that purpose.

Mr. OLIVER of Alabama. Even though two-thirds of the citizens should vote in favor thereof?

Mr. EVANS of California. Even though two-thirds of the citizens should vote in favor thereof.

Mr. OLIVER of Alabama. Do I understand that before an election can be called there first must be a definite ascertainment by the council that the usual annual revenues of the city would be insufficient to build the transmission lines?

Mr. EVANS of California. To meet the payments by the time those transmission lines are necessary.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. AYRES. Mr. Chairman, I yield 20 minutes to the gentleman from Tennessee [Mr. DAVIS]. [Applause.]

Mr. DAVIS. Mr. Chairman and members of the committee, as fully as time permits I shall discuss one of the gravest and most important problems confronting the American people. Under the leave granted, I shall extend my remarks by including certain documents and quotations which I shall not have time to read.

GOVERNMENT SUIT AGAINST THE RADIO TRUST

On the 13th of last month there was filed in the United States District Court of Wilmington, Del., the most important antitrust suit in the history of this country, because, if prosecuted to a logical conclusion, it will result in the dissolution of the most powerful, wealthiest, most sinister, and most arrogant monopoly, which ever oppressed the public, terrorized its competitors, or flaunted the laws of any country.

This action was commenced by the Attorney General of the United States against 10 corporations with aggregate assets of $6,000,000,000, who are charged in the petition with violating the Sherman antitrust law. The combination against which this suit was directed are generally known to the public as the Radio Trust.

The 10 corporations against whom this suit was brought are the Radio Corporation of America, General Electric Co., American Telephone & Telegraph Co., Western Electric Co. (Inc.), Westinghouse Electric & Manufacturing Co., RCA Photophone (Inc.), RCA Radiotron Co. (Inc.), RCA Victor Co. (Inc.), General Motors Radio Corporation, and General Motors Corporation.

According to their balance sheets of December 31, 1928, the assets of the chief defendants were:

RCA Victor Co	$141,563,336
General Electric Co	460,455,322
Westinghouse Electric & Manufacturing Co	233,690,111
American Telephone & Telegraph Co	3,826,683,584
General Motors Corporation	1,242,894,869
	5,905,287,222

The assets of these companies have since been materially increased; the assets of the American Telephone & Telegraph system, at the end of 1929, according to the company's statement, were $4,228,430,088.

This does not enumerate the assets of several of the defendant companies.

The petition in this case, which is signed by the Attorney General of the United States and five assistants to the Attorney General, as well as by the United States Attorney, is admirably drafted, apparently after careful and deliberate thought and preparation.

The petition in this case constitutes a ringing indictment against this lawless Radio Trust. For the information of those who may desire to read the entire petition, I beg to advise that this petition was inserted in the CONGRESSIONAL RECORD, on May 14, 1930.

However, a strange and disappointing feature of this suit is that the petition does not clearly cover the Radio Trust monopoly in the communication field, and furthermore, two companies whose contracts and conduct clearly align them with this powerful Radio Trust, and who were specifically charged by the Federal Trade Commission with being members of this monopoly, are conspicuous by their absence, as defendants.

One of these members of the Radio Trust is the United Fruit Co., with assets of about $250,000,000. The United Fruit Co. also has a virtual monopoly of the banana business in this country and in Europe. It has powerful influence in Washington. It operates a fleet of ships, primarily for the transportation of its bananas; many of these ships are operated under foreign flags and with alien crews.

This company desired some valuable ocean-mail contracts, and with the aid of two other hybrid shipping companies and of the Postmaster General, who eagerly rushed to their rescue, succeeded in having chloroformed the bill which very properly provided that no ocean-mail contract should be awarded to any company operating foreign-flag ships in competition with American-flag ships, after such bill had been unanimously reported by the Committee on the Merchant Marine and Fisheries, a resolution for its consideration had been unanimously reported by the Committee on Rules, and it had passed the House without a dissenting voice or vote. While this bill was still pending in the Senate committee the United Fruit Co. succeeded in inducing the Posmaster General to award it three valuable mail contracts amounting in the aggregate to about $9,000,000. This unseemly haste notwithstanding the fact that performance under two of said contracts was not to commence for about three years, for the very good reason that the United Fruit Co. does not now have adequate American ships to perform the service.

Great is the Radio Trust! Great is the Banana Monopoly!

The other members of the Radio Trust not included among the defendants in this suit is the International Telephone & Telegraph Co., with assets of $389,914,333, which has an agreement to buy the Radio Trust foreign communication services, worth about $15,000,000 for $100,000,000 worth of stock in said International Telephone & Telegraph Co., if and when Congress can be induced to so far forget the public interest as to repeal section 17 of the radio act of 1927, which prohibits such a monopoly. The Radio Trust has for more than a year been disseminating false propaganda and exerting strenuous efforts to effect the repeal of said section, but has made no appreciable impression upon the Members of Congress.

Not only are these two companies omitted from the defendants in the Government suit, but likewise the communication subsidiaries of the Radio Corporation of America, particularly RCA Communications (Inc.) and the Radio Marine Corporation.

No explanation has been offered as to why these members of the Radio Trust were omitted. Surely the Department of Justice does not wish to safeguard this monopoly against the very salutary provisions of section 13 in the radio act of 1927, which directs that the licensing authority shall refuse a radio license for broadcasting, commercial communication or other purpose, to any corporation which has been adjudged guilty by a Federal court of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through the control of the manufacture or sale of radio apparatus, through exclusive traffic arrangements, or by any other means, or to have been using unfair methods of competition. This provision of the radio law is self-inforcing. However, immunity from its provisions continues so long as the violator of the law is not adjudged guilty, notwithstanding the fact that the members of the Radio Trust are daily and flagrantly violating the laws. These omitted companies hold licenses for the use of hundreds of most valuable wave lengths in the field of both domestic and international communication.

Furthermore it is admitted that the Radio Corporation of America and its communication subsidiaries have an absolute monopoly in international radio service between this and foreign countries. David Sarnoff, vice president and general manager of the Radio Corporation of America, testified before the Committee on the Merchant Marine and Fisheries "that the international radio service is a natural monopoly and should be." Owen D. Young, the leading figure in the Radio Trust, has several times given utterance to similar sentiments.

This aspect of the case is accentuated by the boasts of the Radio Trust that it has used and will continue to use its monopolistic control of radio patents to keep competitors out of the wireless communication field. In the hearings of the House Committee on the Merchant Marine and Fisheries, in January, 1929, in answer to a question put by me, Manton Davis, vice president and general attorney for the Radio Corporation, testified that—except for a recent restricted modification with respect to press associations—"the refusal to sell or lease apparatus to competitors for international communication purposes is included in the well-defined policy of the Radio Corporation of America."

In the hearings of the Senate Committee on Interstate Commerce, December 10, 1929, page 1196, Owen D. Young testified that this policy of the Radio Trust was still maintained.

So we have the spectacle of this huge combination defiantly announcing that it intends to use its alleged patent monopoly to keep competitors out of the field of radio communication, even though they have licenses from the United States Government.

However, with the exceptions noted, the petition in the Government suit against the Radio Trust is, in my opinion, ably and admirably drawn and constitutes a severe arraignment of the infamous conduct of the trust and forcefully seeks to terminate same.

Another rather disconcerting feature of this suit is that at the time it was instituted the Department of Justice gave out a statement, in part, as follows:

> It is announced at the Department of Justice that there is to-day (May 13) filed on behalf of the United States a suit under the Sherman Act in the district court of Wilmington, Del., to test the legality of the arrangement existing between the Radio Corporation, General Electrict, Westinghouse, American Telephone & Telegraph Co., and six other corporations.
>
> The patent arrangements originally made between several of the defendants have been steadily increased in number and enlarged in scope until the defendants now practically have control of radio and its development. This control has been brought about by a novel method of cross licensing patents. The suit is concerned chiefly with the legality of these patent arrangements.

Upon the commencement of this action, the chairman of the executive committee of the Radio Corporation of America gave out a statement in which he, among other things, declared:

> The Radio Corporation of America welcomes a suit of the Government of the United States to test the validity of its organization, which has now existed for more than 10 years—

And so forth.

This notwithstanding the fact that it is a matter of common knowledge that the Radio Trust has all along exerted every effort to prevent action.

However, I am going to assume that this suit was brought in good faith, and that the Department of Justice officials in charge of same will patriotically, honestly, efficiently, and vigorously perform their full duty.

This belief is strengthened by the attitude of President Hoover, which he so aptly and forcefully stated a few years ago at a hearing before the Committee on the Merchant Marine and Fisheries.

In view of the position of Mr. Hoover and his former connection and great familiarity with radio, I want to particularly invite the attention of the Members to what he said upon this subject. Mr. Hoover, then Secretary of Commerce, and in full charge of radio regulation, among other things declared:

> Not only are there questions of orderly conduct between the multitude of radio activities in which more authority must be exerted in the interest of every user, whether sender or receiver; but the question of monopoly in radio communication must be squarely met.

It is inconceivable that the American people will allow this newborne system of communication to fall exclusively into the power of any individual. group, or combination. Great as the development of radio distribution has been, we are probably only at the threshold of the development of one of the most important of human discoveries bearing on education, amusement, culture, and business communication. It can not be thought that any single person or group shall ever have the right to determine what communication may be made to the American people.

In this connection, I wish to state that I am glad I am not speaking over the radio, but in this forum, where I shall not be cut off from my auditors, as former Senator James A. Reed was the other night while speaking over the radio, when he commenced an arraignment of the Radio Trust.

Reverting to the quotation from Mr. Hoover, he further stated:

We can not allow any single person or group to place themselves in position where they can censor the material which shall be broadcasted to the public.

Radio communication is not to be considered as merely a business carried on for private gain, for private advertisement, or for entertainment of the curious. It is a public concern impressed with the public trust, and to be considered primarily from the standpoint of public interest to the same extent and upon the basis of the same general principles as our other public utilities.

ATTORNEY GENERAL DAUGHERTY'S ATTITUDE

The commencement of this suit, I trust, terminates an immunity which has existed with respect to this trust for approximately nine years. [Applause.] When they first began the formation of this trust they sought an assurance of immunity from Attorney General Harry M. Daugherty, and while in his letter of reply—which I shall insert in the RECORD—he admitted that he had no authority to grant such immunity or to render an opinion upon the validity of the contracts into which they had entered, yet he then proceeded to express such great friendliness and sympathy and gave such strong personal assurances of protection that they treated it as an immunity and have ever since boldly asserted that they have been operating with the approval of the United States Government. I am glad we now have an Attorney General who views his official responsibility and duty differently from the former Attorney General, who was so completely discredited and driven from his office in disgrace.

FEDERAL TRADE COMMISSION INVESTIGATION

On February 12, 1923, the gentleman from Maine [Mr. WHITE] introduced a House resolution requesting the Federal Trade Commission to investigate and report to the House of Representatives as to the various contracts and activities of the Radio Trust.

The Committee on the Merchant Marine and Fisheries unanimously reported said resolution to the House February 22, 1923, accompanied by the following report:

[To accompany House Resolution 548]

The Committee on the Merchant Marine and Fisheries, having considered House Resolution 548, reports the same to the House without amendment, with the recommendation that the resolution be passed. The members of the committee are unanimous in their approval of the resolution.

The House recently passed House bill 13773. In the preparation of that bill the members of your committee felt constrained to limit its scope because of a lack of accurate information on certain important phases of the general subject of radio. That bill, therefore, dealt only with those matters concerning which we were advised and upon which we deemed it vital that there should be prompt action by the Congress.

It is a matter of common assertion that the development of the art, its use, and enjoyment is being hampered and restricted through the acquisition of a few closely affiliated interests of basic radio patents, and that the intent and effect of the practices of these interests is to establish a monopoly in radio instruments and parts thereof. It is charged that agreements have been entered into between manufacturers and dealers in radio apparatus the purpose and effect of which is to eliminate competition, to restrict the sale, and to unwarrantably maintain the price of instruments and their parts. There is evidence of record of contracts or agreements made which purport to give exclusive rights in the transmission, reception, and exchange of radio messages, with the result that no competition in service is possible in the localities covered by such contracts.

Your committee feels that an investigation should be made to ascertain the facts in connection with the matters specifically suggested and more generally covered by the reported resolution. We desire to know the truth. We must have this information in order to satisfy ourselves whether unlawful agreements have been entered into, whether unlawful practices have been and are being engaged in, and to guide us in framing legislation for the consideration of the House. The Members of this House must have the facts if they are to legislate advisedly in the public interest on this subject.

This resolution was called up by the gentleman from Pennsylvania, Mr. Edmonds, under a unanimous-consent request and adopted by the House without opposition March 3, 1923.

REPORT OF THE FEDERAL TRADE COMMISSION

The Federal Trade Commission conducted the investigation and made its report December 1, 1923, in accordance with said resolution. This report on the radio industry, together with the appendix, contains 347 printed pages. The appendix of this report includes the admitted written contracts between the different members of the Radio Trust, which in themselves constitute violations of the antitrust laws in various particulars.

While the said House resolution did not request the Federal Trade Commission to take action against the radio trust, yet the investigation disclosed such flagrant violations of the laws that the Federal Trade Commission, upon its own motion, filed a complaint against the General Electric Co., the American Telephone & Telegraph Co., the Western Electric Co., Westinghouse Electric & Manufacturing Co., the International Radio Telegraph Co., the United Fruit Co., Wireless Specialty Apparatus Co., and Radio Corporation of America.

It may be noted that the Western Electric Co. (Inc.) is a subsidiary of the American Telephone & Telegraph Co.; the International Radio Telegraph Co. is a subsidiary of the Westinghouse Electric & Manufacturing Co.; and the Wireless Specialty Apparatus Co. is a subsidiary of the United Fruit Co.

According to stock exchange quotations, the market value of the stock of the said five parent companies, against whom said complaint was filed, then amounted to about $2,500,000,000; this has since been greatly increased.

With respect to this complaint filed by it, the Federal Trade Commission gave out a statement, which I shall insert at the end of my remarks.

However, the charges are briefly summarized in the following language of the complaint:

The respondents have combined and conspired for the purpose and with the effect of restraining competition and creating a monopoly in the manufacture, purchase, and sale in interstate commerce, of radio devices and apparatus, and other electrical devices and apparatus, and in domestic and transoceanic radio communication and broadcasting.

After numerous delays the Federal Trade Commission completed the taking of about 10,000 pages of sworn testimony and exhibits in support of the charges in the complaint. Thereupon, following a decision of the Supreme Court of the United States in another case involving the jurisdiction of the Federal Trade Commission, in which the court held that said commission had no jurisdiction over violations of the antitrust laws and that the remedy for such violations must be administered by the courts in appropriate proceedings therein instituted, the Federal Trade Commmission dismissed its said complaint against the members of the Radio Trust.

Shortly thereafter I prepared and introduced House Concurrent Resolution 47 on January 11, 1929, which resolution briefly recited the facts with respect to the investigation and complaint of the Federal Trade Commission and then requested the commission to immediately transmit to the Attorney General of the United States all such testimony, exhibits, and other information obtained by it in connection with its said investigation, and requested the Attorney General to have immediate consideration given to the evidence so presented, and to have the Department of Justice take such action on the charges of violation of the antitrust laws of the United States as such evidence and information may warrant, and to report to Congress as soon as convenient his decision and action in the premises. I shall insert at the end of my remarks said resolution.

Within a few days after the introduction of said resolution the Federal Trade Commission transmitted to the Attorney General of the United States all of the testimony which had been taken by it.

On April 22, 1929, I addressed a letter to the Attorney General, inclosing a copy of said resolution, advising that I was informed that the Federal Trade Commission had transmitted to him the record in the case and expressing the hope that the matter might have the early consideration of the Department of Justice and appropriate action taken. I also offered to furnish such information relating to the subject as I had. I shall insert at the end of my remarks the reply which I received from the Attorney General.

Thereafter efforts were made from time to time, particularly by the Commerce Committee of the Senate, to expedite action by the Department of Justice. In the meantime, according to

common report, the Radio Trust was making strenuous efforts to prevent action by the department.

However, the matter finally culminated in the action before referred to being commenced by the Department of Justice, on May 13, 1930.

The illegal and indefensible immunity from prosecution sought to be given to the radio monopoly by the malodorous Harry M. Daugherty nevertheless proved to be effective from August 25, 1921, to May 13, 1930, a period of nearly nine years, during which time the Radio Trust has grown more powerful, more effective, more oppressive, and more arrogant. However, I sincerely trust that it will be demonstrated that it is not stronger than the Government of the United States. I sincerely hope that this great and defiant law violator will be brought to justice.

On March 5, 1926, in the Sixty-ninth Congress, the Committee on the Merchant Marine and Fisheries reported H. R. 9971, to regulate radio communication, and for other purposes, which bill culminated in the radio act of 1927. This bill contained several provisions designed to prevent monopoly of radio, in the drafting and adoption of which I am glad to state that I had a part. However, I filed minority views on said bill, in which I set forth in substance many of the facts which I have recited, as well as many other facts relating to the radio monopoly, and took the position that we should incorporate in the bill additional and more stringent provisions against monopoly. Among other things I took the position that no radio license should be granted to any applicant who was violating the antitrust laws. In my said views and by amendments offered in the House during the consideration of the bill, I proposed several amendments along that line. With respect to same I made this observation:

> The enactment and enforcement of such provisions would force a dissolution of the powerful radio monopoly. It surely will not be contended that the United States should license applicants to continue to violate its laws. Applicants should be required to "come with clean hands" before the Government throws its mantle of protection around them.

However, most of my amendments offered on the floor were rejected, although by close margins.

An unfortunate feature of this whole situation is that the licensing authority, first the Secretary of Commerce (the matter doubtless being handled by subordinates) and then the Federal Radio Commission have greatly favored members of the Radio Trust. While I regret to have to state it, yet I am convinced that the major policies of a majority of the Radio Commission are controlled by the Radio Trust.

HISTORY OF RADIO TRUST

The history of the Radio Trust is an interesting story of commercial, political, and legal intrigue—domestic and international.

At the close of the World War the American Marconi Co.—whose corporate name was Marconi Wireless Telegraph Co. of America, a New Jersey corporation—was the dominant factor in our international radio communications. It was a subsidiary of the British Marconi Co. and was so completely under British domination that during the war the Government had refused to do business with it as an American corporation.

In March, 1919, the British Marconi Co. undertook to buy from the General Electric Co. the exclusive right to the use of the Alexanderson alternator, a powerful radio-telegraphic device, which was believed to be the only one able to span the Atlantic and give efficient service.

Rear Admiral Bullard, who was then Director of Naval Communications, asked the officials of the General Electric Co., as "patriotic American citizens" not to sell these rights to the British company. The General Electric officials declared that they were in the business to sell radio apparatus to anybody who could buy it, and that the British company was the only purchaser in the field, but that if the Navy Department would sanction an American radio monopoly it would create such a company and sell the alternator only to that corporation.

Secretary Daniels rejected that proposal because he said he favored Government control and that, even if he did not, only Congress could sanction such a monopoly. That was the end of the proposal for a Government-sanctioned Radio Trust. However, on October 17, 1919, the General Electric Co. incorporated the Radio Corporation of America under the laws of the State of Delaware. On October 22, 1919, the General Electric Co. made a preliminary agreement with the Marconi Wireless Telegraph Co. of America for the purpose of paving the way for the absorption by the Radio Corporation of America of the American Marconi Co. Under this agreement the Radio Corporation of America was to acquire all the assets of the Marconi Co., including its concessions, contracts, patent rights, and applications.

On November 20, 1919, the General Electric Co. also made an agreement creating its said new subsidiary as its selling agency in the field of manufactured radio products and its subsidiary in the field of international communications.

RADIO CORPORATION OF AMERICA IN FOREIGN MONOPOLY

On November 21, 1919, the Radio Corporation of America made an agreement with the Marconi Wireless Telegraph Co. (Ltd.), of London, which divided the entire world into fields of exploitation between the Radio Corporation of America, General Electric interests in the United States, and the Marconi interests in Great Britain. This agreement divided the world into four sections: American territory, apportioned exclusively to the Radio Corporation; British territory, given exclusively to the British Marconi Co.; neutral territory, made up chiefly of such important countries as Holland, Spain, France, Russia, Germany, Japan, and so forth, in which both companies were to be allowed to use each other's patents, and no man's land, which covered the rest of the world, and in which the companies might operate without the use of each other's patents.

In a desperate effort to effect the repeal of section 17 of the radio act of 1927, the Radio Trust has insisted that it was necessary for them and the cable companies to combine in order to combat the British or foreign monopoly.

As a matter of fact the Radio Corporation of America and its affiliated and subsidiary companies are leading members of the British monopoly and of whatever world monopoly exists.

In fact, they originated the idea and took the lead in organizing such a monopoly.

An Associated Press dispatch of September 30, 1921—nearly nine years ago—reads as follows:

WORLD RADIO COMBINE TO BE FORMED IN PARIS—UNITED STATES INITIATES PROJECT TO END DUPLICATION AND FURNISH CHEAPER SERVICE

> PARIS, September 30 (by the Associated Press).—An international wireless company for control and development of the greater part of the world's radio facilities is in process of organization here by representatives of the wireless interests of Great Britain, France, Germany, and the United States. The delegates expect to complete arrangements in two weeks.
>
> The American delegation is headed by Owen D. Young, vice president of the General Electric Co., and includes Edward J. Nally and J. W. Elwood, president and secretary, respectively, of the Radio Corporation of America, and a large staff of experts. The Westinghouse interests also are represented.
>
> The proposed agreement is the outgrowth of a desire of the four countries to place wireless on a sound commercial basis. The governments concerned have approved the conference and, it is understood, will back the organization to be formed.
>
> Wireless facilities of the four countries will, in effect, be pooled, but each country will retain control over its respective territory. It is thus hoped to eliminate great waste occasioned by duplication and to place at the disposal of the international company unlimited funds for research.
>
> As the United States initiated the meeting, it is expected American interests will have the most prominent part in the proposed company.

ILLEGAL CONTRACTS

From 1919 to 1921 the American Telephone & Telegraph Co., the General Electric Co., the Radio Corporation of America, the Westinghouse Electric & Manufacturing Co., the United Fruit Co., and the International Radio Telegraph Co. entered into a series of what they term "cross-licensing agreements," to the end that every vestige of competition between these companies has been eliminated in all of the commercial fields pertaining to radio, in the fields of patents and invention, in the field of development, and in the field of communication. Furthermore, under these agreements the combined resources of all these great companies must be used as a single instrument to destroy outside competition.

These companies, by an elaborate series of restraints written into these agreements, jointly conspired to monopolize the new art of radio, not only in the field of manufacture of radio apparatus but in the field of communications, of modern broadcasting, and in all other branches of this revolutionary art. These agreements are all set forth in the report of the Federal Trade Commission on the radio industry of 1923.

EFFECT OF THE RADIO MONOPOLY

According to the complaint of the Federal Trade Commission, and, as clearly shown by the admitted written contracts between said various parties, copies of which may be found in the appendix to the Federal Trade Commission report, these parties have already firmly established monopolies in the field of manufacture, sale, and use of apparatus for wire and wireless telephony, wire and wireless telegraphy, and wireless broadcasting. The more offensive provisions of the contracts are—

(a) These for the pooling of all patents of all the parties for all wire and wireless telegraph devices, for all wire and wireless telephone devices, as well as for all radio devices of whatsoever kind and for whatsoever use, for a period fixed or arranged to terminate in 1945.

(b) Those giving to different members of the combination a monopoly in one or more of the fields and containing covenants of all the parties to the contract not to compete or aid others to compete in such fields and to prevent such competition by others.

(c) Those providing for a representation of all the members in the purchase of patents by any member; and for the requirement by all the members that employees should assign their inventions and patents to their employer.

The effect of this combination upon the public is in part disclosed by a reference to a few of the many monopolistic features:

The public-service system of the telephone company is protected from radio competition.

With relatively unimportant exceptions, the monopoly of manufacturing radio devices is secured to the General Electric and to the Westinghouse Cos.

With relatively unimportant exceptions, the Radio Corporation has no right to manufacture radio devices, and while it has the monopoly, with relatively unimportant exceptions, of using and selling radio devices, it is not allowed to use them in competition with the public service telephone business of the telephone company and the public are thus cut off from the present and future advantages of like radio service. The Radio Corporation has an absolute monopoly in wireless communication between this country and foreign countries, except that radio service between this and a few Central American and West Indies points is reserved to the United Fruit Co., another member of the monopoly.

Even if a prospective broadcaster can procure a license from the Department of Commerce, it is necessary for him to purchase his broadcasting apparatus from the monopoly, and if the monopoly sees proper to sell to him at all he must buy the apparatus and operate same upon such terms and under such conditions as the monopoly dictates.

The inventor and scientist is in the grip of a monopoly which can exclude his inventions and patents from use or sale, excepting at a tremendous disadvantage to him, with corresponding benefit to the monopoly.

As a result of these agreements, radio was placed in this position: Anyone desiring to go into any field of radio activity was and is faced with the problem of meeting the combined financial and patent resources of all of these concerns, involving billions of dollars and thousands of patents—not only those in existence, but those that may be brought into existence. The exclusive licenses that were given in the various fields were not only on existing patents, but on future inventions and future patents, so that the exclusive grants would continue until at least 1950. Under the covenants in these agreements, the members of this combination not only admit the scope and validity of issued patents claimed by the respective members of the monopoly, but of their future and unborn inventions. In other words, they have eliminated all possible litigation and contest between themselves.

SIMILAR CONTRACTS ADJUDGED ILLEGAL

With reference to agreements of the latter type, the Federal district court at Chicago recently held in the Oil Cracking case brought by the United States Government against the Standard Oil Cos. and 48 other companies under the Sherman Act, as follows:

Such agreements can not be sustained. While a patent is presumptively valid, many of them, although duly issued, are invalid for various reasons. The public, in whose interest the patents laws are enacted (Kendall *v.* Winsor, 21 How. 322), is ordinarily protected against the burden of such void patent grants by the action of competitors of the patentee who, prompted by motives of self-preservation, refuse to recognize these void patents and therefore successfully contest them. The public is thereby relieved of the burden which their existence entails.

By these clauses of agreement 31 and similar clauses in the other agreements, the parties purchased immunity from attack on their patents. Tying the hands and sealing the lips of the only parties who would ordinarily stand suit and contest the validity of the patents, the primary defendants attempted to fasten on the public burdens which it was not the purpose of the patent law to impose. Such agreements violate the letter and the spirit of the patent law and are contrary to public policy. The far-reaching consequences of such agreements is illustrated by the present case.

We have considered the nature and position of the parties to this great combination. Let us consider how they have conducted themselves since they were organized.

MONOPOLY IN INTERNATIONAL WIRELESS COMMUNICATION

Take first the field of communication by wireless telegraphy. Under these agreements this field was given exclusively to the Radio Corporation of America. That company, either on its own behalf or substantially through a subsidiary, the RCA Communications (Inc.), owned entirely by it, has entered into exclusive contracts with practically the entire world under which it is the sole medium which may be used for transoceanic radio communication to and from the United States.

Traffic agreements were also entered into by the companies of this combination with the outstanding communications companies throughout the world, including those in Great Britain, Canada, Germany, France, Italy, Russia, Belgium, Australia, Holland, Spain, Norway, Sweden, China, Japan, and South American countries, whereby communication with these and other countries of the world was controlled. These arrangements are in nearly all instances exclusive. The contracting parties agree to use each other's facilities exclusively, and in most instances the foreign contracting party has a monopoly in its territory, and in some instances the agreements are with sovereign powers.

DOMESTIC WIRELESS TELEGRAPHY

Now let us consider the field of domestic communication by wireless telegraphy. The Universal Wireless Co., a domestic corporation, was granted licenses to operate on 28 short wave lengths by the Federal Radio Commission. They were given permits to build commercial stations for the transmission of messages for toll in and between 110 cities in the United States. The Federal Radio Commission was created by act of Congress to grant such licenses. Immediately upon commencement of operations the Universal Wireless Co. was sued for patent infringement. It was not sued by an individual patentee or an individual patent owner, it was sued concertedly by various members of this combination on various patents claimed to be owned by them individually. This sinister group, as a combination formed in defiance of law, through its combined illegal power, thus seeks to crush an independent competitor.

Joseph Pierson, president of the Press Wireless (Inc.), on January 13, 1930, told the Committee on Interstate Commerce of the United States Senate, of the attempt of his organization, representing such newspapers as the Chicago Daily News, Chicago Tribune, Boston Monitor, Los Angeles Times, and the San Francisco Chronicle, to develop a wireless telegraphic press service. He states as follows:

Owing partly to the rigid monopoly maintained by the General Electric-Radio Corporation combine of equipment in the United States, even controlling that imported from abroad, it was decided to establish our North American stations in some near-by country where the laws were more favorable to independent initiative and even more rigidly enforced against unfair practices and oppressions of enterprise. We decided, therefore, to set up our station at the terminus of the British Government cables.

Mr. Pierson further stated:

This license agreement does not appear to us to be for the purpose of recouping for the Radio Corporation combine the costs of its wireless development and research plus a fair profit. It seems to be for the purpose of preventing competition and fencing in the field of wireless communication. Consequently, some of my directors say they can regard this license agreement only as specially designed to make of the American press a colony of the electric-power empire which seems to be grasping after complete control of the water and the air of the United States.

Mr. Pierson set forth some of the conditions and terms upon which they alone could purchase apparatus from this combination, as follows:

(a) Press Wireless must pay Radio Corporation of America the General Electric Co.'s price for building the apparatus plus 45 per cent profit to the Radio Corporation of America; and

(b) Press Wireless must pay, as royalty or rental, 5 per cent of the gross receipts to Radio Corporation of America.

3. Use can be for press messages only.

4. Press Wireless must charge its clients "with a view to earning a reasonable profit" and not as a mutual company.

5. Press Wireless must allow Radio Corporation of America to inspect its apparatus and its accounts at will.

6. Press Wireless (Inc.) must surrender to Radio Corporation of America, without any charge whatsoever, all patents or patent rights it now has or will ever have and must give Radio Corporation of America total and exclusive right to lease, transfer, or assign rights of said patents.

7. Radio Corporation of America grants Press Wireless (Inc.) nontransferable right to use Radio Corporation of America patents.

8. Press Wireless (Inc.) must use apparatus in telegraphic code work only, and not for "transmission or reception of facsimiles, pictures, and the like."

9. Press Wireless (Inc.) must buy all parts from Radio Corporation of America.

10. "Article VII. The lessee hereby agrees to extend to the Radio Corporation of America at its request and through Radio Corporation of America Communications (Inc.) and for the benefit of its newspaper clientele, the same facilities, quality of press service, and like tariffs which it extends to its other press customers at the time of the request."

Mr. Pierson further stated:

In our effort to enter the wireless field in the United States we have been presenting our case to the appointed agency of the Government, the Federal Radio Commission. We all would rather have had private grants for the use of frequencies without putting our stations under the public-service obligation, but those newspapers associated in our company bowed to the far-seeing wisdom of the commission, particularly Judges Robinson and Sykes, in their interpretation of public interest, convenience, and necessity. We have submitted to the most rigorous scrutiny, and properly so, of our plans, our resources, and our experience in the communications business. We have been found to meet the test imposed by law. The tribunal which Congress has created to decide such questions for the United States Government has found that we are eligible and entitled to operate stations for certain purposes and on certain channels.

But it seems we did not see the right people. In order to operate a radio station in the United States, it appears, we have to wait upon the secret radio commission of America. You will note that they not only want high tribute indefinitely prolonged, but they even would force us to give up to them use of these valuable frequencies which the Federal Radio Commission licensed to us only. We are almost getting used to these tactics. The dominating wireless interests have succeeded in placing every conceivable obstacle in our way, but I venture to say that we will succeed eventually in setting up our network of press communication without becoming serfs in this new system of industrial feudalism.

WIRELESS TELEPHONY

Let us take up the question of wireless telephony. Apparently one of the principal reasons for the formation of this combination through these agreements was to protect the monopoly of the American Telephone & Telegraph Co. in the business of wire-telephonic communications for toll. For that reason the American Telephone & Telegraph Co. is given an exclusive license in the field of wireless telephone communication, and these other concerns agree not to enter into that field. The result is known to you all. While in Germany traveling upon a train, you can pick up a telephone receiver and talk via wireless. The same innovations are being introduced in Canada. There has been no such development in this country. This is not because Americans have not had sufficient ingenuity.

The real purpose of the combination, however, has been achieved in giving to the American Telephone & Telegraph Co., and its subsidiaries, the control over any potential or possible competition arising from the radio art.

MONOPOLY IN TALKING MOTION-PICTURE FIELD

This combination also asserts that it has the right to complete control over the talking motion-picture field. The American Telephone & Telegraph Co., through its subsidiaries, the Western Electric Co. and Electrical Research Products (Inc.) is fast establishing such control. The Radio Corporation and the Telephone Co. have entered into exclusive arrangements in the talking-picture field with the great motion-picture companies of America, including such companies as Paramount-Famous-Lasky Corporation, the Fox Co., Warner Bros., Vitaphone, and so forth. They are fast tying up the motion-picture theaters with as diabolical a contract as has ever been written. This contract is modeled along the same lines as the old United Shoe Machinery leases, which were declared illegal by the United States Supreme Court (258 U. S. 451). Under them the Electrical Research Products (Inc.) a subsidiary of the Western Electric Co., a member of this great combination, leases talking apparatus for talking motion pictures. Under this lease the motion-picture exhibitor or theater owners can not buy any parts, or accessories, or replacements from anyone except the Electrical Research Products (Inc.). The lease provides in part as follows:

Also, in order further to secure proper functioning of the equipment as aforesaid satisfactorily to the parties hereto, it is agreed that all additional and renewal parts and assembled parts for the equipment shall be obtained from Products—Electrical Research Products, (Inc). * * *

Products may from time to time install such spare and renewal parts as may, in its opinion, be necessary to the satisfactory operation and maintenance of the equipment.

The lease may be canceled, among other reasons—

"Upon the removal of the equipment or any part thereof without the consent of products from the location and position in which it was installed by products."

These tying clauses as effectively shut out manufacturers of competing talking-motion-picture apparatus as did the famous and nefarious United Shoe Machinery leases. Any exhibitor who does not wish to sign such a lease must face patent attacks of this nature. No patents have been adjudicated in this field.

Sensational evidence of the manner in which ownership of patents may be used to extort excessive profits and to foster monopoly was presented to the Senate Committee on Patents during the hearings on a bill by Senator DILL which is designed to end such abuses.

C. C. Colby, chairman of the board of directors of the Audio Research Foundation, declared that the American Telephone & Telegraph Co. now claims the exclusive right to all patents covering sound amplification, including talking-motion-picture machines, and all announcing systems used in theaters, churches, and elsewhere.

"The motion-picture theaters have already paid or contracted to pay to the telephone monopoly upwards of $25,000,000 more than they would have had to pay independent manufacturers for the same service," Mr. Colby said.

"In addition, they have been forced to contract for 'service' to the amount of $50,000,000 more under the threat of patent litigation with the monopoly."

MONOPOLY IN BROADCASTING APPARATUS

The manufacture of broadcasting apparatus employed by the broadcasting stations is produced almost entirely by this combination. They have frightened away by their combined power and terrorizing tactics any competition in the manufacture of that type of apparatus. The development of that art lies solely in their hands. Instead of the General Electric Co. and the Westinghouse Electric & Manufacturing Co. and the American Telephone & Telegraph Co. competing for that business, they work in unison.

BROADCASTING SITUATION

The Radio Corporation of America, and its subsidiary and affiliated companies, all members of the Radio Trust, have either an absolute or a substantial monopoly in all branches of the radio industry, including radio communication. As I have already shown, they have a monopoly in international radio communication services. They have a large part of the choicest broadcasting facilities. In addition to the broadcasting stations directly owned and operated by them, the Radio Corporation of America, the General Electric, and the Westinghouse Co. organized and own all the stock in the National Broadcasting Co., which renders a chain service. Of the 40 cleared channels, which are the only broadcasting channels upon which stations are authorized to operate with 1,000 watts power or more, stations receiving the National Broadcasting Co. service are operating on 27 cleared channels; these stations embrace practically all of the high-powered stations. The approximately 550 broadcasting stations not on these cleared channels are crowded together on the remaining 49 broadcasting channels, 12 of which channels are shared with Canada; the result is that, generally speaking, such stations are so crowded together and so interfere with each other, and are so blanketed and heterodyned by the super-Power Trust stations, that they can rarely be satisfactorily heard. The result is that the air is dominated by the chain program.

OPPRESSIVE TRUST TACTICS

The strangle hold of this Radio Trust is such that if an American citizen or company obtains a license from the United States Government to operate a broadcasting station, that is not all; the licensee must buy the broadcasting license from the monopoly at such a price and upon such terms as the monopoly dictates; then it must pay annual tribute to the radio monopoly. If the licensee then desires to procure a chain program from the National Broadcasting Co., it must make a contract with the American Telephone & Telegraph Co., or one of its subsidiaries in the Bell system, to receive the chain program over the wires before the National Broadcasting Co. will make a contract with such licensee. The telephone company will first exact a heavy tribute under the guise of an installation fee.

In order that this hold-up procedure may be more clearly understood I will give a specific instance. The Radio Trust is so powerful and arrogant that it is no respecter of persons. The Supreme Lodge of the World, Loyal Order of Moose, have a broadcasting station at Mooseheart, Ill. The call letters of this station, WJJD, are in honor of Secretary of Labor James J. Davis, the founder of the order. I herewith insert some correspondence which explains what happened to Station WJJD,

which is typical of what has happened to other independent stations. The correspondence is as follows:

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, February 18, 1928.

Hon. EWIN L. DAVIS,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Replying to your letter of February 9 with reference to the use of a Western Union wire in the hook-up of our radio station at Mooseheart with the Palmer House in Chicago, would say that I took this matter up with our radio manager at Mooseheart and am just in receipt of a reply from him, copy of which I inclose for your information.

I trust this explanation is satisfactory.

With kindest regards, I am most cordially yours,

JAMES J. DAVIS.

Here is the letter which he incloses and to which he refers:

LOYAL ORDER OF MOOSE,
Station WJJD, February 16, 1928.

Mr. JAMES J. DAVIS,
United States Secretary of Labor,
Washington, D.C.

Dear Mr. DAVIS: I am returning the letter of Congressman DAVIS regarding the use of Western Union and telephone lines in connection with our broadcasting station, WJJD.

When we connected with the Palmer House in Chicago, necessitating private broadcasting lines in Mooseheart, we procured estimates from the Illinois Bell Telephone Co., also from the Western Union. However, as the telephone company had an installation charge of some $10,000 which was not charged by the Western Union, we contracted for the Western Union lines.

Since that time, however, it has not been possible for us to connect any telephone lines with our Western Union circuits, which has prevented the broadcasting of any chain programs. It seems that the telephone company has a ruling that they will not permit any telephone lines to be connected in any way with Western Union lines, although I understand that the Western Union Co. has no objection to having the telephone lines connected with theirs.

The Western Union lines have proved very satisfactory, although I believe it will be necessary for us to replace them with telephone lines in the operation of our new transmitter, inasmuch as until we have telephone lines we will be prevented from participating in national broadcasting.

Sincerely and fraternally yours,

C. A. HOWELL.

The actual cost of installation; that is, of connecting up a wire in the radio station, is nominal, and which the Western Union was willing to do without charge, in order to obtain the opportunity to render the wire service for the customary charge in like cases. However, the subsidiary of the American Telephone & Telegraph Co. demanded $10,000 for nothing and then was to charge the customary rates for the service. And the radio station could not procure the chain service, for which it would have to likewise pay, unless it was willing to be held up in this fashion.

The development of the radio art of the greatest interest to our citizens to-day is modern broadcasting. To receive the benefits of it one must purchase the modern radio receiving set which is installed in the home.

RADIO RECEIVING SETS

Let us examine the conduct of this combination in the field of manufacturing such radio receiving sets. The two greatest potential manufacturers of radio-receiving sets were and are the General Electric Co. and the Westinghouse Electric & Manufacturing Co. They are the two greatest manufacturers of electrical apparatus in the United States, no other concern even approximating either of them in size or resources. These companies not only refused to compete with each other as a result of these "cross-license agreements," but agreed to sell on the basis of dividing 60 and 40 per cent between them all of the apparatus manufactured by them exclusively through the Radio Corporation of America, the Radio Corporation of America to buy all such apparatus sold by it from them at 20 per cent over their cost.

LAWLESS PATENT MANIPULATION

The combination does not to-day control patents covering the complete building of a modern radio set. There are numerous other patent holders whose patents have been upheld and with which complete and efficient receiving sets may be manufactured. The Radio Corporation of America itself has been held to infringe a patent covering every radio set attached to the electric-light socket, in the case of Lowell and Dunmore and Dubilier versus Radio Corporation of America, in the United States District Court of Delaware, in a decision rendered by Judge Hugh M. Morris. Yet they have forced the entire radio set manufacturing industry to sign licenses calling for a tribute of 7½ per cent royalty on their business, with a minimum royalty of $100,000 annually. Under these license agreements this great combination only assert that they have patents useful in making a tuned radio frequency receiver, the only kind of a receiver on which they license manufacturers; they do not covenant that they control the patents; they do not agree to defend against other patent holders who may attack their licensees; they do not identify their own patents or any of their own patents; they do not agree that in the event their patents are held invalid that the license is to be inoperative. In the event a single insignificant claim of any one of their infinite number of patents can be upheld, they can still enact this tribute. As a matter of fact, the licenses run for a term of years, and as a practical matter do not depend upon the validity of any of their patents.

The situation in this field was described to the Senate Committee on Interstate Commerce, in its hearings on the Couzens communications bill, by B. J. Grigsby, president of the Grigsby-Grunow Co., the largest independent manufacturer of radio receiving sets. Mr. Grigsby said:

We are licensees under the receiving-set patents of the Radio Corporation of America, the General Electric Co., the Westinghouse Co., and the American Telephone & Telegraph Co., sometimes known as the Radio Trust. In the year and a half in which we have made radio sets we have paid that monopoly $5,302,879.15 in royalties. If we had not been compelled to add this royalty to our manufacturing cost, the retail purchasers of Majestic sets would have been saved approximately $15,000,000.

We did not pay this royalty because we considered these patents worth such a royalty. We did not believe we needed these patents, and none of them had been adjudicated. But the radio combine had so terrorized the industry and had so intimidated the dealers and jobbers everywhere that they were afraid to handle what they called "unlicensed" sets.

Our bankers said they would not finance us unless we took out a license. They said they would not finance a patent fight against such a monopoly, and there was nothing left for us to do but to sign the license agreement. The merits of the patents were never examined by the bankers. The merits of the patents had nothing to do with the case.

Originally this license contract called for a royalty of 7½ per cent of our gross receipts, not only on the radio apparatus involved, but on the cabinets and even the packing cases in which we sold them. Of course, the Radio Corporation of America had no patent on either cabinets or packing cases, but it had the power to compel the payment of any royalties it pleased, and therefore, put the royalty on the manufacturers' price of the complete set.

As a result some of the manufacturers were not putting their sets in cabinets and thus were saving this royalty. We built our huge sales on the economies effected by our large mass production. One of these economies arose from the fact that our company was perfectly integrated, and that we made everything, including our own cabinets, in one plant. We were the largest furniture manufacturers in the United States.

If the royalty on cabinets had been continued it would have forced us out of the cabinet business and, therefore, would have destroyed the economies of our modern method of production. It was because we served notice on the Radio Trust that unless it changed its policy we would manufacture our cabinets through a separate company, so that it would not be able to collect these royalties that the Radio Corporation of America changed its policy and abandoned the royalty on cabinets.

Even with this deduction, however, no industry can long pay 7½ per cent royalty to its competitor. The combine could sell its products and make a profit of 7½ per cent at a price that would represent only our cost and, therefore, eventually bankrupt us. If there were merit in any of the combine's patents, we would have no objection to dealing with the individual companies that owned these patents, but we do protest that it is a violation of the antimonopoly laws to compel us to deal with all of them as one group and to take all of their patents and to pay a royalty, not on the merit of a patent but solely on the power of the combination to destroy us unless we surrender.

When we took our license in 1928 the Radio Corporation of America compelled us to buy the license of a bankrupt company, and we were compelled to assume the obligations of that bankrupt company, which protected the Radio Corporation against loss.

The patent situation in the radio industry is becoming intolerable. When the Radio Corporation fixed its royalty rate at 7½ per cent it did so on the pretense that it had a complete monopoly of the radio-patent situation and that its patent covered every part of the radio-receiving set. This is not true. We are now paying royalties to three other patent owners, and have been sued by five additional companies claiming infringement of seven patents. In no case has the Radio Corporation protected us against these patents or helped us in the suits which have been filed against us.

The patent licenses we were thus compelled to take out include one under the patents of the Radio Frequencies Laboratories on a circuit. We have also had to take out a license under the Lektophone patent. This is a patent on the loud-speaker cone. When we manufactured our loud speaker under the R. C. A. patents, we copied directly the 104-A type of Radio Corporation speaker. When the Lektophone Co. charged us with infringement we tried to get some help from the Radio Corporation of America, but they refused to give it to us, because they had taken out a personal license from the Lektophone Co. and had thus acknowledged the validity of its patents. But the radio combine did not take out a license to protect its licensees, and so we had to pay additional royalties to the Lektophone Co. on the same speaker which we were making under the Radio Corporation of America patents. Later, again on this same speaker, we were threatened by the Magnavox Co., who brought suit against us, but not against the Radio Corporation, although the construction of the speakers is identical.

VACUUM TUBES

There is another aspect of radio which has become a vital factor in our modern life. That is the development of the vacuum tube. In fact, the vacuum tube is the heart of radio. Everything else is hardware and furniture. The vacuum tube is used not only in broadcast-receiving sets, but in all broadcast transmitters, in all radio-communication transmitters, and in every form of wire communication. It is the tube which makes possible the motion picture of to-day, and particularly the talking movies.

The tube is the closest approach to the human brain that man has been able to devise. It has extended man's sight and hearing to span the globe. A new technique in the control of electrical apparatus has been built up around the vacuum tube. Elevators can be controlled with quick accuracy by its aid; industrial operations can be controlled by it; continuous-flow processes may be reduced to absolute precision and uniformity; street-traffic signals can depend for their actuation upon approaching cars; factory and agricultural products are counted, inspected, and graded automatically; colors may be selected by it; it may be used for fire and theft protection; a new science of metering and measurements is being developed by it; phenomena of incredible delicacy, mere indications become dependable yardsticks capable of everyday handling by plant workmen; airships, automobiles, water craft, and so forth can be guided and controlled by it.

The vacuum tube has now established itself as a universal tool. It finds uses in the sciences of medicine, chemistry, geology, geophysics, minerology, and photometry. It is applied in crime detection in many ingenious ways to discover as well as to convict the criminal.

The Radio Trust, knowing full well that the development of the vacuum tube would revolutionize the entire electrical art, and that future developments will be built up around this miracle device, have concentrated their efforts ever since their inception upon securing a complete monopoly of that product.

In the first instance, on their cross-licensing agreements, the General Electric and the Westinghouse Electric & Manufacturing Co., who were the potential competitors in the vacuum-tube field, agreed not to compete, but rather to divide the vacuum-tube business between them on a 60 and 40 per cent basis, and to sell their products exclusively through the Radio Corporation of America on the same arrangements by which radio sets were merchandized. As an article of manufacture, the radio vacuum tube is probably more like the incandescent lamp than any other product. These great concerns have monopolized the incandescent lamp business, and with their tremendous facilities in the lamp field, are the most powerful factors in the manufacture of vacuum tubes. As in every other part of the agreements, however, between the members of this combination, competition between them, in the manufacture and sale of vacuum tubes, was eliminated.

The field, which has been big enough for commercial exploitation in the radio tube art, has been the building of vacuum tubes for radio-receiving sets. When this field developed, various independent companies started to manufacture and sell vacuum tubes. When the Radio Trust succeeded, however, in terrorizing the manufacturers of radio-receiving sets and forcing the execution of the license agreements, they compelled the licensees, as one of the parts of those agreements, to agree to buy from the Radio Corporation of America the vacuum tubes needed to initially actuate the sets manufactured by the independent manufacturer and licensee. Radio sets theretofore had always been shipped by the manufacturers into the trade without tubes. Tubes were shipped separately in interstate commerce, to jobbers, distributors, and dealers in radio receiving sets. These merchants would buy vacuum tubes from the trust or one of its independent competitors, and insert the tubes in the radio-receiving sets. Under the license agreements, however, 95 per cent of the sets manufactured were thereafter shipped with tubes.

The distributors, jobber and dealer, in order to secure radio sets to sell, had to accept with that set vacuum tubes manufactured by the Radio Corporation of America in sufficient quantity to actuate the set. This completely obliterated the independent tube makers from the market. The independent manufacturers filed suit to enjoin enforcement of this clause in the United States District Court of Delaware, alleging that it was a violation of section 3 of the Clayton Act, in that it substantially lessened competition and tended to create a monopoly. This contention was upheld by the district court and by the court of appeals. There has been, therefore, an adjudication of the intention of this combination to monopolize the vacuum tubes. It is also perfectly clear that, if at any time they have or do secure a monopoly of the vacuum tube, they will thereby, as a practical matter, secure a monopoly of all branches of the radio art and of many branches of the electrical art, and will control one of the greatest developments in the history of the human race.

Having failed to secure any favorable adjudication on their patents pertaining to vacuum tubes, having been thwarted in their efforts to monopolize interstate commerce in vacuum tubes by compelling receiving-set manufacturers to buy and install their tubes, they started the same program of concerted terroristic tactics. They threatened jointly to sue the independent tube makers. They, through one of their banking associations, merged and financed four of the five complainants who had beaten them in the ligitation involving the violation of the Clayton Act. They loaned $2,000,000 to this merged company with an option on its stock and completely dominated its affairs. This concern they then had execute a tube license, under which it was agreed to pay a 7½ per cent royalty to the Radio Trust. They created conditions in the trade similar to that which has been described as existing in the trade with respect to radio-receiving sets. Without a single favorable adjudication upon a patent in the tube art, having been repeatedly beaten in the courts whenever they asserted infringement of their patents on tubes, yet by their great size and power they have placed most of the independent tube manufacturers under a 7½ per cent royalty by license agreements. I am reliably informed that it is extremely doubtful whether in the radio vacuum-tube field any competitor can give a 7½ per cent handicap to the radio combination and survive.

The most flagrant thing, however, in connection with these licenses on vacuum tubes is that the licenses absolutely prohibit the making of vacuum tubes by the licensees for any purpose except for installation in radio-receiving sets. All of the fields of application of the vacuum tube which I have referred to are closed to those in the business with the exception of the radio combination. They are rapidly fastening their tentacles upon this marvelous instrumentality. The vacuum tube has brought the vibration of sound around the globe to the human ear. Through television it is expected to bring all things within the vision of the human eye. There has been a stupendous change in the veritable organism of man, and there is a cunning, wicked plot to place it all under the domination of a private monopoly.

PATENT RACKETEERING

The Radio Trust claim to monopoly has been built up under the pretense of an alleged patent situation. Asserting the ownership of 4,000 patents it insists that it controls radio so completely that no competitor can enter the field without infringing one or the other of that multitude of patents, owned by its various members.

That is what witnesses before House and Senate committees have called "patent racketeering." Other trusts have been built up on such a pretense, but none has ever attained the size and the arrogant insolence of the Radio Trust.

"The patent system of the United States was originally conceived to provide unusual rewards for human labor of a high order," said E. R. Reichmann, representing the Radio Protective Association and other independent radio interests.

"It is now being used by aggregations of capital as an instrument for monopolistic control of great arts and industries. This development is exactly and completely destroying the original purpose of issuing patents and human labor is being excluded from any of the rewards which result."

The conduct and contentions of the members of this combination raises one of the most serious problems that has ever been presented to this Congress. If the contentions of this group can be upheld as a matter of law through the patent statutes, then the antitrust statutes can and will be destroyed. They take the position that the grant of a patent by the Patent Office entitles them to center into commercial arrangements and build institu-

tions which have the effect of monopolizing interstate commerce. This is clearly a perversion of the patent statutes. A patent is issued by an administrative body after a hearing which is secret and ex parte. A patent examiner, in passing upon an application to determine whether it has novelty and invention, is governed only by the art which has been disclosed by a search in the Patent Office, and what the examiner may know of the art of his own personal knowledge. His findings are not conclusive, and are not adjudications as to persons not parties to the Patent Office proceedings. The Government does not guarantee the validity of a patent; it makes no pretense of standing back of a patent. The patent statutes clearly provide the only method by which a patent may be enforced, namely, by judicial proceedings to enjoin infringers, or by an action to recover damages for infringement, or both. Under the patent statutes an alleged infringer has his day in court. He is entitled to all the protection of a judicial hearing. No matter to what a degree a patent may have been adjudicated against others, an alleged infringer may not be excluded from interstate commerce under the patent statutes without having his day in court. The patent statutes provide only for the enforcement of the rights arising out of a patent by actions in personam.

The members of this combination claim that a patent being a monopolistic right, they may enter into commercial arrangements and combinations and develop an economic situation, where by economic action and not by process of law, their competitors, whom they allege to be infringers, are shut out of commerce. This is a lawless and a profoundly dangerous doctrine. In essence it means that the Patent Office, in a secret ex parte proceeding, can grant a right that was once only a prerogative of the Crown—and was taken away from the Crown by the blood and tears of our ancestors. A patent gives exclusive rights—yes—but, if valid, it must be enforced through the courts and put to the acid test of litigation.

MONOPOLY METHODS DECLARED ILLEGAL BY COURTS

The patent statutes provide and the courts have consistently held that the rewards of the patent must be confined to the specification of the patents. It is perfectly clear that when you combine as one single patent threat the many thousands of patents controlled by this combination, backed by their enormous resources, such a situation develops power which is infinitely greater than the same patent or patents individually owned.

In the Oil Cracking case, which is the most recent decision on questions involved here, the court said:

Defendants contend that the grant of a patent is a grant of a monopoly; that while such a monopoly is a burden on commerce it is a lawful burden; that the owner of a patent may grant licenses thereunder, whether few or many, and the effect of each license agreement is to partially lift the lawful monopoly evidenced by the patent. In short, it is argued, licenses promote instead of restrict competition and license agreements, no matter what their conditions may be, necessarily extend the freedom to manufacture and to sell the patented article. They therefore contend their arguments are not within the condemnation of the Sherman antitrust law.

The ownership of a patent unquestionably carries with it certain rights, monopolistic in character. Nevertheless, the owner of a patent can use it as property, only subject to the Sherman antitrust law; that is to say, A, B, C, and D can not legally contract respecting their patents in violation of the terms of this law.

To illustrate, A has a valid patent used by numerous licensees. B has a valid patent which other licensees use. Notwithstanding A and B each has a monopoly, there is competition. But it would be a plain violation of the antitrust act for A and B, thus having certain monopolies which are in competition one with another, to combine to eliminate competition between their monopolies and impose or maintain burdens which exist, not by virtue of the monopolies, but by virtue of the agreements dealing with their monopolies as property.

It is in this respect that these various agreements step outside the limits of lawful monopolies which arise from the issuance of the patents. The patent monopoly itself is a property right, and agreements in respect thereto must be subject to the same antimonopoly tests as any other property rights.

There is substantial difference between agreements entered into by competing packing companies respecting the prices at which or territories wherein their products may be sold and an agreement between holders of patent monopolies which fix the rates of royalties that shall be charged to licensees.

In fact, we may go further and say that pooling agreements between holders of patents whereby royalties are fixed and the division of proceeds derived from royalties provided for are within the condemnation of the Sherman antitrust law. * * *

In so far as these agreements are license agreements, they are unobjectionable. To the extent that they go beyond license agreements, they are subject to the inhibitions of the Sherman Act.

BILL TO MEET SITUATION

I have introduced a bill, H. R. 13157, which provides:

That it shall be a complete defense to any suit for infringement of a patent to prove that the complainant in such suit is using or controlling the said patent in violation of any law of the United States relating to unlawful restraints and monopolies or relating to combinations, contracts, agreements, or understandings in restraint of trade, or in violation of the Clayton Act or the Federal Trade Commission act.

This bill is designed to prevent abuses and lawless tactics which have been disclosed at various hearings before the Committee on the Merchant Marine and Fisheries of the House during the past eight years, and which said committee brought to the attention of the Congress in a House resolution and report thereon as early as February, 1923. I have repeatedly pointed out and condemned these abuses and evils, as have other Members of the House and the Senate.

This bill is similar to one which Senator DILL introduced some time ago, and upon which the Senate Committee on Interstate Commerce held comprehensive hearings, which revealed a startling, illegal, and oppressive abuse of patents by various monopolies, particularly by the Radio Trust. The Committee on Interstate Commerce has unanimously reported Senator DILL's bill.

As before explained, the suit recently commenced by the Department of Justice for the dissolution of the Radio Trust is largely upon an unlawful pooling of patents and the unlawful monopolization thereby of all branches of the radio industry.

This bill is not revolutionary in character, but is designed to effectuate the antitrust statutes and to protect independent inventors and manufacturers against the lawless and terroristic tactics of powerful combinations. It makes no act unlawful, but simply tends to prevent the commission of acts already made unlawful by our statutes. It merely provides that a patent owner who is violating the existing antitrust laws can not enforce its patents in the courts so long as it persists in such violation. It merely requires a patent owner to "come into court with clean hands." That is no new principle of either law or morals. It is a rule of law that is recognized in every civilized country. It is older than the patent laws themselves.

This bill will stop patent racketeering. It will put an end to the so-called "patent trusts." It will stop the pernicious and unlawful practice employed by some monopolies to cover their illegal operations under the pretense of patent ownership. It will not interfere with the legal monopoly possessed by the owner of a patent. This bill is not directed against and will not affect lawful cross licensing of patents, which is legitimately employed in some of the industries. This bill should have the enthusiastic support of every Member of Congress who believes in the enforcement of the antitrust laws. I shall ask for its immediate consideration by the House Committee on Patents when Congress reconvenes in December.

The different documents which I have stated I would insert in the RECORD are as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., August 25, 1921.

JAMES R. SHEFFIELD, ESQ.
52 Williams Street, New York City.

MY DEAR MR. SHEFFIELD: I acknowledge with thanks the receipt of your letter of the 12th instant explaining certain agreements entered into between the Radio Corporation of America, the General Electric Co., the Westinghouse Electric & Manufacturing Co., the International Radio & Telegraph Co., and the American Telephone & Telegraph Co.

Your attitude in thus placing the matter before me is much appreciated. I regret to have to inform you, though, that it would not be permissible for me to comply with your request. To do so would violate the long-standing rule of the department that the Attorney General will not express an opinion on legal subjects except to the President and the heads of executive departments.

However, I see no impropriety in saying to you that if in the future complaint is made in reference to the agreements in question, or in regard to anything that may be done thereunder, the department will give due consideration to all that you have submitted, both orally and in writing.

Indeed, I am prepared to go a step further and say that in the event any complaint should reach the department which it should consider required an investigation, no conclusion will be reached or action taken by the department under my administration without advising you and giving you full opportunity to present your views. While I am the head of the department, if I can prevent it, no hasty action will be taken in cases of doubt and good faith, especially when, as in the present case, the facts are frankly presented to the department. Assuring you of my personal esteem.

Yours very truly,

H. M. DAUGHERTY, *Attorney General.*

COMPLAINT OF FEDERAL TRADE COMMISSION

With respect to this complaint, the Federal Trade Commission made the following statement:

FEDERAL TRADE COMMISSION,
Washington, January 28, 1924.

Monopoly in radio apparatus and communication, both domestic and transoceanic, is charged in a complaint issued by the Federal Trade Commission to-day. Efforts to perpetuate the present control beyond the life of the existing patents are likewise charged.

Radio Corporation of America, General Electric Co., American Telephone & Telegraph Co., Western Electric Co. (Inc.), Westinghouse Electric & Manufacturing Co., the International Radio Telegraph Co., United Fruit Co., and Wireless Specialty Apparatus Co., are named as respondents and are alleged to have violated the law against unfair competition in trade to the prejudice of the public.

In the language of the complaint "the respondents have combined and conspired for the purpose and with the effect of restraining competition and creating a monopoly in the manufacture, purchase, and sale in interstate commerce, of radio devices and apparatus, and other electrical devices and apparatus, and in domestic and transoceanic radio communication and broadcasting."

To attain the present control alleged, the complaint recites that the respondents (1) acquired collectively patents covering all devices used in all branches of the art of radio, and pooled these rights to manufacture, use, and sell radio devices, and then allotted certain of the rights exclusively to certain respondents; (2) granted to the Radio Corporation of America the exclusive right to sell the devices controlled and required the radio corporation to restrict its purchases to certain respondents; (3) restricted the competition of certain respondents in the fields occupied by other respondents; (4) attempted to restrict the use of apparatus in the radio art manufactured and sold under patents controlled by the respondents; (5) acquired existing essential equipment for transoceanic communication and refused to supply to others necessary equipment for such communication; and also excluding others from the transoceanic field by preferential contracts.

From the series of contracts referred to in the complaint it appears that the Radio Corporation of America has the right to use and sell under patents of the various respondents which relate to the radio art. It has also given to various respondents the right to manufacture under these patents. Thus there has been combined in the hands of these corporations patents covering the vital improvements in the vacuum tube used in long-distance communications and other important patents or inventions in radio which supplement this central device. Approximately 2,000 patents are involved.

The report of the Federal Trade Commission on the radio industry stated that the gross income of the Radio Corporation in 1922 was $14,830,856.76, and that its capital stock on December 31, 1922, was $33,440,033.56. The holdings of the several respondents in the Radio Corporation of America are given as follows:

	Number of shares	
	Preferred	Common
General Electric Co	620,800	1,876,000
Westinghouse Electric & Manufacturing Co	1,000,000	1,000,000
American Telephone & Telegraph Co	400,000	
United Fruit Co	200,000	160,000

It is further stated that up until 1922 the Radio Corporation had an absolute monopoly in the manufacture of vacuum tubes and for the first nine months of 1923 sold 5,509,487 tubes. During the same period the only other concern having the right to make and sell tubes sold 94,100 tubes.

In the communication field, while the Radio Corporation has some competition in the ship-to-shore communication, it has a practical monopoly in transoceanic service. It controls all the high-power stations in this country except those owned by the United States Government. Agreements of an exclusive character have been entered into with the following countries, or with other concerns in control of the situation in those countries, namely, Norway, Germany, France, Poland, Sweden, Netherlands, South America, Japan, and China. Arrangements have also been made with the land telegraph companies in this country whereby messages will be received at the offices of the Western Union and Postal Telegraph Cos.

A summary of the contracts between the respondents as recited in the complaint is: First, the organization of the Radio Corporation of America in 1919 under the supervision of the General Electric Co., which company received large holdings in the stock of the Radio Corporation for capital supplied and for its service in connection with the acquisition of the American Marconi Co. An agreement entered into between these companies granted to the Radio Corporation an exclusive license to use and sell apparatus under patents of the General Electric Co. until 1945; and the Radio Corporation granted to the General Electric Co. the exclusive right to sell through the Radio Corporation of America only, the corporation agreeing to purchase from the General Electric Co. all radio devices which the General Electric Co. could supply. Subsequently this arrangement was extended to include the Westinghouse Electric & Manufacturing Co., the business of the Radio Corporation being apportioned between the General Electric Co. and the Westinghouse Co., 60 per cent to the General Electric and 40 per cent to the Westinghouse Co.

Meanwhile, in July, 1920, the General Electric Co. and the American Telephone & Telegraph Co. made an arrangement for mutual licensing on radio patents owned by each and providing for traffic relations. The terms of this agreement were extended to the Radio Corporation of America and the Western Electric Co. and thereafter to the Westinghouse Co.

The Radio Corporation in March, 1921, made an agreement with the United Fruit Co., which operated a number of long-distance radio stations in Central and South America, by which licenses under radio patents of the Radio Corporation and of the United Fruit Co. and its subsidiary, the Wireless Specialty Apparatus Co., were exchanged, and arrangements made for the exchange of traffic facilities, and the definition of their respective fields adopted between the Radio Corporation and the United Fruit Co. Provisions of the agreements between the Radio Corporation of America, the General Electric Co., the American Telephone & Telegraph Co., and the Western Electric Co. were extended to the United Fruit Co.

[H. Con. Res. 47, 70th Cong., 2d sess.]

Concurrent resolution

Whereas the House of Representatives of the Congress of the United States on March 3, 1923, unanimously passed a resolution requesting the Federal Trade Commission to investigate and to report the facts concerning attempts to monopolize the manufacture of radio apparatus as well as radio communication to "aid the House of Representatives in determining whether * * * the antitrust statutes of the United States have been or now are being violated by any person, company, or corporation subject to the jurisdiction of the United States," and

Whereas pursuant to said resolution, the Federal Trade Commission did make such investigation and transmitted to the Speaker of the House of Representatives a report of 347 pages embracing various agreements made by and between the General Electric Co., American Telephone & Telegraph Co., Western Electric Co. (Inc.), Westinghouse Electric & Manufacturing Co., International Radio Telegraph Co., United Fruit Co., Wireless Specialty Apparatus Co., and Radio Corporation of America, contracting to pool the radio patents of these companies, allocating to each other their respective fields of manufacture, sale, and use of radio apparatus and facilities, and to restrain their use so as to give to this group what has been alleged to be a monopoly of radio manufacture, and communications in the United States as well as between the United States and foreign countries; and reciting various acts and practices of said companies pursuant to said agreements; and

Whereas said Federal Trade Commission, after submitting said report and upon its own motion, did, on January 28, 1924, issue a formal complaint charging that said General Electric Co., American Telephone & Telegraph Co., Western Electric Co. (Inc.), Westinghouse Electric & Manufacturing Co., International Radio Telegraph Co., United Fruit Co., Wireless Specialty Apparatus Co., and Radio Corporation of America "have combined and conspired for the purpose and with the effect of restraining competition and creating a monopoly in the manufacture, purchase, and sale in interstate commerce, of radio devices and apparatus, and other electrical devices and apparatus, and in domestic and transoceanic radio communications and broadcasting"; and

Whereas said Federal Trade Commission, at great expense has spent five years in hearing evidence to support these charges and has accumulated 10,000 pages of sworn testimony and exhibits; and

Whereas said Federal Trade Commission, following a recent decision of the Supreme Court of the United States that said commission has no jurisdiction over violations of the antitrust laws, and that the remedy for such violations must be administered by the courts in appropriate proceedings therein instituted, has dismissed said complaint; and

Whereas, if the charges contained in said complaint are true, it is the duty of the Department of Justice to prosecute such violators, and to obtain from the United States courts such injunctions or other orders as may be necessary to dissolve such alleged Radio Trust, and to obtain such other relief as may be proper to assure free competition in radio manufacture, sale, and communications: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Federal Trade Commission be, and it is hereby, requested to immediately transmit to the Attorney General of the United States all such testimony, exhibits, and other information obtained by it in connection with its investigation of the complaint aforesaid and such other pertinent information as it may have in connection with this subject; and be it further

Resolved, That the Attorney General of the United States be, and he is hereby, requested to have immediate consideration given to the evidence so presented, and to have the Department of Justice take such action on the charges of violations of the antitrust laws of the United States as such evidence and information may warrant, and to report

to Congress as soon as convenient his decision and action in the premises.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., April 27, 1929.

Hon. EWIN L. DAVIS,
House of Representatives, Washington, D. C.

DEAR MR. CONGRESSMAN: Your letter of the 22d instant relative to the radio trade has been received. The department is now making an inquiry into this matter. Thank you for your offer of assistance, which I am calling to the attention of the gentlemen who are at work on the matter.

Very truly yours,

WILLIAM D. MITCHELL,
Attorney General.

Mr. AYRES. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman and gentlemen of the committee, if you are interested in the cotton farmers, I believe you will be interested in some of the things I have to say.

You will recall that some time ago I made the charge that there is a Cottonseed Trust in the South, and that as a result of this trust the farmers are being compelled to sell their cottonseed at a price equal to ten to twenty dollars less per ton than the cottonseed are really worth.

INVESTIGATION OF COTTONSEED TRUST

The Senate passed a resolution asking the Federal Trade Commission to investigate these charges and other charges made by me against the combination. The Federal Trade Commission has appointed Mr. W. W. Shepherd, of South Carolina, as the examiner to conduct this investigation, and has appointed Mr. Walter Wooten to prosecute the case for the commission. I want to say here and now that I am well pleased with the conduct of the prosecution by Mr. Wooten. I am also well pleased with the manner of conducting the case by Mr. Shepherd. Startling disclosures are being made, disclosures that are alarming. I am very sorry the hearings are not printed, so that the Members of the Congress could examine them. Only three typewritten copies are made, and no copies of the exhibits are made. In order to examine the exhibits it is necessary for a Member to go to the Federal Trade Commission offices and remain there and read them. I have tried to do this, and I believe I have read all the testimony that has been introduced. The commission has permitted me to use one copy of the testimony when it was at all convenient for the employees of the commission to release it.

INDEPENDENTS VERSUS REFINERS

This testimony is that there are two kinds of mills that are interested in crushing cottonseed.

The first group is the independent oil mill that is owned by local people, usually, and is not engaged in the business of refining the crude oil that it crushes from the cottonseed but sells the crude oil to refineries.

The second group is the refinery group, owned by Procter & Gamble Co. at Cincinnati, Southern Cotton Oil Co. at New Orleans, and Swift & Co., of Chicago, and a few other concerns. They own a large number of cottonseed-oil mills in the South, and they crush the seed for the oil—not to sell to some one else but for the purpose of using it in their own refineries. Each one of these refineries buys a great deal more oil than it produces.

So it is to their interest that cottonseed oil remain cheap. The cheaper cottonseed oil is the more profit they will make on the finished product.

THREE COMPANIES PRACTICALLY CONTROL

The testimony before the Federal Trade Commission discloses that the three concerns named above control about 70 per cent of the cottonseed oil in the South, and in controlling the price of cottonseed oil they make the price cheap, as low as coconut oil and in competition with coconut oil, and then make a large profit on the finished products.

PROFITS OF REFINERIES INCREASE IN PROPORTION TO LOSSES OF OIL MILLS

As evidence that what I am saying is true, you may take, for instance, the Procter & Gamble Co., of Cincinnati. It owns the Buckeye Cotton Oil Co. which is a subsidiary of Procter & Gamble Co. The Proctor & Gamble Co. owns every dollar of the stock. The Buckeye Co. claims they are losing money every year, and, doubtless, if you were to examine their books, you would discover they are losing money according to their books; after making deductions they should not make. A profit can be made when the books show a loss. If you examine the books of Procter & Gamble Co., of Cincinnati, you will discover that the common-stock holders, who have invested $25,000,000, are making each year from $15,000,000 to $19,000,000 on that investment. So although they are losing money on the cottonseed oil mills, they are making enormous profits on the refining end of it. Profits amounting from 60 per cent to 80 per cent.

The same illustration is true with reference to the Southern Cotton Oil Co., which is owned by the Wesson Oil & Snowdrift Co., of New Orleans. This company wants cheap cottonseed oil so it can make a large profit on the finished products, and it is doing it. It declared a 100 per cent stock dividend last year, and is making enormous profits for their common-stock holders on that stock. The same illustrations can be given for other refineries also engaged in seed crushing.

BOTH GROUPS HAVE SAME LAWYER

Both groups of mills belong to the same organization—The National Cottonseed Products Association. Mr. Christie Benet, of Columbia, S. C., is the attorney and chief executive officer of that organization. This organization is dominated and controlled by the Buckeye, Southern, and Swift Companies, and one or two other refining companies; the companies that are interested in cheap cottonseed oil. The independent oil mills should never have joined that organization. The Procter & Gamble Co., for the Buckeye, its subsidiary, pays more than $50,000 a year dues to the association. The Southern Cotton Oil Co. pays more than $50,000 a year dues to the National Association. The association and State-cooperating associations doubtless collect several hundred thousand dollars in dues each year which is used to carry out agreements to fix the price of cottonseed at a low price and to fix the price of cottonseed oil at a low price and other unlawful agreements.

The refiners group dominating the association have no trouble in getting their wishes carried out.

INDEPENDENTS AND FARMERS HAVE MUTUAL INTERESTS

My opinion is that the owners of ordinary independent mills would like to see the farmers get a good price for their cottonseed. The independent group of mills advocated a high tariff on oils and fats that are imported into this country in competition with cottonseed oil. The refiners group, headed by Procter & Gamble, opposed such a tariff because it would be calculated to increase the price of cottonseed oil. Representatives of independent mills appeared before committees of Congress advocating a high tariff on imported oils for the purpose of increasing the price of cottonseed oil, which would enable the farmers to get a higher price for seed. I want to commend the representatives of these independent mills for what appears to me to be a worthy motive on their part. The refiners group, however, had representatives to appear before congressional committees opposing any increase on oils and fats that are imported into this country in competition with cottonseed oil. The first group, the independents, have advocated a tariff on jute. The refiners group have opposed the tariff on jute.

DISCRIMINATORY FREIGHT RATES

The independent group does not want cottonseed oil discriminated against in favor of coconut oil and other competing oils on transportation charges over railroads. The refiners group have doubtless been responsible for a gross discrimination in freight rates on cottonseed oil.

Palm, palm kernel, and coconut oil, if imported into the United States, can be transported over the railroads from New Orleans, La., to Kansas City for $90 a carload, a distance of 878 miles, whereas the freight charges on a car of cottonseed oil from New Orleans, La., to Kansas City over the same railroad and for the same service are $136.50. The freight charges on cottonseed oil from Mount Pleasant, Tex., to Kansas City, a distance of 548.8 miles, are $160.50; the freight charges on a car of cottonseed oil from Paris and Roxton, Tex., to Kansas City are the same as from Mount Pleasant. Here is an illustration of a foreign commodity that is being used in competition to cottonseed oil, that is being transported over our railroads a distance one-third greater than the distance from Mount Pleasant, Tex., to Kansas City, Mo., for a freight rate which is equal to $70.50 a carload less than what the domestic commodity is forced to pay.

Importers of coconut oil can transport their commodity over American railroads from New Orleans, La., to Kansas City, a distance of 878 miles, for $90 a carload, whereas farmers at Dallas, Tex., are required to pay $160.50 freight charges on a carload of cottonseed oil from Dallas, Tex., to Kansas City, a distance of only 517 miles.

The freight charges on a car of coconut oil from Houston or Galveston, Tex., to Cincinnati, Ohio, are $90 a car, the coconut oil being imported. The freight charges on a car of cottonseed oil, the same service being required from either of these points to Cincinnati, Ohio, are $184.50, an advantage coconut oil has over cottonseed oil of $94.50 a car.

The freight charges on a car of coconut oil, an imported article, from Houston or Galveston to Chicago, are $96 a car.

The freight charges on cottonseed oil, a home-grown commodity, between the same points, are $187.50 a carload.

The freight charges on coconut oil, an imported commodity, from either Houston or Galveston to Kansas City, are $90 a carload; whereas the charge on cottonseed oil, a domestic product, for the same service between the same points, are $160.50.

REFINERS RESPONSIBLE FOR DISCRIMINATORY RATES

I believe these discriminatory rates have been granted by the railroads at the request of the refiners group which want cheap coconut oil and cheap cottonseed oil.

BOUGHT FOR SOAP, MADE INTO LARD COMPOUNDS

Procter & Gamble purchase cottonseed oil at a price that they can use it for making soap and then use the cottonseed oil to make lard compound. If they purchased the cottonseed oil at the price it would be necessary for them to pay for lard-compound product, the price would be much higher.

The Tariff Commission in 1929 reported—

Consumption by the lard industry, representing 80 per cent of the output of cottonseed oil, amounted to 709,000,000 pounds in 1921 and 641,000,000 pounds in 1923.

BUCKEYE CONTROLS THE MARKET

The testimony introduced before Examiner W. W. Sheppard, of the Federal Trade Commission, investigating the Cottonseed Trust, discloses that Procter & Gamble Co., through its subsidiary the Buckeye Oil Co., controls a sufficient amount of the cottonseed and cottonseed oil that all other oil mills and refineries are compelled to follow what they do; that they must either do the same thing or some competing thing to offset what the Buckeye Oil Co. does.

FOREIGNERS' ADVANTAGE OVER AMERICANS

Foreign oils that are used in competition with cottonseed oil can be transported thousands of miles from across the seas and thousands of miles over the American railroads to interior points in the United States for transportation charges very little, if any, higher than the charges cotton growers of the South are required to pay for transporting their product over American railroads a few hundred miles to the same points.

HOW A FREIGHT RATE IS MADE

Suppose Procter & Gamble want a special import rate on coconut oil from San Francisco to Kansas City, a distance of 2,000 miles. The present freight rate is 75 cents a hundred pounds between those two points. Procter & Gamble may ask the railroads to grant a rate of 55 cents a hundred pounds, which was done about February 1 of this year. The railroads would not like to refuse Procter & Gamble this special rate of 55 cents on coconut oil, because Procter & Gamble is one of the largest shippers in America. Therefore, the railroad company can give notice that the rate is going to be put into effect at the expiration of 30 days. If no one objects and gives a good reason why the rate should not be effected, the rate will automatically become effective at the expiration of 30 days. The Interstate Commerce Commission has nothing to do with it unless an objection is raised.

About February 1 of this year the railroads gave notice that after March 1, 1930, the rate on coconut oil from San Francisco to Kansas City would be 55 cents a hundred pounds. I immediately objected to the rate, filed a protest with the Interstate Commerce Commission, and the rate was suspended until hearings could be held. If that rate had become effective, it would have been only 1½ cents a hundred pounds higher than the rate from Dallas to Kansas City, a distance of 500 miles. In other words, the railroads, for the manufacturers of soap, lard compound, and oleomargarine, were attempting to render four times the service for coconut oil for the same price that would be charged for cottonseed oil.

These discriminatory rates exist all over the United States. They are favorable to the refiners group and are derogatory to the interest of the independent group and the farmers.

NO MAN CAN SERVE TWO MASTERS

No man can serve two masters. The chief executive officer of the National Cottonseed Products Association must either serve the independent group or the refiners group. He is responsible to the refiners group for his employment. Practically all the funds for the organization expenses are collected from the refiners group. Therefore, the organization serves that group and it is conducted in a way that is detrimental to the independent oil mills and the farmers, but beneficial to the refiners group of mills.

REFINERIES SHOULD NOT BE ALLOWED TO OWN OIL MILLS

I believe that the representatives in the legislatures of the cotton-growing States should seriously consider making it unlawful for any refinery that is engaged in using cottonseed oil to make finished products, to own any right, title, or interest in an oil mill. The refiners group are endeavoring to get complete ownership as well as control of the cottonseed oil mills in the South. When that is done not only will the farmers get a very low price for their seed but they will pay an excessive price for their cottonseed meal and hulls.

PROFITS OF PROCTER & GAMBLE

In the magazine Time, June 16, 1930, under the title "Business and Finance," there was an article about the Procter & Gamble Co. Unquestionably the information contained in this article was furnished by representatives of that company. I quote the following extract:

Earnings of the Procter & Gamble Co. for 1929, $19,148,943.

Another extract, as follows:

Procter & Gamble is one of the largest producers of cottonseed oil in the United States; buys and produces 50 per cent of the total United States edible-fat production; uses 90 per cent of all whale oil imported into the United States.

From a statement which was given out by Procter & Gamble Co. during the month of October, 1928, I quote the following:

Net profit for the year ending June 30, 1928, was $15,579,335, in contrast with $15,004,975 shown in last year's annual statement. Net income last year was equivalent to $11.99 on 1,250,000 shares of common stock of $20 par value, against $11.38 the previous year.

It is interesting to note that during the year 1929, when oil mills claimed they were not making much money, the Procter & Gamble Co., the owner of the Buckeye Cotton Oil Co., earned $16 on every $20 share of common stock. The company bought its crude cottonseed oil from its subsidiary and other companies at a low price and made a large profit on the finished products.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. AYRES. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. PATTERSON].

Mr. PATTERSON. Mr. Chairman and members of the committee, I want to call attention at this time to the legislative situation in which we find ourselves, speaking from the viewpoint of an ordinary Member. Probably we never will come to the time of adjournment or to a time when there is much talk about adjourning, when we find on the calendar more important legislation in which the different Members of the House and the country are interested. And, speaking not as a partisan but as a Member, I think that we have failed to pass much beneficial legislation which this distressed country has a right to expect us to enact into law.

I sincerely hope, in view of these circumstances, that the leaders of the House will not undertake to adjourn this Congress until several of these important legislative matters are enacted into law. I am glad to know that Members on the Republican side of the House entertain the same idea as was expressed this afternoon by the gentleman from Illinois [Mr. DENISON.] One of these important legislative measures in which I am interested in is the Couzens resolution. I hope we can see that become a law before this Congress adjourns. I think it is important to the country at this time. I am also interested in seeing the employment bills pass and become law. This Congress should do something to help this situation. Then, of course, we are interested in the veterans' relief bill for this is vital to our disabled for whom it is intended, and finally I am very much interested in one piece of legislation which has already passed both the House and Senate. We find ourselves to-day it seems to me in a very embarrassing situation—certainly in a situation that is not good for this legislation. I refer to the governmental project of Muscle Shoals. I am one of the members who is seriously disturbed over finding ourselves in the situation we are in regarding Muscle Shoals. I don't speak as a partisan, because I think it is a matter in which both sides are interested. I appeal to the leaders of this House and the leaders of the administration that they help work out a compromise and get the matter settled at Muscle Shoals, which will insure the protection of the people in regard to power and will insure the manufacture of fertilizers as has been determined in the original purpose for the construction of Muscle Shoals. You may talk of farm relief, but the manufacture of fertilizer here for the farmer will mean real relief.

I am informed that the Senate is willing to compromise on this measure and let us have all of the fertilizer that we are looking for providing we will promise to let the Government control the power, and we can use every kilowatt of it for the manufacture of fertilizer if it is necessary.

I sincerely hope that there may be a compromise, and I feel that it is unfortunate that the gentleman from Tennessee [Mr. REECE] should take the position that he is credited with taking.

I appeal to the leaders of the House that they bring about a compromise of the situation and that they give us what we are entitled to at Muscle Shoals. This is a great question and one the administration must face. We now stand on the threshold of accomplishment on the one hand and failure on the other. Which will be taken? May God help us to take the road to accomplishment in the interest of our people of all America.

Mr. Chairman, I intend to vote against any resolution of adjournment until we have enacted these measures into law.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. AYRES. Mr. Chairman, I yield two minutes to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER of Alabama. Mr. Chairman, I was very much interested in the statement of the gentleman from Tennessee [Mr. DAVIS], and I regret exceedingly that further time could not have been granted him. May I ask the gentleman from Tennessee whether he has heard any explanation offered why the two companies he mentioned were not made defendants to the suit?

Mr. DAVIS. No; I have not.

Mr. OLIVER of Alabama. In your study of this question, is it your thought that further enabling legislation might be helpful in the prosecution of a suit like this?

Mr. DAVIS. Just what does the gentleman have in mind?

Mr. OLIVER of Alabama. This, that under existing laws some important suits have been brought which resulted in unsatisfactory decisions. Recognizing that this House is opposed to permitting radio interests to form a trust, it occurred to me that we should remove all possible doubt of it by passing enabling legislation which would carry out the evident intent and purpose of Congress, which the gentleman from Tennessee has so well voiced.

Mr. DAVIS. There are in the radio law of 1927 several provisions intended to effect that end, most of which I think I had the honor to draw, and I have from time to time offered several other provisions which the House and the Senate did not see proper to accept. I think very salutary legislation could be enacted along that line.

Mr. WASON. Mr. Chairman, I yield one minute to the gentleman from California [Mr. CRAIL].

Mr. CRAIL. Mr. Chairman and my colleagues of the House, the constituency which I represent is vitally interested in that item of the bill which is now under consideration, which appropriates ten million and more dollars for the commencement of actual work on the construction of the Boulder Dam on the Colorado River. In fact, all of the great southwest section of the United States is greatly concerned that this item of the second deficiency appropriation bill shall not be disturbed.

I have listened to the debate this afternoon. The gentleman from Arizona [Mr. DOUGLAS] questions the engineering feasibility of the project. He throws suspicion on the validity of the contracts entered into by the Secretary of the Interior to sell power and water which will pay for the entire cost of construction, the carrying charges, and interest, repay the Government in less than 50 years, and in the meantime pay great fortunes every year to the States of Arizona and Nevada. He is sure that the Government, and particularly the State of California, are going to despoil the weak State of Arizona and rob it of its birthright. Woe, woe, woe.

I can assure you, my colleagues, that there is nothing that this Congress could do in regard to the Colorado River that would meet with the approval of the gentleman from Arizona. These matters were fully considered and argued at great length, when the bill authorizing the appropriation of hundreds of millions for the construction of the Boulder Dam and the all-American canal was before the House. These questions were decided at that time, so far as the Congress can decide them, and they were all decided and rightly decided against the contentions of the gentleman from Arizona. All there is before the House at this time in relation to this matter is the mere detail of carrying out the first step in the decision which was made by this Congress when the Boulder Dam bill was enacted into law. This Congress must keep the faith with the people of the Southwest and with the people of the Nation, for it is true that the people of the Nation are interested in this matter and have issued their fiat that the dam shall be built. Nothing can be gained by delay.

Hard times are more or less nation-wide at this time. The President and the Congress have said that public improvements should go ahead. I am not speaking solely for Boulder Dam in this respect. Public improvements should go ahead all over the country. In carrying on this program, millions will find work that otherwise would not, and because the Government is going ahead with its development projects confidence will be inspired in private institution and in municipality and in county and State for like activities. The result will be that inevitably better times will follow, and every man and every woman who is out of work and who wants a job will have one. This work should proceed at once.

Of course, this item in the bill for the Boulder Dam is going to carry, and carry by a large majority. I do not think there can be any question of that. I am not fearful of the result. I am not pleading for votes. I expect the Members of Congress to do their duty. I know that you are favorable to this project by a large majority. I believe that a motion to strike out this appropriation will be lost by more than 2 to 1. But I feel it is my duty to let you know that the great city of Los Angeles and all of the people of southern California are trusting in the good word of Congress that the work on the dam will proceed as soon as the Secretary of the Interior has entered into valid contracts for the sale of power and water that will repay to the Government all of the money which it shall advance toward this enterprise.

I have heard it argued that the people of Los Angeles are not interested in this project. My friends, the very existence of the city of Los Angeles depends upon the success of this enterprise. Southern California is naturally a semiarid, almost semidesert area. We have no running waters, no rivers with water in them the year around, no lakes—unless you call the artificially constructed reservoirs lakes. Southern California is the modern Garden of Eden. But her green lawns, her waving fields, her spreading trees, and orchards are made possible through water which is made available for irrigation by the ingenuity of man. Water is life in the great Southwest. If water is not available, our farms, our villages, and our cities would shrivel up and perish.

Southern California is growing in population at a great rate. We have already almost reached the limit of the waters which are available for our use. The time has now come when we must have water from the Colorado River. The question is whether we can hold out until those waters are provided. Your vote on this appropriation will largely determine that question.

Domestic use is the highest purpose to which water can be applied. The city of Los Angeles and the other 12 cities of the metropolitan water district of California want this water for no other purpose than domestic use. We are asking for water to drink, water to use in our kitchens, water to give to our children in the years to come.

I think I can safely say that 98 per cent of the people of Los Angeles are in favor of the Boulder Dam and are eagerly expecting the Congress to go ahead with the completion of the project.

It would serve no useful purpose for me to discuss the validity of these contracts which my friend from Arizona derides. The Attorney General of the United States has given his written opinion that they are valid and will protect the Government of the United States in the return of whatever moneys it expends in the construction of Boulder Dam. What better evidence of their validity does the Congress want than this? The Secretary of the Interior appeared before the Committee on Appropriations and urged that the appropriation be made, and stated that the legal aides in his department had passed on the validity of these contracts. He also stated to the committee that he had called in the best outside legal advice that he could obtain to pass on the validity of these contracts, and that from the opinions of the attorneys in his department and the opinion of the outside attorneys whose assistance he had obtained he was fully satisfied that the contracts were good, binding, and valid contracts, and were full protection to the Government.

I understand, of course, that no vote will be taken on this bill to-night. I thought, however, that we should not adjourn for the day without a statement from the representative of the city of Los Angeles reaffirming what you already know, that this project, the Boulder Dam on the Colorado River, is vital to the welfare, the growth, the happiness, and the prosperity of our fair city, aye, to its very life.

To-morrow, when the vote is taken, we confidently expect that you, my colleagues, the Representatives of the American people, will stand true to what you have already done, true to conviction and right, and will appropriate for the commencement of this enterprise the amount which the Secretary of the Interior has stated is necessary for that purpose. In advance, I extend to you the heartfelt thanks of a grateful and deserving people. [Applause.]

The CHAIRMAN. There being no further general debate, the Clerk will read the first paragraph of the bill.

The Clerk read as follows:

A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes, namely:

The CHAIRMAN. Under the order of the House the authority for this sitting in committee is exhausted, and the committee automatically rises.

Thereupon the committee rose; and the Speaker having resumed the chair, Mr. CHINDBLOM, Chairman of the Committee of the Whole House on the state of the Union, having had under consideration the bill (H. R. 12902) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes, reported that that committee had come to no resolution thereon.

LEAVE OF ABSENCE

Mr. CLARKE of New York (at the request of Mr. VESTAL) was granted leave of absence, indefinitely on account of illness.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 4017) entitled "An act to amend the act of May 29, 1928, pertaining to certain War Department contracts by repealing the expiration date of that act."

SENATE BILLS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 2801. An act authorizing and directing the Secretary of Agriculture to investigate all phases of taxation in relation to agriculture; to the Committee on Agriculture.

S. 3206. An act for the relief of Rebecca Green; to the Committee on Claims.

S. 4554. An act to amend the red light law of the District of Columbia; to the Committee on the District of Columbia.

S. J. Res. 86. Joint resolution creating a commission to make a study with respect to the adequacy of the supply of unskilled agricultural labor; to the Committee on Immigration and Naturalization.

S. J. Res. 177. Joint resolution to provide for the erection of a monument to William Howard Taft at Manila, P. I.; to the Committee on the Library.

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. 515. An act to extend the benefits of the employees' compensation act of September 7, 1916, to Jackson D. Wissman, a former employee of the Government Dairy Farm, Beltsville, Md.;

H. R. 593. An act for the relief of First Lieut. John R. Bailey;

H. R. 1029. An act for the relief of Arthur D. Story, assignee of Jacob Story, and Harris H. Gilman, receiver for the Murray & Thregurtha plant of the National Motors Corporation;

H. R. 1306. An act for the relief of Charles W. Byers;

H. R. 1312. An act for the relief of J. W. Zornes;

H. R. 1481. An act for the relief of James C. Fritzen;

H. R. 1494. An act for the relief of Maj. O. S. McCleary, United States Army, retired;

H. R. 2876. An act for the relief of J. C. Peixotto;

H. R. 7205. An act for the relief of Lamirah F. Thomas;

H. R. 7822. An act amending section 2 and repealing section 3 of the act approved February 24, 1925 (43 Stat. 964, ch. 301), entitled "An act to authorize the appointment of commissioners by the Court of Claims and to prescribe their powers and compensation," and for other purposes;

H. R. 7924. An act for the erection of tablets or markers and the commemoration of Camp Blount and the Old Stone Bridge, Lincoln County, Tenn.;

H. R. 8127. An act for the relief of J. W. Nelson;

H. R. 8836. An act for the relief of French Co. of Marine and Commerce;

H. R. 8881. An act to carry out the recommendation of the President in connection with the late-claims agreement entered into pursuant to the settlement of war claims act of 1928;

H. R. 8958. An act for the relief of certain employees of the Alaska Railroad;

H. R. 10416. An act to provide better facilities for the enforcement of the customs and immigration laws;

H. R. 10668. An act to authorize issuance of certificates of repatriation to certain veterans of the World War;

H. R. 11432. An act to amend the act entitled "An act to provide for the enlarging of the Capitol Grounds," approved March 4, 1929, relating to the condemnation of land;

H. R. 11700. An act to extend the times for commencing and completing the construction of a bridge across the Mahoning River at or near Cedar Street, Youngstown, Ohio;

H. R. 11784. An act to provide for the addition of certain lands to the Rocky Mountain National Park, in the State of Colorado;

H. R. 11786. An act to legalize a bridge across the Arkansas River at the town of Ozark, Franklin County, Ark.;

H. R. 11934. An act authorizing the Monongahela Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Monongahela River at or near the town of Star City, W. Va.;

H. R. 11966. An act to extend the times for commencing and completing the construction of a bridge across Lake Sabin at or near Port Arthur, Tex.;

H. R. 11974. An act granting the consent of Congress to the Beaufort County Lumber Co. to construct, maintain, and operate a railroad bridge across the Lumber River at or near Fair Bluff, Columbus County, N. C.;

H. R. 12447. An act to extend hospital facilities to certain retired officers and employees of the Lighthouse Service and to improve the efficiency of the Lighthouse Service;

H. J. Res. 280. A joint resolution to authorize participation by the United States in the Interparliamentary Union;

H. J. Res. 300. Joint resolution to permit the Pennsylvania Gift Fountain Association to erect a fountain in the District of Columbia; and

H. J. Res. 353. Joint resolution 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.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2414. An act authorizing the Government of the United States to participate in the International Hygiene Exhibition at Dresden, Germany, from May 6, 1930, to October 1, 1930, inclusive;

S. 2834. An act to establish a hydrographic office at Honolulu, Territory of Hawaii;

S. 3258. An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes;

S. 3341. An act providing for the acquirement of additional lands for the naval air station at Seattle, Wash.;

S. 3619. An act to reorganize the Federal Power Commission;

S. 4518. An act granting the consent of Congress to the Texarkana & Fort Smith Railway Co. to reconstruct, maintain, and operate a railroad bridge across Little River in the State of Arkansas at or near Morris Ferry;

S. 4606. An act granting the consent of Congress to the State of Georgia and the counties of Wilkinson, Washington, and Johnson to construct, maintain, and operate a free highway bridge across the Oconee River at or near Balls Ferry, Ga.; and

S. 4722. An act creating the Great Lakes Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the St. Clair River at or near Port Huron, Mich.

BILLS PRESENTED TO THE PRESIDENT

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President for his approval bills and joint resolutions of the House of the following titles:

H. R. 515. An act to extend the benefits of the employees' compensation act of September 7, 1916, to Jackson D. Wissman, a former employee of the Government dairy farm, Beltsville, Md.;

H. R. 593. An act for the relief of First Lieut. John R. Bailey;

H. R. 1306. An act for the relief of Charles W. Byers;

H. R. 1312. An act for the relief of J. W. Zornes;

H. R. 1029. An act for the relief of Arthur D. Story, assignee of Jacob Story, and Harris H. Gilman, receiver for the Murray & Thregurtha plant of the National Motors Corporation;

H. R. 1481. An act for the relief of James C. Fritzen;

H. R. 1494. An act for the relief of Maj. O. S. McCleary, United States Army, retired;

H. R. 2876. An act for the relief of J. C. Peixotto;

H. R. 7205. An act for the relief of Lamirah F. Thomas;

H. R. 7822. An act amending section 2 and repealing section 3 of the act approved February 24, 1925 (43 Stat., p. 964, ch. 301), entitled "An act to authorize the appointment of commissioners by the Court of Claims and to prescribe their powers and compensation, and for other purposes";

H. R. 7924. An act for the erection of tablets or markers and the commemoration of Camp Blount and the Old Stone Bridge, Lincoln County, Tenn.;

H. R. 8127. An act for the relief of J. W. Nelson;

H. R. 8836. An act for the relief of French Co. of Marine & Commerce;

H. R. 8881. An act to carry out the recommendation of the President in connection with the late-claims agreement entered into pursuant to the settlement of war claims act of 1928;

H. R. 8958. An act for the relief of certain employees of the Alaska Railroad;

H. R. 10668. An act to authorize issuance of certificates of repatriation to certain veterans of the World War;

H. R. 10416. An act to provide better facilities for the enforcement of the customs and immigration laws;

H. R. 11974. An act granting the consent of Congress to the Beaufort County Lumber Co. to construct, maintain, and operate a railroad bridge across the Lumber River at or near Fair Bluff, Columbus County, N. C.;

H. R. 11432. An act to amend the act entitled "An act to provide for the enlarging of the Capitol Grounds," approved March 4, 1929, relating to the condemnation of land;

H. R. 11700. An act to extend the times for commencing and completing the construction of a bridge across the Mahoning River at or near Cedar Street, Youngstown, Ohio;

H. R. 11784. An act to provide for the addition of certain lands to the Rocky Mountain National Park, in the State of Colorado;

H. R. 11786. An act to legalize a bridge across the Arkansas River at the town of Ozark, Franklin County, Ark.;

H. R. 11934. An act authorizing the Monongahela Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Monongahela River at or near the town of Star City, W. Va.;

H. R. 11966. An act to extend the times for commencing and completing the construction of a bridge across Lake Sabine at or near Port Arthur, Tex.;

H. R. 12447. An act to extend hospital facilities to certain retired officers and employees of the Lighthouse Service and to improve the efficiency of the Lighthouse Service;

H. J. Res. 280. Joint resolution to authorize participation by the United States in the Interparliamentary Union;

H. J. Res. 300. Joint resolution to permit the Pennsylvania Gift Fountain Association to erect a fountain in the District of Columbia; and

H. J. Res. 353. Joint resolution 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.

ADJOURNMENT

Mr. WASON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 7 minutes p. m.) the House adjourned, under the previous order, until to-morrow, Friday, June 20, 1930, at 11 o'clock a. m.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Friday, June 20, 1930, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

For the modification of battleships (H. R. 12964 and 12965).

EXECUTIVE COMMUNICATIONS, ETC.

556. Under clause 2 of Rule XXIV a letter from the Comptroller General of the United States, transmitting supplemental report relative to the claim of Mrs. Amy Harding for personal injury damages, was taken from the Speaker's table and referred to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WASON: Joint Committee on the Disposition of Useless Executive Papers. A supplemental report on the disposition of useless papers in the Interior Department (Rept. No. 1380, pt. 2). Ordered to be printed.

Mr. GRAHAM: Committee on the Judiciary. S. 3059. An act to provide for the advance planning and regulated construction of certain public works, for the stabilization of industry, and for the prevention of unemployment during periods of business depression; with amendment (Rept. No. 1971). Referred to the Committee of the Whole House on the state of the Union.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H. R. 11193. A bill authorizing the Florence Bridge Co., its successors and assigns, to construct, maintain, and operate a toll bridge across the Missouri River at Florence, Nebr.; without amendment (Rept. No. 1976). Referred to the House Calendar.

Mr. LEA: Committee on Interstate and Foreign Commerce. H. R. 12844. A bill granting the consent of Congress to the State of Montana, the counties of Roosevelt, Richland, and McCone, or any of them, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Poplar, Mont.; with amendment (Rept. No. 1977). Referred to the House Calendar.

Mr. LEA: Committee on Interstate and Foreign Commerce. H. R. 12920. A bill granting the consent of Congress to the State of Montana and the counties of Roosevelt and Richland, or any of them, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Culbertson, Mont.; without amendment (Rept. No. 1978). Referred to the House Calendar.

Mr. DENISON: Committee on Interstate and Foreign Commerce. H. R. 12993. A bill granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Little Calumet River on One hundred and fifty-ninth Street in Cook County, State of Illinois; with amendment (Rept. No. 1979). Referred to the House Calendar.

Mr. BRITTEN: Committee on Naval Affairs. H. R. 1190. A bill to regulate the distribution and promotion of commissioned officers of the line of the Navy, and for other purposes; without amendment (Rept. No. 1980). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLTON: Committee on the Public Lands. H. R. 12697. A bill to authorize an exchange of lands between the United States and the State of Utah; without amendment (Rept. No. 1981). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CLARK of Maryland: Committee on Claims. H. R. 1768. A bill for the relief of Mary S. Neel; without amendment (Rept. No. 1972). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 10614. A bill for the relief of Georgia A. Muirhead; with amendment (Rept. No. 1973). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 12289. A bill for the relief of Capt. Christian Damson; with amendment (Rept. No. 1974). Referred to the Committee of the Whole House.

Mr. MERRITT: Committee on Interstate and Foreign Commerce. H. R. 12967. A bill granting certain land to the city of Dunkirk, Chautauqua County, N. Y., for street purposes; without amendment (Rept. No. 1975). Referred to the Committee of the Whole House.

Mr. McSWAIN: Committee on Military Affairs. H. R. 2796. A bill for the relief of Capt. Walter S. Bramble; without amendment (Rept. No. 1982). Referred to the Committee of the Whole House.

Mr. HALL of Indiana: Committee on the District of Columbia. H. R. 10936. A bill to incorporate the National Society, Army of the Philippines, as a body corporate and politic of the District of Columbia; without amendment (Rept. No. 1983). 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. PITTENGER: A bill (H. R. 13052) to amend section 7 of the act entitled "An act to enable any State to cooperate with any other State or States or with the United States for

the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable waters," approved March 1, 1911, as amended; to the Committee on Agriculture.

By Mr. LEAVITT: A bill (H. R. 13053) to authorize the Secretary of the Interior to accept donations to or in behalf of institutions conducted for the benefit of Indians; to the Committee on Indian Affairs.

By Mr. STONE: A bill (H. R. 13054) to provide equal apportionment among the several States, Territories, and District of Columbia by the United States Civil Service Commission, extending the apportionment to all departments in the District of Columbia and to all States or Territories; to the Committee on the Civil Service.

By Mr. SABATH: Resolution (H. Res. 261) to appoint a select committee to investigate short selling of stocks on stock exchanges; to the Committee on Rules.

By Mr. GARBER of Oklahoma: Resolution (H. Res. 262) to investigate the tariff bill of 1930; to the Committee on Ways and Means.

By Mr. TILSON: Resolution (H. Res. 263) to amend Rule XII of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

By Mr. O'CONNOR of Louisiana: Memorializing the Congress to effect passage of legislation placing the financial cooperation of the United States Public Health Service that all States may receive more adequate protection of the urban and rural population throughout the Nation; to the Committee on Interstate and Foreign Commerce.

By Mr. ASWELL: Memorializing the Congress to effect passage of legislation placing the financial cooperation of the United States Public Health Service that all States may receive more adequate protection of the urban and rural population throughout the Nation; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES: A bill (H. R. 13055) granting a pension to Oscar Cochran; to the Committee on Pensions.

By Mr. BLAND: A bill (H. R. 13056) granting a pension to Patrick Kilmartin; to the Committee on Pensions.

By Mr. CABLE: A bill (H. R. 13057) granting an increase of pension to Sarah E. Erisman; to the Committee on Invalid Pensions.

By Mr. CRADDOCK: A bill (H. R. 13058) granting a pension to Charlotte A. Mercer; to the Committee on Pensions.

By Mr. CRAIL: A bill (H. R. 13059) granting an increase of pension to Emery M. Gibson; to the Committee on Invalid Pensions.

By Mr. DENISON: A bill (H. R. 13060) granting an increase of pension to Lyddy J. Willis; to the Committee on Invalid Pensions.

By Mr. GARBER of Oklahoma: A bill (H. R. 13061) granting an increase of pension to Sarah A. Bickford; to the Committee on Invalid Pensions.

By Mr. HOGG: A bill (H. R. 13062) granting a pension to Ella I. Dewire; to the Committee on Pensions.

By Mr. JENKINS: A bill (H. R. 13063) granting an increase of pension to Julia Purnell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13064) for the relief of Wade Dean; to the Committee on Claims.

Also, a bill (H. R. 13065) granting a pension to James S. Casteel; to the Committee on Invalid Pensions.

By Mr. KIESS: A bill (H. R. 13066) granting an increase of pension to Willimina Rabuck; to the Committee on Invalid Pensions.

By Mr. MICHAELSON: A bill (H. R. 13067) for the relief of George W. McDonald; to the Committee on Military Affairs.

By Mr. NELSON of Wisconsin: A bill (H. R. 13068) granting an increase of pension to Ellen P. Wilkins; to the Committee on Invalid Pensions.

By Mr. ROWBOTTOM: A bill (H. R. 13069) granting an increase of pension to Frances M. Martin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13070) granting an increase of pension to Louisa Griffin; to the Committee on Invalid Pensions.

By Mr. SMITH of West Virginia: A bill (H. R. 13071) granting a pension to Maryland Adams; to the Committee on Pensions.

By Mr. VESTAL: A bill (H. R. 13072) granting an increase of pension to Margaret Viola Jackson; to the Committee on Invalid Pensions.

By Mr. WHITLEY: A bill (H. R. 13073) granting an increase of pension to Ellen Nix; to the Committee on Invalid Pensions.

By Mr. WURZBACH: A bill (H. R. 13074) granting an increase of pension to Truman T. Burr; to the Committee on Pensions.

PETITIONS, ETC.

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

7604. Petition against the official judicial conduct of Judge Bascom S. Deaver, United States judge for the middle district of Georgia, fifth judicial district; to the Committee on the Judiciary.

7605. By Mr. CANNON: Petition of Montgomery County Chapter, Daughters of the American Revolution, Montgomery City, Mo., indorsing establishment of a national park on the site of Fort Boonesborough, Ky.; to the Committee on the Public Lands.

7606. By Mr. FITZGERALD: Resolution by the Comte de Grasse Chapter, National Society Daughters of the American Revolution, at Yorktown, Va., urging the passage of House Joint Resolution 347, to provide for the erection of a suitable memorial to the memory of Comte de Grasse; to the Committee on the Library.

7607. By Mr. SWANSON: Petition of the Research Club, of Elliott, Iowa, favoring Federal supervision of motion pictures in interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

7608. By Mr. YATES: Petition of H. E. Edwards, commander Bell Post, American Legion, Chicago, Ill., urging Congress to pass legislation for the benefit of World War soldiers; to the Committee on World War Veterans' Legislation.

7609. Also, petition of Elizabeth Hodge, secretary Federal Employees' Union, Chicago, Ill., urging the passage of House bill 471; to the Committee on the Civil Service.

7610. Also, petition of M. J. Ballester, recording secretary Unity Lodge 4807, Washington Boulevard, Chicago, Ill., urging the immediate passage of the Couzens resolution; to the Committee on Interstate and Foreign Commerce.

7611. Also, petition of Carl Anderlin, secretary Boot and Shoe Workers' Union, 246 Summer Street, Boston, Mass., and six of its locals in Chicago, Ill., urging the immediate passage of House bill 471; to the Committee on the Civil Service.

7612. Also, petition of Robert Odenbach, recording secretary Federal Labor Union No. 15441, 2800 South California Avenue, requesting the consideration and passage of the Saturday half-holiday bill; to the Committee on the Civil Service.

7613. Also, petition of R. A. Omohundro, commander Clay Post, No. 14, American Legion, Flora, Ill., urging the passage of the Johnson bill; to the Committee on World War Veterans Legislation.

7614. Also, petition of James Rons, 5407 West Twenty-second Place, Cicero, Ill., secretary Public Schools Janitors' Local No. 11, urging the passage of House bill 471; to the Committee on the Civil Service.

7615. Also, petition of R. H. McDaniel, president Western Broker Division Commercial Telegraphers' Union, 209 West Jackson Boulevard, Chicago, Ill., urging the passage of the half-holiday bill; to the Committee on the Post Office and Post Roads.

7616. Also, petition of Edward Batz, secretary International Wood Carvers' Association, 5637 School Street, Chicago, Ill., urging the immediate passage of House bill 471; to the Committee on the Civil Service.

SENATE

FRIDAY, *June 20, 1930*

(*Legislative day of Wednesday, June 18, 1930*)

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

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

Mr. JONES. Mr. President, will the Senator from Ohio withhold the suggestion of the absence of a quorum for just a few moments?